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PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, FIRST SESSION

SENATE—*Saturday, June 30, 1973*

The Senate met at 9 a.m., and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, the giver of all grace, and the source of all wisdom, as in the past Thou hast given us strength to rise above all that is common to do uncommon things, so wilt Thou guide us this day to do that which is pleasing in Thy sight. Watch over us when we separate. Give journeying mercies to those who travel. In remembering the birth of the Nation grant to us and to all the people a fresh dedication to the principles of freedom and righteousness which has made and preserved us a nation. At length, bring us back to our tasks renewed in heart and mind for high service to our country and to the glory of Thy kingdom.

We pray in the name of our Lord and Master. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, June 29, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour for the conduct of morning business, with a time limitation of 5 minutes attached thereto——

Mr. LONG. Mr. President, reserving the right to object, has the Journal been approved?

Mr. MANSFIELD. Yes.

The ACTING PRESIDENT pro tempore. For how long was the morning hour?

Mr. MANSFIELD. Twenty minutes, with a 5-minute limitation.

Mr. LONG. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Texas desire to be recognized under the standing order?

Mr. TOWER. I do not desire to be recognized at this time, Mr. President, thank you.

Mr. LONG. Mr. President——

The ACTING PRESIDENT pro tempore. The Chair has no communications from the President, none from the heads of departments, no communications addressed to the Senate, nor any messages from the House of Representatives on the table.

The Chair would now call for reports from committees.

There are no reports from committees.

The Chair would call for the introduction of bills and joint resolutions.

Mr. TOWER. Mr. President, would the Senator from Montana (Mr. MANSFIELD) be good enough to give us some idea about what is likely to happen——

Mr. LONG. Mr. President, that is not debatable.

Mr. TOWER. I withdraw that.

The ACTING PRESIDENT pro tempore. The Chair would call for the introduction of bills and joint resolutions.

If there are no bills or joint resolutions, the Chair would call for concurrent and other resolutions. If not——

Mr. ROBERT C. BYRD. Mr. President, I have a resolution to submit.

The ACTING PRESIDENT pro tempore. The resolution from the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) will be received and appropriately referred.

(The statement accompanying the resolution (S. Res. 136) is printed under Submission of a Resolution.)

Are there any others bills? Concurrent resolutions? Any resolutions coming over from the previous day? Morning business?

Mr. LONG. Mr. President——

The ACTING PRESIDENT pro tempore. Regular morning business is closed.

EXTENSION OF RENEGOTIATION ACT

The ACTING PRESIDENT pro tempore. The Senator from Louisiana (Mr. LONG) is recognized.

Mr. LONG. Mr. President, I move that the Senate proceed to the consideration of H.R. 7445.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

H.R. 7445, to amend the Renegotiation Act of 1951 to extend the act for 2 years.

Mr. HARTKE. Mr. President——

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Louisiana to consider H.R. 7445. That motion is not debatable.

The motion was agreed to, and the Senate proceeded to consider the bill.

The Senator from Indiana (Mr. HARTKE) is recognized.

Mr. HARTKE. Mr. President, my understanding is that we intend to proceed today in the fashion in which we proceeded yesterday which, very simply, is to go ahead and capitulate to the President 2 days in a row at a time when capitulation is not the desire of the country, at a time when the country is interested in seeing that Congress attempts to reassert its constitutional prerogatives and its historical and traditional right of balance of powers.

I had a discussion with the majority leader last night. We did adjourn after some discussion. I suppose that if I followed my own rationale, I would proceed to go ahead and do what I did last night. I suppose I would go ahead and try to bring to the attention of the Nation that what we are doing here is certainly not in the best interests of Congress and not in the best interests of our country.

I am not a person who is unwilling to compromise, but the proposal of the Senator from Louisiana, chairman of the Committee on Finance, seeks to bring forward the social security amendments and attach them to the renegotiation bill.

Our compromise, compared with the amendment of the Senator from Indiana, calls for a limitation of $3,000 for a social security recipient. The fact of the matter is that that in and of itself is a contribution over the amount which I have indicated I would prefer, and with no retirement earning ceiling whatsoever for social security beneficiaries.

I am not sure what is going to happen ultimately, and I suppose no one else is. But I am certain that at this time it is going to be rather difficult for one person to stand all day and keep the Senate in session. I do know that

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the majority leader has taken a stand which I think is outstanding in the field of opposing the killing of people in Southeast Asia. I admire him for it and congratulate him for it. Yet he has told me this morning that it appears that the will of the majority of the House of Representatives and the will of the majority of the Senate is otherwise.

I am not too sure that it is the will of the majority of both Houses. But that is for each individual Member to decide on his own.

So I am going to take a little time. Then the Senator from Louisiana can be prepared to move forward, with his usual dispatch, and accomplish his end result—to go home for the Fourth of July, to a happy weekend.

Mr. President, I think all of us have seen accounts and pictures of the devastation which has been done by our bombing in Southeast Asia. I recall seeing a figure of something like 3,000 lives lost each week.

Last night I heard the distinguished and valued Senator, my good friend from Rhode Island (Mr. PASTORE), speak of "compassion." My good friend from Rhode Island was asking me to remember, with compassion, the lateness of the hour, and the health and comfort of my colleagues in this Chamber.

Another valued associate on the other side of the aisle used the word "suffering" in speaking of the length of the hour and the tasks before us.

And, of course, the Senator from Connecticut, my esteemed and compassionate colleague, Senator RIBICOFF, quite rightly reminded us all of the plight of the "poor, the blind, and the infirm."

In all sincerity, gentlemen, I offer you: compassion, an attention to suffering, and a kind heart toward the poor, the halt, and the infirm. In 6 weeks, at 3,000 lives a week, I offer Senators an opportunity to literally rescue, literally save, the lives of some 20,000 human beings.

Some have rightly remarked that they are held hostage in this conflict over the executive and the legislative power. In any case, their right to survive rests with us in this Chamber. I rather think that they live as our Republic once did, in a world of international disorder, in a world without the rule of law, and hence are held subject to a foreign power—ruled, if you please, at the whim of this body and ruled without representation.

What right do we have to take their lives? One might say it is not we but the President who is responsible for their lives. I say that what we permit and could stop, we are responsible for.

The Senator from Rhode Island asked last night "exactly what" did I propose. I propose that we put it to the President of the United States that there can be no accommodation. Compromise is a wonderful and a powerful weapon for good in a free land, as my esteemed fellow Democrat, the Senator from Minnesota (Mr. HUMPHREY), said so eloquently yesterday. Compromise proceeds, though, from a right to give away what one has. We do not have the lives of the Cambodians to give. There can be no capitulation on that.

It is ironic that we moved to compromise last night at the very moment that the President sensed that we in Congress meant business. Why did a President who has shown virtual contempt for this body move with such alacrity?

There is no "victory" for GEORGE MCGOVERN or Wayne Morse or FRANK CHURCH or Eugene McCarthy, and no satisfaction for me and all the rest of us who opposed the war in Southeast Asia since 1963. I say there is no "victory" at all in 6 weeks or more of bombing and the loss of thousands of lives. How can we use that word "victory" when we have suffered so much in the misuse of it?

I say to the Members of this body that I am sorry for whatever discomfort and inconvenience I caused last night, and I sincerely mean that. All through the many flattering comments last night to the distinguished chairmen of the committees and to the leadership, I thought to myself how valued each of these individuals is as my friend and as a working partner. But, my true friends, each of us has a duty to perform. It is not our duty to be here, nor my duty to be here, to save my comfort and convenience or the comfort and convenience of other Senators. If no one else will use the good instruments of this wonderful American system, I thought last night, I would try.

You who decry the President's encroachments upon the rights of this body; would you, as you seemed to last night, begrudge me my right in this Chamber from your encroachment?

The right to talk is the heritage of this institution. I know that every Member of this body will agree with that. If I declare that I speak for those who cannot speak but who will die with the vote in this body, I think it is fair that Senators bear with me.

I dare hope that you join me in asserting the prerogatives that have been too long supine in this Chamber. If not, I can return to the intricacies of social security, as I did last night; to the ramifications of the shutdown of our eastern railway system; and perhaps I might quote at length from the English and Greek theater.

Dostoevski, in "Brothers Karamazov," wrote:

> Would you, by killing one small baby, bring justice to the whole world if you could?

The answer was, "No."

So, too, I think the American people will not accept their paychecks, their benefits, their Government payouts at the price of 18,000 helpless souls in Southeast Asia. I had hoped that we would have given the millions of our fellow Americans time to address this issue, and if we had, the President would have seen an uprising.

I did not suppose, as I was accused last night, that I placed myself and my insight against that of the collective insight of this august body or of any individual in this body. But I do remind Senators that I have served here a decade and a half—less than some, longer than many—and I intend to exercise the rights of the office I am privileged to hold, to exercise them not for any gain to me but for a purpose for which those rights were granted by the Constitution.

There will be many cries of outrage: Think of the assaults on the collective wisdom of the body. Think of the Government employees who will not be paid. Think of the veterans uncared for. I remind all the people in this body, when they take their next paycheck, to look at the spots of blood they have helped put on it. Each and every American will now have to look at that blood.

Before we wax too rhetorical in all this, what are the facts? If we do business as usual until July 11, nothing much will happen. After all, most Federal employees are going to be enjoying a holiday between now and then, anyway—an extended Fourth of July holiday. If it could actually be shown that I am threatening a shutdown of the Government, to put it in the extreme: that we cannot eat and we cannot bomb, I say, let the President make that choice. We eat, or he bombs. There really is only one choice he has under such circumstances, and that is not the bombing of thousands of individual human beings far removed from our shores.

For one small moment of very temporary discomfort on the part of the many, and the discomfort of those in this body, we may save the very lives of the few who have no vote of their own. That seems to me to be, rather, un-American. It is for others now to decide. What this Chamber does and continues to do today is to insist on bombing. I do not know of a way to stop it. I remind the Senators that when I asked the minority leader last night whether the President had agreed to stop the bombing on August 15—the question was asked three times—it was never answered in the affirmative.

So I say to my distinguished chairman, my beloved friend, the Senator from Louisiana, we can proceed and we will do the best we can.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8410.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. LONG. I move that the Senate insist upon its amendment and agree to the request of the House for a further conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

EXTENSION OF RENEGOTIATION ACT

The Senate continued with the consideration of H.R. 7445, to amend the Renegotiation Act of 1951 to extend the act for 2 years.

Mr. LONG. Mr. President, in absence of legislation, the Renegotiation Act of 1951 would expire at the end of this week—June 30, 1973. The bill before us today, H.R. 7445, extends the Renegotiation Act for an additional 2 years, or until June 30, 1975. The Finance Committee agreed with the House to extend the act at this time without any other amendment.

Let me give a brief summary of the renegotiation process before discussing the need for a continuation of the Renegotiation Act, as well as reviewing the committee's decision not to amend the act at this time.

Mr. President, the renegotiation process is designed to eliminate excessive profits from Government contracts and subcontracts in national defense and space-related programs. The Renegotiation Board is empowered to require the repayment to the Government of profits on renegotiable contracts and subcontracts that are found to be excessive in a given year in accordance with a series of statutory factors. Government contractors and subcontractors with total renegotiable sales in excess of the $1 million statutory minimum for a fiscal year must file a report with the Board. "Renegotiable" sales are those with the following Government departments or agencies: The Departments of Defense, Army, Navy, and Air Force, the Maritime Administration, the Federal Maritime Board, the General Services Administration, the National Aeronautics and Space Administration, Federal Aviation Administration, and the Atomic Energy Commission.

Various types of contracts and subcontracts are exempt from renegotiation, some on a mandatory basis such as those for standard commercial articles and those with State and local governments. In other cases, the Board has discretion to exempt certain contracts and subcontracts such as those outside the United States and where profits can be determined with reasonable certainty when the contract price is established.

Mr. President, the Finance Committee had three general reasons for extending the Renegotiation Act again.

First, the complex nature of modern military and space-related procurement often means that there is a lack of established market costs or prices. As a result, the bulk of procurement in these cases is provided by negotiated contracts—in other words, contracts that are not formally advertised. Renegotiation has been considered desirable in these cases because we cannot be sure when the price is set whether or not these negotiated prices will lead to excessive profits.

Second, defense-related procurement is expected to remain high relative to pre-Vietnam levels for some time. For example, military procurement rose from $28 billion in fiscal 1965 to a peak of $44.9 billion in fiscal 1967, before dropping slightly in 1968 and 1969, and declining again in 1970 and 1971 to a recent low of $34.5 billion in fiscal 1971. In fiscal 1972, however, military procurement increased once again—to $38.3 billion.

Third, there is the usual timelag between the time a contract is awarded and the time renegotiation filings are made with the Renegotiation Board and screened for possible excessive profits. This means that military contracts awarded in recent years attributable to the Southeast Asia conflict will continue to be reported to, and reviewed by, the Renegotiation Board during the next 2 years.

Mr. President, the Finance Committee agreed with the House that in view of the continued level of our defense-related effort and the nature of much of the military and space-related procurement, the Renegotiation Act should be extended again. Partly because the nature of the renegotiation process is such that it relies heavily on judgmental factors in its determination, the committee concluded that the act should only be extended for a 2-year period at this time—to June 30, 1975.

The Finance Committee agrees with the House that there is a need for a study to be conducted on the aspects of the renegotiation process and the operations of the Renegotiation Board before any further substantive amendments are considered by the Congress. The Finance Committee expects this 2-year extension of the Renegotiation Act to be used for an overall review of the renegotiation process.

Although several congressionally sponsored reports have recently been made containing recommendations with respect to the operations of the Renegotiation Board, there is not sufficient time for the committee to review and analyze these recommendations prior to the June 30 expiration date of the act. Therefore, the Finance Committee joins with the House in asking the staffs of the Joint Committee on Internal Revenue Taxation and the Renegotiation Board to conduct a study of the renegotiation process and report to the Congress in time for congressional review prior to the expiration date of the act as extended by H.R. 7445—June 30, 1975.

Finally, Mr. President, it is expected that within the next 2 years the backlog of cases resulting from the military procurement buildings for the Southeast Asia conflict will be largely eliminated. As a result, at the end of the 2 years, the Board and Congress will be in a better position to determine the character and extent of the future need and role for renegotiation.

I urge that the bill be approved.

Mr. President, on behalf of myself and the Senator from Connecticut (Mr. RIBICOFF), I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The amendment reads as follows:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after March 1974 and prior to January 1975, and, in the case of lump-sum death payments, under such title, only with respect to deaths which occur after March 1974 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based in the increase in the Consumer Price Index described in subsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a)(2) of such Act, as in effect after March 1974) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

(e) Notwithstanding any other provision of law, no increase in monthly benefits authorized under this section shall be taken into account for any benefits payable under title 38, United States Code.

SEC. 202. (a) Paragraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$200".

(b) The first sentence of paragraph (3)

of section 203(f) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

SEC. 203. (a)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Section 211(b)(1)(II) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(3) Sections 213(a)(2)(ii) and 213(a)(2)(iii) of such Act are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(4) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(b)(1) Section 1402(h)(1)(II) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Effective with respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "$12,600".

(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(4) Effective with respect to remuneration paid after 1973, section 3125 of such Code is amended by striking out the dollar amount each place it appears in subsection (a), (b), and (c) and inserting in lieu thereof "$12,600".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,600".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(7) Effective with respect to taxable years beginning after 1973, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(c) Section 230(c) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92-336 are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(e) The amendments made by this section, except subsection (a)(4), shall apply only with respect to remuneration paid after, and taxable years beginning after, 1973. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1973.

(f) Effective April 1, 1974, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions in the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

SUPPLEMENTARY SECURITY INCOME BENEFITS FOR ESSENTIAL PERSON

SEC. 211. (a)(1) In determining (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified in subsection (a)(1)(A) and (2)(A), and subsection (b)(1) and (2), of section 1611 of such Act, shall each be increased by $840 for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973.

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, and prior to January 1, 1975, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974 and ending with the close of December 1974 (or, if later, the close of the month the State, as its option, may specify in the agreement or in a subsequent modification of the agreement), or, if earlier, whichever of the following first occurs:

(C) the month in which such indiivdual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A), (2), or (3), 1611(f), or 1615(c) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's

home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income benefit payment to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a benefit described in clause (i)).

(D) If the amount determined under subparagraph (B)(i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, for

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B)(i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B)(i)) would have been so reduced.

(b)(1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the name of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a)(3)(B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c)(1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b)(6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI of such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2)(A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2)(A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a)(1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference, as among applicants whose qualifications are reasonably equal (subject to any preferences conferred by law or regulation on individuals who have been Federal employees and have been displaced from such employment), to applicants for employment who are or were employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act and are or were involuntarily displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

PART C—SOCIAL SERVICES

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 220. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to January 1, 1974, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in sections 3(a)(4)(A), 402(a)(19)(G), 403(a)(3)(A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a)(3)(A), or 1603(a)(4)(A), of the Social Security Act.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitation on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may

become effective upon the date of its publication in the Federal Register.

SEC. 221. Section 1130(a)(2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a)(3)"; and

(2) by striking out "under State plans approved under titles I, X, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

PART D—PROVISIONS RELATING TO MEDICAID

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 230. In the case of any State plan (approved under title XIX of the Social Security Act) which for December 1973 provided medical assistance to persons described in section 1905(a)(vi) of such Act, there is hereby imposed the requirement (and such State plan shall be deemed to require) that medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan) for each month (after December 1973) that—

(1) the individual (referred to in the last sentence of section 1905(a) of such Act) with whom such person is living continues to meet the criteria (as in effect for December 1973) for aid or assistance under a State plan (referred to in such sentence), and

(2) such person continues to have the relationship with such individual described in such sentence and meets the other criteria (referred to in such sentence) with respect to a State plan (so referred to) as such plan was in effect for December 1973.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 231. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for all (or any part of) the month of December 1973—

(1) was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2)(A) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or VI of such Act, or

(B) was, on the basis of his need for care in such institution, considered to be eligible for aid or assistance under a State plan (referred to in subparagraph (A)) for purposes of determining his eligibility for medical assistance under a State plan approved under title XIX of such Act (whether or not such individual actually received aid or assistance under a State plan referred to in subparagraph (A)).

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 232. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973). Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 233. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 234. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

PART E—PROVISIONS RELATING TO MATERNAL AND CHILD HEALTH

GRANTS TO STATES FOR MATERNAL AND CHILD HEALTH

SEC. 240. (a)(1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a) (1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under sections 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under sections 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under sections 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commences after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previously receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b)(1)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c)(1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted),

is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act, then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the

fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

PART F—PROVISIONS RELATING TO CHILD'S SOCIAL SECURITY INSURANCE BENEFITS

BENEFITS FOR ADOPTED CHILDREN

SEC. 250. (a) Section 202(d)(8)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof "or (III) if he is an individual referred to in either subparagraph (A) or subparagraph (B) and the child is the grandchild of such individual or his or her spouse, for the year immediately before the month in which such child files his or her application for child's insurance benefits, and".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

Mr. LONG. Mr. President, what I am proposing is what the conferees of the House and the Senate agreed to on H.R. 8410 in the areas of social security, supplemental security income, medicaid, social services, and maternal and child health. There is only one new provision, the lack of which played a major part in the House declining to agree to the conference action. This relates to protecting veterans from a pension loss.

I am cosponsoring this amendment with Senator RIBICOFF, whose initiative in this area deserves the highest praise. He was a strong supporter of these provisions in the conference and his help was a crucial factor in securing the acceptance by the House conferees of so many of the Senate provisions.

It would provide that veterans would not lose their pension rights or have their pensions reduced by virtue of the increase proposed by the Senate in the social security amendments to which it is attached. This is an oversight that we sought to correct down through the years. It is something that should be ironed out. I hope very much it can be resolved and the problem not created in the first place by adding this to the Senate bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ROBERT C. BYRD and Mr. HARTKE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I wish to ask the distinguished manager of the bill a question. Does his amendment include my amendment which he earlier accepted to the debt limit bill providing that a child whose parents are dead or disabled—and the child, having been adopted by its grandparents—would receive benefits?

Mr. LONG. It includes a modified version of the Senator's amendment. I have discussed this with the Senators. He is aware of the fact that one of the difficulties in achieving everything that was in the Byrd amendment was that in this area there had been some abuse in years gone by of which the House was very much aware.

The House is very much willing to accept the concept proposed by the Senator insofar as it applies to grandparents adopting the grandchildren and at the same time the House was careful to insist that this amendment would not open up the adoption area to abuse, as had been uncovered in years gone by.

I think what is agreed to is good insofar as it goes, and it protects us from the abuse some fear.

Mr. ROBERT C. BYRD. I can understand the reasoning back of the modifications made by the conference. I thank the distinguished manager of the bill for the support he gave this amendment in conference, but I wanted to be assured that the amendment is now included.

Mr. LONG. Yes.

Mr. HARTKE. Mr. President, may I have the attention of the chairman?

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. HARTKE. Mr. President, the social security amendments that are in here and the provision concerning the laws for disabled veterans deals only with the provisions of the adopted amendment. Is that correct?

Mr. LONG. Yes.

Mr. HARTKE. And they are not retroactive as far as they are concerned.

Mr. LONG. No, they solve the problem created by our amendment to H.R. 8410. We are not trying to solve with this amendment problems that existed prior to that. I believe the Senator reported a bill from the Veterans Committee in that area. I, along with other Senators, voted for it. I understand the difficulty on the House side in bringing agreement in that area. I am not an expert on that. The Senator knows better than I.

Mr. HARTKE. The situation is that it will be subject to a point of order on the House side if it is in the bill. I am 100 percent in favor of veterans receiving their full benefits and not to have them reduced as a result of an increase in social security benefits.

The way it works, veterans' benefits are based on total income and needs, and according to the disability of the individual, or whatever occasioned his pension. Therefore, any increase in income results in a corresponding reduction in the pension. What you have, in effect, without the amendment being provided is a nonveteran preference; that is, a nonveteran can receive an increase in social security. I want to have a veteran receive all those benefits and when he receives an increase in social security not to end with the same amount of money and no benefit to him personally.

Mr. LONG. My understanding is that the veteran does not have his benefits reduced on a dollar for dollar basis. Nevertheless, the problem exists that there is some reduction in a veteran's pension benefits when a veteran receives an increase in his social security check. I would like to see the problem solved. I have joined with the Senator many times in trying to solve the problem.

Mr. HARTKE. Yes.

Mr. LONG. Sometimes I have tried to prevail on the Senator to solve it through the Veterans' Committee and at other times through bills from the Committee on Finance. I frankly wish this one problem were in the jurisdiction of one committee so that it could be more easily dealt with than it is now.

But I can understand the fact that the issue of committee jurisdiction in the House exists to a much greater degree than in the Senate. We do not have any difficulty in the Senate trying to resolve this question. Our friends in the House have had much difficulty in reaching across committee lines to solve the problem.

Mr. HARTKE. I would like to ask the chairman a question and maybe he can ask the staff member to give him the costs involved in the veterans amendment to the social security provisions.

Mr. LONG. We are trying to avoid a cut in payments from what would take effect, because of an increase in social security benefits, and we estimate that the cut in veterans' benefits might be in the magnitude of perhaps $50 million. But that is just a guess; it may be less than $50 million.

Mr. HARTKE. I think that the Senator probably is correct. The amount is probably a little more than $50 million, but not substantially. The fact remains that this adds, again, to the budget deficit, which is the occasion why the Senator gave on the floor as the reason the shift was made from the debt limit bill to the renegotiation bill. This adds again to the budgetary problems of the Treasury.

Just to go back a little so everyone will understand, at least so the RECORD is clear, what is proposed here is to put into one amendment all those social security amendments and all those welfare amendments which were previously adopted by the Senate, and as agreed to in the conference report with the conferees of the House. Is that correct?

Mr. LONG. Yes. May I say to the Senator that I propose to put these amendments in a package which I think has as favorable chance as any to override a veto, if it occurs, and I think it is likely to happen no matter what bill these amendments are on when it goes to the White House. If a veto occurs and it cannot be overridden on this measure, it is my intention to continue acting on these items until we do prevail and enact them. But I do not think that we are going to have to try more times than

once. I think we can override a veto on this one.

I was dismayed to hear the less optimistic views of the Senator from Indiana, but I am a great deal more optimistic than that. I believe we can override a veto on this package. That is why I want the opportunity to lay it before the President and, assuming a veto—and I assume he will veto it—I would like the opportunity to stand here and ask the Senate to override. I think the Senate will. If the Senate does not, I propose to take the next bill that comes by and offer these matters item by item until every item in this measure becomes law. I doubt that that will become necessary.

I think the Senate has the capability of prevailing where there is a difference between the President and the Congress, and I would like a chance to try it.

Mr. HARTKE. It is not the intention of the chairman of the Finance Committee to drop any of these provisions from the debt limit bill?

Mr. LONG. It is up to the conference to decide whether we will try to retain all these provisions in the debt limit bill or not. We can see what the conference wants to do about it. It is my feeling that we would be well advised to proceed in the fashion I have suggested. I have no agreement with the House, not a single Member of the House of Representatives, that we proceed in the fashion I have just suggested.

I am frank to say that I think the majority of us on the conference would like to proceed that way, and the RECORD will so reflect, but that does not mean the House will agree. The House may insist on keeping the whole thing in one package. If that is true in the conference, they may prevail; but if we do what the Senator from Louisiana is suggesting, we would have more options available, and right now we need more options.

Mr. HARTKE. To summarize, then—and if I am incorrect I hope the chairman of the Finance Committee will correct me—the situation is that we have at the present time reported out of the conference committee a series of amendments which deal with social security.

These social security amendments deal primarily—the largest one deals—with the increase to 5.6 percent. The other one is an item which the Senator from Indiana introduced, which deals with the increase in how much any social security beneficiary can earn, which is in the amount of $200 a month, raising it from the present $2,100 a year to $2,400 a year.

In the conference committee, and in the proposal before the Senate at this time, is provision for financing these two provisions as they were originally adopted by the conference committee.

The proposal before us at the present time has an added item that provides a save-harmless clause dealing with veterans' benefits which, as I understand the amendment, would provide that no veteran would have his pension reduced as a result of the action taken in these social security and related amendments.

In addition to that, the bill makes no provision for the approximately $50 to $60 million additional cost occasioned as a result of the increased payments which will be occasioned by the save-harmless veterans clause.

In addition to that, the amendment contains a number of individual items dealing with welfare. The welfare items basically have the SSI—I do not remember what the initials stand for at the moment——

Mr. LONG. Supplemental security income.

Mr. HARTKE. Supplementary security income provisions. The total amount of those are in the neighborhood of $800 million.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. HARTKE. In just a minute. Correct me if I am wrong. The funding for that part of the amendment——

Mr. LONG. The Senator is approximately correct, except that the House has rejected those provisions on the debt limit bill.

Mr. HARTKE. The amount of the so-called welfare provisions are not financed under any increase and, therefore, they become a direct responsibility of the general fund and are an erosion of the general fund.

The information that the chairman of the Finance Committee has, I suppose from the minority side, is that the President has said he is opposed to these amendments and therefore would veto the debt limit bill.

As I understand it, the chairman of the Finance Committee says even though we will adopt those amendments here on the extension of the Renegotiation Act, and even though that Renegotiation Act, with these amendments, is sent to the House, if passed by both bodies, the President will veto that measure.

So what we are doing here on the floor of the Senate is that we are taking these provisions for benefits to social security recipients, with the save-harmless clause for the veterans, with the benefits for the aged, the infirm, and the blind, away from a bill which the President would have to sign if he wanted to continue the debt limit beyond midnight, remove it from that area in which the President is under some type of compulsion to deal with the issue, and put it over into the Renegotiation Act, which of itself is not of the same priority and preference with the President.

Under those circumstances, the distinguished chairman of the Finance Committee indicates that the President is opposed to benefits for the elderly, the blind, and the infirm, and his argument is based on the fact that it costs too much and involves too much difficulty.

I do not need to tell the Senator that if the Cambodian measure, which is contained in the original conference report, is retained, the savings occasioned by the stopping of the bombing would pay for all of these costs in the neighborhood of about 10 times.

I think it is well to point out that they are putting the destruction of the lives in Cambodia before assistance to the aged, the blind, and the infirm in America.

I will say that if I have made a misstatement of the facts here, I hope the chairman of the Finance Committee will correct me.

Mr. BENNETT. Mr. President, may I say to the distinguished Senator that at the very beginning we had a situation in which the bill reported out of conference contained these conditions. Actually the House tore everything out, and the House bill which we are now going to conference on contains only the original language of the House bill. We are going back to conference and the House is presenting a bill with its original language, and the Senate bill contains the language we passed the other night.

It is a technical difficulty, but I thought I should state it.

Mr. HARTKE. The House will get the conference amendment as presented by the House leaders and the Ways and Means Committee.

Mr. BENNETT. The Senator is correct, and the Senate in the conference backed the original language.

Mr. HARTKE. Yes. What happened is that in substance we have a situation where a new conference has been requested by the House of Representatives on the basis that they did not accept the conference report. That is what happened.

We are now where we were when we started with the first conference. And what is intended to be done here is to take action which would make it possible for the Senate conferees to eliminate those provisions which deal with the social security and with the welfare provisions.

The sweetener is to come back with the save-harmless clause for the veterans. I make no apologies for my support for the veterans. I am proud of them. I want to help them.

I point out that this could have been done last June when we had the social security increase. And I did urge the Senate then to do it at that time. This amendment does not correct that deficiency.

Many veterans as of January 1 of this year and for the first 6 months of this year have actually had a nonveterans preference. I mean by that that the veteran has had an increase in social security and a decrease in pension. And in the event of about 20,000 of them who had their income go over the income limitation, they were dropped from the rolls, and they actually lost money and have for the last 6 months.

That is not being corrected by this amendment. All that the veterans' amendment would do in this bill is to save harmless the provisions of the social security increases and welfare increases which are going to begin in April of next year. So we are not giving them really anything now. We are not giving the agent anything now. All we are doing is providing for an acceleration of the benefits from 1975 back to 1974, on April 1.

Mr. President, for the RECORD I would like to say that the Senate passed a bill which I introduced last year, S. 4006, which would have protected the veterans.

The House of Representatives failed to act. We are prepared to move forward on this again. Hopefully the House of Representatives at this time would recognize that the veterans are being mistreated in that regard.

Mr. President, I want to point out one other thing. The checkoff provision is still intended to be retained, and the political checkoff is intended to be retained in the debt limit bill, as I understand it. And the unemployment compensation extension of 13 weeks for approximately five States, according to the best information I have at the present time, is to be retained. This also presents an additional erosion when the total budgetary figures come out of the unemployment compensation fund, in the neighborhood of $200 million.

Mr. BENNETT. $224 million.

Mr. HARTKE. The Senator is correct. I think that there is no question that the action to provide the benefits for the aged have to be interpreted by some foreign interpreter. Maybe we can have Mr. Brezhnev's interpreter act on behalf of the old people. He might be able to explain to their satisfaction that we took their benefits, which had been passed by the Senate and were in the bill, away from them again.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana (putting the question).

The amendment was agreed to.

Mr. McGOVERN. Mr. President, on behalf of myself and the distinguished majority leader, the Senator from Montana (Mr. MANSFIELD), and Senators DOLE, NELSON, CRANSTON, McGEE, CURTIS, ABOUREZK, McCLELLAN, TALMADGE, HART, BENTSEN, and ALLEN, I call up my amendment to the pending bill.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

At the end thereof add the following new section: the Economic Stabilization Act of 1970 is amended by inserting after Section 203 the following new section: § 203A Agricultural Commodities.

"The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) for any agricultural commodity (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the commodity will be reduced to unacceptably low levels as a result of the freeze and that alternative means for increasing the supply are not available."

Mr. McGOVERN. Mr. President, I ask unanimous consent that the names of the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Kentucky (Mr. HUDDLESTON) be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, this amendment would require an adjustment in the price for any agricultural commodity where the Secretary of Agriculture determines that the current price freeze will produce a shortage of that commodity and there is no alternative means for increasing the supply.

Mr. President, if things remain as they are, consumers may soon find it difficult to buy certain agricultural products such as eggs, chicken or milk. This is because the costs of producing these products, particularly feed stuffs, has gone up even faster than the cost of living. The result of the price freeze is that the farmer cannot get from the middleman or retailer a sufficient price to cover his costs.

Consumers understand this problem. Many of them have written to me expressing their concern. I ask unanimous consent that a copy of a typical letter I received be printed at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. McGOVERN. Recently we have seen on television 100,000 baby chicks being destroyed because, high prices of feedstuffs made it unprofitable for the producer to get the chickens ready for market. The same thing will happen to pigs and lambs. And dairy farmers will sell off herds if milk production continues to mean losses. Likewise the cattle rancher will not put yearling steers and heifers on the feedlot if he knows his costs will exceed sales price.

And in the end it is the consumer who will pay the most for these shortages unless we act promptly now. The pattern reported in the press for broiler chickens is already being repeated in eggs. For example, an egg producer in South Dakota told me this week that his cost of soybean meal has increased from 5 to 25 cents per dozen eggs in the past year. He will not continue producing eggs, even for a short time, if he is likely to lose money on every case of eggs he ships. And other products raised on high intensity feeds are not far behind.

So the Government must move promptly to insure that the consumer has food products to buy.

The amendment we are offering today offers the quickest and in the long run least expensive way to do this. It would require in emergency situations an adjustment in the maximum price for agricultural commodities whose supply is being reduced by the freeze. This would provide sufficient incentive to keep farmers producing products consumers need.

Of course, there are other methods, too.

The administration announced 2 days ago that it has prohibited further exports of soybeans and cottonseed and their products, in an effort to stem rising prices in domestic markets. Let us hope that these actions will retard the great increases in the prices of processed feeds which have occurred in recent weeks; however, it may be some days before we can know its effect.

Another method might be to determine immediately how phase IV can operate for food, and move rapidly to a special phase IV for food while working out the details for other sectors of the economy. The administration is working toward that goal, but it appears some time off.

Yet another method might be to institute an emergency supplemental payment from the Treasury to food producers who are forced to sell at less than cost. Such an approach is not without merit, but it, too, involves complexities and may require some time to implement.

But none of these methods would be able to take hold for some time. By then countless young animals may have been needlessly slaughtered. Our amendment would be effective right away.

This amendment, Mr. President, offers a simple and effective method of dealing with a problem of potentially major proportions. It has the support of urban Senators, whose consumer constituents need an adequate food supply, and it has the support of my colleagues from farm States, where adequate income is of paramount concern.

Mr. President, the other members of the Agriculture Committee and I met yesterday with John Dunlop, the Director of the Cost of Living Council. We had hoped to convince him of the need to take the actions we suggest right away. But while he agreed that the action the cosponsors of this amendment and I suggest is necessary, he said the administration would not act until the middle of July.

Mr. President, we cannot wait that long for the administration to act. And so, I urge that we pass this amendment today.

Mr. President, this amendment would require an adjustment in the price for any agricultural commodity where the Secretary of Agriculture determines that the current price freeze would produce a shortage of that commodity and where there is no alternative to the means for increasing the supply.

We are all concerned about rising food prices. However, there is one thing that is infinitely worse than high food prices, as the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Georgia (Mr. TALMADGE) has said, and that is no food at all, and especially on such basic commodities as poultry, eggs, lamb, other meat products, and milk.

So I think both from the standpoint of the producer and the consumer of these essential commodities, it is imperative that we do not permit the price freeze which was intended to protect consumers from having their interests injured through unintended food shortages.

Recently we saw on television that a poultry producer in the State of Texas had destroyed some 100,000 baby chicks because the cost of his feedstuffs has grown to the point where he cannot feed and market his poultry at a profit.

Yet the retailer is caught in the price freeze and is powerless to do anything about it. As a consequence, a large number of poultry were destroyed which does nothing for the producer or consumer except cause more hardship in both cases.

The same burden is beginning to develop with respect to egg production. One hatchery operator in my State told me that over the past year the cost of soybean feedstuffs that he uses in the production of chicken and eggs has in-

creased to the point where the amount of soybean meal used to produce one dozen eggs has gone from 5 cents a dozen to 25 cents a dozen.

Yet with the cost of feed concentrates and high-intensity feeds skyrocketing, the retail price at the other end is frozen.

Consequently, a serious situation can face our dairy producers and producers of lamb and other meat products. So this amendment is an attempt to deal with that situation in a constructive way.

There are, of course, other methods. We could have a direct subsidy, I suppose, to consumers. We could have a direct subsidy to the producer. But this seems to be the most practical way to deal with it.

A few days ago, under the direction of the Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture and Forestry, we met with Mr. Dunlop, the Director of the Cost of Living Board, and discussed this matter with him.

While he was very sympathetic to the problem, he really had no answer to suggest that could be operative before some time after mid-July.

Mr. President, what we are proposing here is a very practical formula to protect both consumers and producers, and it would give the Secretary of Agriculture the authority, and indeed would instruct him, where he makes a finding of an impending shortage in some important food commodity, to make recommendations to the Price Freeze Board for changes in the price of the product at any point to deal with the shortage, but he would first have to exhaust other remedies before resorting to the authority under this amendment.

Mr. President, we have had cosponsorship on this amendment on both sides of the aisle. I have discussed it both with Senator LONG and Senator BENNETT, who have told me they see no particular objection to it, and I am very hopeful the amendment will be agreed to.

EXHIBIT 1

EAST CHICAGO, IND., *June 24, 1973.*

Senator GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: Yesterday I listened to a report on our local CBS station concerning the chicken industry. The report said that chicken farmers in Texas are killing all of the chicks that are being born. This was done either by drowning them or just throwing them into garbage trucks. The reason given for this killing of the chicks was because the new controls that Mr. Nixon has placed on some products doesn't cover the price of the feed for the chickens but it does cover the cost of the chickens on the market place. Basically it comes down to the chicken farmers are unable to make any money because of the sky rocketing price of chicken feed.

I am no expert but even I know that if they keep killing the chicks there will be no chickens on the market in a matter of a couple of months. The people need all the sources of food that this country has and it can not allow one of those sources to be destroyed by inflation. I urge you to do something to bring the price of chicken feed down to a point where it will pay the chicken farmers to continue to raise chickens. If something is not done very soon there will be no chickens in this country and what little there might be the prices will be so high that the average citizen will not be able to pay for a single piece, let alone the whole thing.

Please help with this urgent problem. We need the meat that the chicken industry can provide.

Sincerely yours,

JOHN WM. HEISER.

Mr. DOLE and Mr. PASTORE addressed the Chair.

Mr. McGOVERN. I yield first to the Senator from Kansas, and then I shall yield to the Senator from Rhode Island.

AVOIDING FOOD SHORTAGES

Mr. DOLE. Mr. President, I am pleased to join with the senior Senator from South Dakota and my other colleagues in sponsoring this amendment to provide relief to the producers of our country's food supplies.

It should also be understood that this amendment is not merely in the interests of our food producers, but it directly serves the American consumer in seeking to avoid shortages in the food supplies he purchases at the retail level.

The amendment would require emergency adjustments of the maximum prices for agricultural commodities which are being forced into short supply because of the freeze. And by requiring these adjustments, this amendment will provide the quickest, most effective and in the long run, the least costly relief for the critical conditions which are today stifling the food production industry at an alarming rate.

By way of explanation, I would point out that this has been a hard year for American agriculture. It has not been hard in the usual sense of nature's droughts or hailstorms or disease, rather it has been hard in terms of the effects of man's policies—or lack thereof.

First, there is the fuel crisis which has fostered great uncertainty and anxiety among farmers at a time when their confidence and enthusiastic efforts to increase production are needed to meet the demands of our domestic and international markets. It has had a definite effect on production which is expected to be felt throughout the entire food and commodity system in this and future crop years.

Second, economic conditions have resulted in the imposition of a broad wage-price freeze which has placed many elements of the agricultural sector in intolerable positions between greatly increased costs and frozen prices. The result has been the threat of major food shortages.

Yesterday, I called the Senate's attention to an article in the June 28 Wall Street Journal which points the picture in stark detail with its opening sentence:

> The Nation's food-production machinery is starting to grind to a halt—

While a number of factors are contributing to the impact of the freeze in agriculture, perhaps the most crucial is the significantly higher prices for various commodities which, when tied into a frozen price structure for finished products, make the costs of production far in excess of retail prices. For example, it costs feed producers money—as much as $20 to $50 per ton—to deliver their products. The same is true for egg and chicken producers, vegetable packers, beef producers and flour millers. No sensible businessman is going to keep going under such conditions. It is cheaper for him just to shut down. And many are doing so every day.

The consequences to the food producing industry are disastrous. We have already seen baby chicks destroyed. Cattle and hog production is being curtailed. Milk production is suffering.

The freeze of phase 3½ is threatening to destroy our food producing system and put the American consumer in the worst supply position that has ever been known in war or peace.

I noted news reports yesterday that Federal Reserve Chairman, Arthur Burns has called the freeze "a dangerous thing" in terms of food supplies and has recommended that the freeze be lifted in several food industries. Dr. Burns' observations certainly suggest a more informed and responsible view than apparently prevails at the Cost of Living Council. I have been highly concerned with the rigid and seemingly inflexible determination of the CLC to grant even minimum relief for the food producing sectors of the economy. The logic of this attitude entirely escapes me, for I can see no more vital responsibility of our Government than the assurance of plentiful food supplies for our citizens.

And, I cannot understand this stubborn refusal to respond to the clearest and most unmistakable signs of massive food shortages in the making. Hopefully, this attitude will change in the near future.

So, Mr. President, I am pleased to be a sponsor of this amendment and feel it should be adopted as a step toward relieving the current disaster-breeding situation.

The New York Times carried a front page story this morning with the headline, "Food Shortages Termed Possible Next Month." I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD SHORTAGES TERMED POSSIBLE IN NEXT MONTH

(By Seth S. King)

CHICAGO, June 28.—Housewives searching their supermarket shelves this coming week will find most of what they want still there. But a widening circle of food processors and retailers are caught in a profit squeeze resulting from the price freeze, and this is beginning to curtail production of some foods.

It could lead to shortages of many items in the next month.

Every echelon of the food industry, from farmers to retailers are criticizing the ceilings imposed on meat in March and on all other items on June 13. Their unhappiness about the ceiling has contributed to recent warnings of shortages.

All elements of the food industry agree that if these shortages occur, they will last for at least three months, unless the ceilings are lifted or modified before the end of the 60-day period announced by President Nixon two weeks ago.

But production of some foods, such as eggs, broilers, flour and some vegetables and fruits is already dropping. This means that future supplies, within the next two or three

months, will decline and when the ceilings are removed, prices at all levels will shoot up.

Beef packers were still operating close to normal levels this week, although live cattle prices were still high and the wholesale prices these packers charged were at 71½ cents a pound for choice beef in Chicago. This was the ceiling price packers could charge. If they have to pay any more for animals, many are threatening to curtail production.

There are still no ceilings on unprocessed farm products and hog prices in the Midwest went above $41 a hundred pounds this week, another record. But the larger packers of pork reported their production was continuing normally.

The Oscar Meyer Company in Madison, Wis., one of the nation's largest pork packers, said no cutbacks were expected in the immediate future.

SUPPLY SQUEEZE EXPECTED

"But with the number of hogs now being fattened fewer even than last year, we are looking for a supply squeeze in the next 45 days," a spokesman said. "Still, if we have a good crop of feed grains by fall, a lot of that pressure will be eased by winter."

Egg producers, most of whom have to buy all their feed grains instead of growing them themselves, complained that they were losing about 4 cents a dozen on eggs this week because feed prices were above the top price they could get from retailers.

But the larger producers were keeping their flocks of layers at about the same levels as last year.

"If it continues, we'll have to cut back," said Ken Munroe, whose Munroe Egg Farm in Plainfield, Ill., sends about 70,000 dozen eggs each week to Chicago markets. "The trouble is there is a cutback in incubator eggs, and this will mean fewer laying chickens producing table eggs in five months."

BROILER SUPPLIES STEADY

The supplies of broiler chickens were still as large as last year's and in some instances larger. Delmarva Poultry Industry Inc., an association of Maryland and Delaware broiler growers that provides a major part of New York's supply, noted that the numbers of broilers now on feed was 16 per cent larger in Maryland than last year and 8 per cent greater in Delaware.

"But you'll also note that the Department of Agriculture reports that on June 23 there were 8 per cent fewer 'settings' of incubated eggs," said Frank Gordy, executive director of the association. "That means in 11 weeks' time there will be 8 per cent fewer broilers coming on the market than last year."

Some of the country's largest vegetable canners were complaining of the squeeze they were caught in between increased crops of producing raw vegetables and the ceiling prices they could charge for their canned products.

But they did not expect any reduction in canned vegetable supplies this year. Again, they warned that if the ceilings were made permanent, they did not expect to buy and can as much next year as this year.

PIPELINES ARE FULL

Spokesmen for several large supermarket chains in New York, Washington, Detroit and Chicago said today that the pipelines for most of their goods were still full and there would be no immediate shortages.

"Shoppers will find some items on fruit and vegetable counters very short, but that's largely seasonal," a spokesman for Jewel Foods in Chicago said. "Our buyers this week were still finding most of what they needed from wholesalers, though there was a problem in beef hindquarters, which some packers who have freezing capacity are apparently holding back.

These supermarket spokesmen noted that wheat prices even though this year's harvest has started in the lower Midwest, were still so high that flour mills were threatening to stop producing flour if the ceiling price was not lifted.

The National Association of Food Chains in Washington warned that margarine and salad oils would soon be difficult to find unless there was a sudden break in the prices of soybean oil and corn oil, from which these products are made.

SOYBEAN PRICES UP

The prices of unprocessed soybeans rose this week above $11 a bushel, 45 per cent above April's price and 200 per cent above the price last year at this time. The Agriculture Department has warned that there are only about two weeks' supply of soybeans left from the 1972 crop that are still available for sale.

Clarence G. Adamy, president of the National Association of Food Chains, said that suppliers of soybean and corn oil were beginning to close some of their plants because they had exhausted their supplies of soybeans and the farm price of corn was too high to allow a profit on corn oil, which is still controlled.

The only positive element in the food picture this week were the reports on corn and soybean plantings and on the wheat harvest.

In Iowa and Illinois, virtually all the 1973 corn has been planted under good to excellent growing conditions. Soybean plantings are more than 80 per cent completed, also under good conditions. The wheat harvest in Texas, Oklahoma, and southern Kansas is slightly behind schedule, but yields have been good.

The Agriculture Department is expecting record production of all these crops this fall. Unless there is unusually bad weather later this summer, it is said there should be enough of all these feed grains by October to bring their prices down to manageable levels.

Mr. DOLE. I congratulate the distinguished Senator from South Dakota. I think his amendment is a step in the right direction. I can point out another area causing great distress and a part of the shortage, and that is the feedlot operations in the Midwest. Many farmers feeding livestock find their raw product, the feed, has gone up and up, and they are losing a great deal of money in the feeding operation, which can only result in one thing, and that is a meat shortage very soon.

So there are a great many examples where the raw product has increased, doubled, and almost trebled in some cases, where those who use that raw product are prohibited from raising their prices.

I think this would soften that problem, and provide for selective adjustments. I thank the distinguished Senator from Louisiana and the distinguished Senator from Utah for indicating their willingness to accept the amendment.

Mr. McGOVERN. I yield now to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, as I understand the Senator from South Dakota, this amendment does not automatically, by legislative fiat, raise any ceilings or lift any price freeze. All it does is permit the Secretary of Agriculture, where there is a shortage of commodities due to the price freeze, to make a recommendation?

Mr. McGOVERN. The Senator is correct. It does not automatically raise the price of anything, but if the Secretary of Agriculture finds there will be a critical shortage of any particular food, he can so declare, and an adjustment would have to be made accordingly.

Mr. PASTORE. To protect the food on the tables of America.

Mr. McGOVERN. That is correct. It is to protect the producer as well as the consumer. If the producer cannot make a profit, he is not going to produce the food, and in the long run, that will be a greater threat to the consumer than to the producer.

Mr. President, I ask unanimous consent that the name of the Senator from Kentucky (Mr. HUDDLESTON) be added as a cosponsor of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, recent communications which I have received from leading agricultural spokesmen in Arkansas indicate that unless something is done about the manner in which the current price freeze is presently being administered with respect to agricultural commodities, serious food shortages will develop.

It is becoming increasingly clear that steps must be taken to afford relief to those in the food production chain who produce our poultry, livestock, dairy products, and eggs, as well as to the processors and wholesalers of raw agricultural products. Under the present freeze these groups are trapped in the impossible squeeze between short supplies of essential feedstuffs and raw agricultural products on the one hand, and price ceilings which do not allow them to recover their cost of production on the other. If this situation continues, they will be forced by economic necessity to curtail their operations and deplete their stocks. This will, in turn, ultimately lead to food shortages. While higher food prices certainly create an intolerable situation, shortages in essential foods are something the people cannot afford.

In these circumstances I am pleased to join the distinguished Senator from South Dakota (Mr. McGOVERN) and other Members of the Senate in offering this amendment today. The amendment would require adjustment in the prices for agricultural commodities in situations where the Secretary of Agriculture determines that the current price freeze will result in a food shortage, and where there is no alternative means for increasing supplies.

I believe that this amendment will afford the prompt relief which is necessary to deal with the problems of price and supply of agriculture commodities.

Mr. President, I ask unanimous consent to insert in the RECORD several letters which I have received from Arkansas illustrating the situation with which this amendment seeks to deal.

There being no objection, the letters

were ordered to be printed in the RECORD, as follows:

ARKANSAS FARM BUREAU FEDERATION,
Little Rock, Ark., June 26, 1973.

Hon. EARL BUTZ,
Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C.

DEAR SECRETARY BUTZ: The Arkansas Farm Bureau Federation would like to advise you of our very grave concern over developments at the farm producer level resulting from the current price freeze on food items at the retail levels. We are especially concerned about the impact on production of poultry and fruits and vegetables.

The price freeze on processed meat coupled with sky-rocketing feed costs have placed poultry producers in an intolerable position. Producers of tomatoes and other fruits and vegetables are also becoming alarmed over the effect which the freeze will have as an indirect control over the price they receive for the raw product.

We request that serious thought be given to lifting or revising the price controls on those products that are being cut back at the farm level. Failure to do so can only result in food shortages and higher consumer prices in the near future. We know you will do all you can to help alleviate the problem.

Sincerely,
MORRIS BOWMAN, *President.*

GENTRY, ARK., *June 26, 1973.*

Hon. J. WILLIAM FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I am a cattle and broiler producer in Benton County and appreciate every effort that you have exerted in behalf of the agricultural economic situation.

I respect the recent Presidential decision concerning economic stabilization and the orderly slowdown of inflation, but wish for you to be aware of the farmers' situation. Although no controls were placed by the President on raw, unprocessed agricultural products, the persons who buy these products have their selling price frozen which, in essence, freezes the price I receive for my products. The initiative quickly vanishes when the price I know I am to receive has no way of keeping up with the cost of living, the cost of interest, and the cost of wages. The ingredient cost has been speculated unreasonably and must be balanced fairly.

I recognize the extreme complexity of the situation and do not have an overall quick solution, but I am suggesting that you be aware of my opinion that considering the factors, including the balance of payments, inflation at home and worldwide, and our country's production of food, that the farmer has long been used to "bail" the country out of economic plight and has never received just credit.

As quickly as we can return to a free, uncontrolled world market, the better and fairer the American farmer's position.

I appreciate any Congressional influence you might exert in assuring a fair and equitable settlement to this situation.

I remain,
Respectfully yours,
RALPH N. DUNN.

LITTLE ROCK, ARK., *June 25, 1973.*

Sen. WILLIAM FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The freeze we are now operating under is becoming one of confusion and a real detriment to the adequate supply of food as it is now being presented to us by the various manufacturers. It seems like so many of them have been caught in the freeze where to produce products for consumption would make them lose more money than even if they shut down.

It would appear to me that some drastic and immediate action needs to be taken by Congress or by the President to set up a fair and equitable basis for the Companies to operate on a sound basis; otherwise, we are going to have some extreme food shortages that, in my opinion, are not necessary. People cannot pay the new higher prices for produce and be frozen under last year's sales prices; there is no way it will work. This is not only fruits and vegetables, evidently it is now appearing in poultry and meat and unless something drastic is done we are going to have acute shortages that by proper planning would not be necessary.

Hopefuly, you as one of the leaders of our Country, will be able to do something constructive to correct this situation.

Yours truly,
SAM VOGEL.

ARKANSAS POULTRY FEDERATION,
Little Rock, Ark., June 25, 1973.

Hon. J. W. FULBRIGHT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The freeze price on the poultry industry could not have hit at a worse time. Historically, the broiler industry to peak on July 4 when it is anticipated there will be greatest demand for our product. The freeze on the distributor locks the industry to a price that is approximately 4–6 cents below the cost of production. The costs of manufacturing feed are not frozen, but the sale price of manufactured feed is frozen as of the first week of June; ingredients that constitute feed formulation continue to increase every day.

Turkeys are affected differently than chickens and eggs, primarily because turkey is considered a seasonal product, and under the published regulations, since turkeys were not processed during the week of June 1–8, the price set on turkeys is reflected back to the last seven (7) days of processing, which in most cases was the early part of December, and reflected a clean-up period of turkey products and the lowest market price. For a ceiling to be placed on turkeys at a reasonable price, this price should be established off of the New York market, which is reported by USDA daily. As an example, the price reported on the week of June 1–8 for turkeys, fryer-roasters, New York market; however, even with establishing this price, based on current sales, with some limiting factor on the cost of production, this would still cause our turkey producers to lose money.

There is no way that our industry can survive with the ceiling placed on the finished product, and no ceiling placed on all factors that contribute to the cost of production.

Corn on today's market is priced at $2.50 per bushel, and soybean meal is approximately $450 a ton; these ingredient costs reflect the live production cost of broilers at approximately 28 cents, which would mean that the finished product should sell at the Arkansas plant for approximately 47 cents, and the freeze price is established, based on approximately 24 cents live cost, which would reflect a dressed cost of 41.38. There is no way that the poultry industry can continue to subsidize the American Consumer, and it is most easy for the consumer to complain of high prices with no consideration given to the tremendous increase in the cost of production. We have many people in Arkansas that rely upon poultry for their livelihood, and this continuous arbitrary decision to control, or not control, to place a ceiling on the finished product without a ceiling on every facet involved in the cost of the finished product, is causing people to cease to produce, and to destroy existing production because it is not economically feasible for them to sell below the cost of production.

We realize that we are probably not the only industry caught in this disastrous situation; however, the greatest number of problems created for us as well as for other industries has been initiated through Federal Legislation, such as, the various EPA and OSHA regulations that do very little for the protection of the individual, but perpetuate big government. In addition to EPA and OSHA, we have the extremely critical problem of a fuel shortage that has in cases prevented the delivery of feed, and without an adequate supply of butane and propane along with fuel oils during the winter months, will cause a great number of fatalities in our flocks. We cannot conceive of any economy that can survive without the consideration of profit, nor can we conceive the survival of this industry placed under a price freeze without the same freeze being placed on all facets of production costs with a built-in survival profit to assure the existence of food for the American people.

Sincerely yours,
LEX KILLEBREW,
Executive Vice President.

THIBAULT MILLING CO.,
Little Rock, Ark., June 25, 1973.

Hon. J. WILLIAM FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: The President's price freeze has created an impossible economic situation for the feed business. The only possible solution to the shortage of feed grains and proteins in this country is an immediate embargo on exports of feed grains and soybeans.

As a feed manufacturer, our prices are frozen but the grains we buy are not. Since the date of the freeze feed grains have continued to advance, placing us in a loss position on the manufactured products we sell. If this continues, our only recourse would be to remove from sale the manufactured products needed by our customers.

I am sure you are aware, from the reports all over the country, that all farmer-producers of milk, eggs, broilers, fish, pork and beef are caught in a cost squeeze that makes it impossible for them to produce. We know from first-hand knowledge that many of these farmers plan to dispose of their stock and reduce their production. If this is done, it will take years to replace foundation herds. We foresee a serious food shortage in this country in a very short period of time.

We realize the importance of the export of farm commodities to maintain our dollar balance of trade. However, this is very minor when compared to the severe shortage of food in the United States for a period of several years.

Again, we urge an immediate embargo on exports for a period of sixty to ninety days to assess our inventories. If an embargo is enacted, we feel that grains and proteins will come down sharply in price, thus making it possible for the feed industries and the producers to live with frozen ceiling prices.

Sincerely,
JAMES M. DUNAWAY, *President.*

LITTLE ROCK GRAIN EXCHANGE,
Little Rock, Ark., June 22, 1973.

Hon. J. WILLIAM FULBRIGHT,
U.S. Senator, New Senate Office Building,
Washington, D.C.

DEAR SIR: The President's recent price freeze is creating an impossible situation in the marketplace. If these conditions continue, we foresee a nationwide shortage of meats, poultry, milk products, eggs, and domestic commercial fish.

We can state factually and with first hand knowledge that the Dairy Farmer, the Egg Producer, the Broiler Producer, Hog Farmer, and Producer of beef cattle face impossible conditions. With the retail prices frozen,

these producers are losing money every day and cannot even pay their feed bills.

Many Dairymen are seriously considering disposing of their herds. If this happens, it would take years to rebuild these foundation herds, creating a milk shortge for a period of time.

The cost of producing a dozen of eggs has almost doubled since November 1972. Under these conditions, there will be fewer replacements of chicks and pullets, which will sharply reduce the production of eggs.

This same condition applies to broilers, and as we know as of today many broiler chicks are being destroyed. Even new settings are being sharply reduced. This will curtail broiler production drastically in the immediate future.

Beef and pork cutbacks are taking place daily, which will affect the supply of red meat seriously in the months ahead.

Feed grains have continued to advance since the freeze period June 1 to June 8. This places the feed manufacturers, whose processed product is frozen, in an impossible economic position. Many commercial feeds will be withdrawn from the market.

The basic problem in this entire economic situation is the shortage in this country of proteins and grains. In our opinion, the only solution is an immediate embargo on exports for 60 to 90 days to assure an adequate supply of feed stuffs for domestic consumption.

We respectfully request your immediate attention.

Very truly yours,

ROY R. COWELL, *President.*

Mr. EAGLETON. Mr. President, I trust by now we are all aware of the effect the 60-day price freeze is having on the dwindling domestic supply of agricultural products. While prices on processed agricultural products are frozen here in the United States, prices for processed agricultural products for export abroad are not frozen. Thus, foreign buyers—often using an abundance of cheap, devalued American dollars—are buying up our processed agricultural supplies at high, uncontrolled prices that an American purchaser cannot legally pay. This situation cannot be permitted to continue much longer.

As we know, the President has imposed a total ban on the export of soybeans, both raw and unprocessed. In my judgment, the President should consider, if not a total ban, then measured and responsible restrictions on the export of other agricultural commodities, both raw and unprocessed. Further, he would have to consider extending the price freeze on processed grains to apply to exports.

The amendment we are now considering, I believe, is a necessary one to help alleviate this very situation. Under this amendment, a grain processor or other grain user who is forced to pay higher prices for the uncontrolled raw agricultural products, would be permitted to pass along his higher raw product cost to his ultimate purchaser.

This is only right and just and I urge my colleagues to adopt this amendment.

In final analysis, it will probably take a combination of these efforts, namely restricting exports, regulating export prices, and pass-along price relief to grain processors, and users, to bring some order out of the current chaos.

Finally, let me say that yesterday, I sent identical telegrams to President Nixon, Secretary of Agriculture Earl Butz, and Cost of Living Council Director John Dunlop in which I set forth my deep concern over this problem. I ask unanimous consent that a copy of my telegram be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 29, 1973.

HON. RICHARD NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The exclusion from the current price freeze of commodities sold in export threatens to create a serious domestic shortage of processed grains. Producers of these grains quite naturally will sell where the price is highest and, under the freeze, that is in overseas markets. Without prompt action to equalize the situation, already serious shortages will become critical.

Two approaches to this problem suggest themselves: 1) extend the ban on soybean exports to other grains, both raw and processed or 2) extend the price freeze to commodities moving in export. A variation of the second approach, of course, would be to exempt all processed grains from the price freeze. If that is done, however, it would be essential to allow users of the grain to pass on any cost increase to their own customers.

This is a matter of considerable urgency and I hope that you will take prompt steps to rectify the problem.

Respectfully,

THOMAS F. EAGLETON,
U.S. Senator.

The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 1, lines 5 and 6, strike out "June 30, 1975" and insert "June 30, 1974."

Mr. PROXMIRE. Mr. President, all this amendment does is limit the extension from 2 years to 1 year. I would prefer a 6-months extension, but I have discussed it with the distinguished ranking Republican member of the Committee on Finance, and he said he would much prefer a 12-month extension to a 6-month extension. I understand that the committee will be very busy between now and the end of the year, and hearings on the renegotiation board might be difficult and hearings are the principal purpose of my amendment, since this is a very important agency and one as to which the GAO has recommended significant improvements requiring legislative action. Admiral Rickover and other critics have been forthright in stating their desire for a far more effective renegotiation board. This is an area where we can pick up tens of millions of dollars for the American taxpayer.

I know the Finance Committee is one of the busiest and most productive committees in the Senate, and for that reason it is understandable why they were not able to hold hearings before the bill was reported this time. I am hopeful that the renegotiation extension will be for 12 months, so that there will be time for hearings.

BILL TO EXTEND RENEGOTIATION ACT

When I learned that the bill to extend the Renegotiation Act for 2 years was reported from the Finance Committee and scheduled to be brought up on the floor of the Senate, I immediately placed a hold on the bill. I objected to bringing this matter up without notice and without debate because the matter of renegotiation of Government contracts is too important to be handled in so cursory a manner.

Because the Finance Committee held no hearings and heard no testimony on this bill, Renegotiation Board officials did not testify, other Government officials did not testify, Government contractors did not testify. There was neither testimony in favor of or in opposition of this bill. Again, the function served by the Renegotiation Board, that is, the process of the renegotiation of Government contracts and subcontracts for the purpose of recapturing excess profits, is too important to be given such short shrift.

CONTROVERSY OVER RENEGOTIATION BOARD

The Renegotiation Board is a controversial agency. Indeed, any Government agency whose function was to examine the books and records of Government contractors, especially defense contractors, to make determinations of excess profits and to recapture those excess profits, could not avoid criticism and controversy.

In the past, defense contractors and spokesmen for the aerospace industry have called for the abolition of the Renegotiation Board and the termination of the Renegotiation Act. Contractors have claimed that the Board serves no useful purpose, that they are sufficiently regulated and supervised by the Pentagon and that profits on defense contracts are, if anything, too low. Others have criticized the Renegotiation Board for not doing enough, for allowing billions of dollars of defense contracts to escape the renegotiation process, and for permitting contractors to retain profits which are, even after renegotiation, excessive.

It is also important to note that the Renegotiation Board has been involved in several lawsuits in recent years in which its policy of withholding information about its activities has been challenged. In at least one recent case, the Renegotiation Board was rebuffed by a Federal court for not making available to the public certain kinds of information.

As chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, I have had occasion to look into the activities of the Renegotiation Board and to conduct hearings into their activities. This year as chairman of the HUD, Space, Science Subcommittee of the Appropriations Committee, I heard testimony from officials of the Renegotiation Board in support of their proposed budget for fiscal year 1974. In 1968, I led a fight to exempt the Renegotiation Board from the provisions of the Revenue and Expenditure Control Act of 1968 which would have reduced the number of professional staff employed by the Board.

At that time, the Board's funds and staff capabilities had been steadily shrinking. Earlier in 1968, I wrote to my distinguished colleague, Senator RUSSELL LONG, chairman of the Senate Finance Committee, urging an extension of the Renegotiation Act and the strengthening of the Renegotiation Board.

RENEGOTIATION ACT SHOULD BE STRENGTHENED

In my judgment, the Renegotiation Act ought to be extended for 6 months only. I support the 6 months' extension of the act now because it expires at the end of the month and must be extended. However, I feel today as I did in 1968 that the act needs to be strengthened.

By extending it for 6 months only, we can then legislate properly, hold hearings, offer amendments, and improve the Board and the act. I believe that in some respects, the criticisms of the defense contractor community are well taken, particularly with regard to the imprecision in the definition of excess profits. I also believe that the Renegotiation Act is shot through with loopholes, escape hatches, and gaping exceptions and exemptions. As a result, large amounts of renegotiable sales are not reviewed. Because of the loopholes in the law, the renegotiation process totters on the brink of ineffectiveness.

The Renegotiation Board, because it exists and because it does succeed in recapturing a minimal amount of excess profits each year, creates an appearance of effectiveness. The appearance is that the Renegotiation Act successfully protects the taxpayer against excess profits. In reality, the defects in the law and the weaknesses in the operation of the Board prevent the Board from doing the job it was designed to do.

This judgment about renegotiation is not only my own.

Adm. H. G. Rickover, one of the foremost authorities on Government procurement in public life today, has stated his own reservations about renegotiation. Testifying before a congressional committee a few years ago, Admiral Rickover stated:

> Comparing what I see and hear about the Renegotiation Board with what I know about contractors and government procurements, I believe that in many respects the public has been misled. I have, unhappily, an offensively accurate understanding of how some of the companies we deal with operate. In my opinion we have today an accommodation among Congress, the Executive, and industry, which gives the semblance but not the substance of effective renegotiation. I believe that industry is making far more than it should on defense contracts, that renegotiation as it is carried out does not adequately protect the public, and that steps should be taken promptly to make renegotiation effective.

Admiral Rickover, in another part of his testimony, went on to say:

> I believe that the way renegotiation is carried out today, it cannot be effective. Because of exemptions in the law, large blocks of defense work are not even covered by renegotiation. The Board uses Internal Revenue Service accounting rules for cost and profit determination. These rules, were not designed for cost accounting nor are they adequate for the purpose. They are so loose as to permit industry to report, for renegotiation purposes, almost whatever profit it chooses.

BACKGROUND OF RENEGOTIATION

It is important to understand why the Renegotiation Board was established in the first place and why it is important that its functions be carried out today. Congress, through the Renegotiation Act of 1951, be carried out today. Congress, through the Renegotiation Act of 1951, declared as a matter of public policy:

> That sound execution of the national defense program requires the elimination of excessive profits from contracts made with the United States, and firm related subcontracts, in the course of said program; and that the considered policy of the Congress, in the interests of the National Defense and the general welfare of the Nation, requires that such excessive profits be eliminated as provided in this title.

The fact is that most government procurement is defense procurement, and that most defense procurement is conducted through the awarding of negotiated contracts. Military contracts, as a rule, are not awarded on the basis of competition. Contractors are not generally invited to submit bids for defense work on the assurance that the lowest relevant bid will receive the award.

In fiscal year 1972 the Department of Defense awarded military contracts in the amount of $38.3 billion. This amount, by the way, represents a substantial increase of $3.8 billion over the total for fiscal year 1971. The rise in military contract awards last year, along with the overall increase in defense spending forecasts for the next few years, is evidence that the downward trend in procurement experienced in the 4 years following 1967 has been reversed. The prospect appears to be for a larger military procurement program for the foreseeable future. The potential for excessive profits on defense contracts will therefore grow larger in the years to come.

ABSENCE OF COMPETITION IN MILITARY PROCUREMENT

Of the $38.3 billion in military contract awards for fiscal year 1972, only 10 percent were awarded through competitive, formal advertising procedures. That is, 90 percent of military contracts, a figure that has been more or less constant for the past several years, were awarded through negotiations rather than competitive procedures. Fifty-nine percent of the military contracts awarded last year were awarded to sole-source contractors. In those cases, the Government simply dealt with a single contractor, without inviting others to submit bids or proposals, and bargained with that contractor until a mutually agreed upon price was arrived at.

What this means, of course, is that the fundamental advantage of the free market system hardly exists in the world of military procurement. In a market economy, the consumer may assume that the force of competition will maintain low prices and reasonable profits. Those who have to compete against others for business are required to meet or improve on the prices offered by their competitors. This situation does not prevail in military procurement.

The renegotiation process was designed to protect the taxpayer and the Government against the possibility of high and unconscionable profits on negotiated contracts. It must be kept in mind that renegotiation does not occur in the case of competitive Government contracts. It is restricted to the negotiated awards. When the Government must depend on a single contractor or on a few large contractors for military goods, it is virtually impossible to provide in advance against the possibility of excess profits. If we have learned anything in the course of history, it should be that the national defense program lends itself to profiteering. The huge volume of annual contract awards, the absence of the competitive forces in a market economy, the potential for influencing contract awards through special interest lobbying, the fact that the Government in negotiating contract prices must often rely in the contractor for cost and pricing data, the unpredictability of the actual profit margins that will be enjoyed for years after the contract is negotiated—all of these factors create a potential for excess profits on defense and related contracts.

NEED TO ELIMINATE EXCESSIVE PROFITS ON MILITARY CONTRACTS

I believe that defense contractors, like other Government contractors, are entitled to a reasonable profit on the goods and services they provide to the Government. But they are not entitled to an unconscionable profit. Military contractors should not be permitted to gouge the Government at the same time that young men and women are asked or are required to dedicate their lives in military service.

The deficiencies that seem to be inherent in the military procurement program give further reasons to be concerned about the level of profits. The extensive hearings, investigations, and revelations of cost overruns and huge procurement fiascoes in the past several years provide ample evidence that military procurement is being mismanaged. The scandals that have been brought to light, including the Government bailouts of aerospace firms who do not properly perform their military contracts, add to the suspicion that some contractors are making unreasonably high profits.

Indeed, although we do not know as much as we ought to know about defense profits, the evidence shows that there is wide variation in the profit margins realized by defense contractors and that the upper end of the spectrum is unconscionably high. The defense industry profit study performed by the General Accounting Office in 1971 suggested just how high defense profits can go. The average rate of return on equity capital for 146 contracts totaling $4.3 billion examined by GAO was an astonishing 56.1 percent. The spread of return on total capital investment for 74 large defense contractors ranged from minus 27 percent to plus 96 percent. These figures show that while not all contractors make high profits, and while some make low profits and even suffer losses, there are cases of exhorbitant and excessive rates of return in the defense business.

KNOWLEDGE ABOUT DEFENSE PROFITS INADEQUATE

I might add at this point that our knowledge about defense profits is most

inadequate. The GAO report was done largely through a questionnaire plus a limited and highly selective audit. Yet, the GAO report is the most comprehensive study of defense profits that has been undertaken so far. The reason is that no agency of the Federal Government has been willing to conduct a thorough investigation of this matter. I have asked the Department of Defense on numerous occasions to collect comprehensive and meaningful data on defense profits and to make that data available to Congress and the public. The Pentagon has in the past made studies of profit rates negotiated on defense contracts. But the Pentagon has not conducted audits of defense contractors to determine the actual profits realized on contracts, nor has it calculated the profit margins on the basis of capital investment or equity. Much of the data on defense profits calculated as a return on sales or costs is meaningless. There is a wide consensus in the economic and business communities that profit data is generally meaningful only if it is based on percentage of capital or percentage of equity. The Pentagon does not collect such information and has steadfastly rejected my requests that it begin to collect such information even though it would be a relatively easy thing to accomplish.

Thus, we are left with surveys such as the study performed by GAO and other fragmentary evidence. The plain fact is that no one in Congress knows the truth about defense profits. If the Pentagon or any other Government agency knows, they have not been telling us.

DETERMINATIONS OF EXCESSIVE PROFITS

In its current annual report, the Renegotiation Board provided tables showing the determinations of excess profits made by the Board in fiscal year 1972, the dollar amounts of excess profits, and the rates of return as a percentage of sales, capital, and net worth. In the hearings on the Renegotiation Board budget proposal, I requested and received the names of the contractors against whom excess profit determinations were made last year. On May 16, 1973, I placed the names of the contractors and other relevant data, together with remarks of my own, into the CONGRESSIONAL RECORD.

The tables from the Renegotiation Board report are significant for at least two reasons. First, the data shows that excess profits on military contracts is a real and significant problem. The Board made 178 determinations of excessive profits last year, totaling $40,190,577. This is a substantial amount of money well worth the expense of the Renegotiation Board's activity.

HIGH PROFITS AFTER REFUNDS

But of greater significance, in my judgment, are the rates of return that contractors made after refunding the excessive profits.

I ask unanimous consent to place in the RECORD at this point a table from the Renegotiation Board annual report showing the rates of return made by contractors against whom excess profit determinations were made. These rates of return were calculated after the Government recovered the amounts of profit considered excess. Even after they were forced to make sizable refunds, a number of firms were allowed to retain profits which appear to be exorbitant and unconscionable. Of the 131 firms against whom excess profit determinations were made, the after-refund profits of 94 firms exceeded 50 percent of net worth, 49 firms made over 100 percent of net worth, 22 firms made over 200 percent of net worth, and 4 defense firms made over 500-percent profit on net worth.

There being no objection, the table was ordered ot be printed in the RECORD, as follows:

APPENDIX TABLE II.—EXCESSIVE PROFITS DETERMINATIONS, FISCAL 1972

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital [1]	Net worth [1]	Sales [1]	Capital [1]	Net worth [1]
1	1970	3722	23.3	30.0	46.7	9.4	1.2	2.3	16.9	20.8	38.2
2	1965	3599	65.2	12.4	22.4	5.2	2.5	6.2	14.6	36.0	90.1
3	1968	3323	48.3	22.8	28.9	2.9	2.8	6.6	12.4	35.0	82.0
4	1968	5088	(2)	(2)	(2)		(2)	(2)	(2)	(2)	(2)
5	1967	2655	60.0	14.0	26.0	1.4	3.4	8.0	12.5	42.9	99.9
6	1968	1929	34.0	27.5	38.5	27.6	2.3	3.4	14.3	33.2	49.3
7	1967	2261	46.0	30.0	24.0		5.4	20.9	10.8	58.3	226.5
8	1968	1929	69.6	10.0	20.4	.1	2.5	158.0	12.0	30.4	1,902.7
9	1967	3449	73.7	14.9	11.4	4.2	3.0	8.3	12.1	36.3	100.5
10	1967	3491	67.3	18.5	14.2	1.8	8.7	33.3	13.0	113.6	434.0
11	1967	3491	65.5	21.7	12.8	7.9	3.3	8.5	13.6	45.6	115.5
12	1965	5097	(2)	(2)	(2)		(2)	(2)	(2)	(2)	(2)
13	1966	5097	(2)	(2)	(2)		(2)	(2)	(2)	(2)	(2)
14	1967	5097	(2)	(2)	(2)		(2)	(2)	(2)	(2)	(2)
15	1968	3662	60.1	16.5	23.5	3.4	4.2	6.9	15.7	66.4	108.2
16	1967	2298	75.0	15.0	10.0		5.7	38.7	12.0	68.9	463.9
17	1967	3599	11.4	28.8	59.8	2.3	1.8	3.5	17.8	31.4	62.5
18	1968	2311	56.2	27.0	16.8		3.1	8.2	13.4	41.2	109.8
19	1968	2441	71.9	10.0	18.1	6.5	3.8	6.3	12.7	48.2	80.7
20	1968	1961	57.7	6.5	35.8	4.7	1.6	3.0	16.0	26.1	47.3
21	1967	3599	57.8	19.2	23.0	9.7	2.5	4.9	15.5	39.3	76.5
22	1967	3901	(3)	(3)	(3)		(3)	(3)	2.7	(3)	(3)
23	1967	2327	6.6	55.4	38.0		3.3	9.5	13.2	43.4	126.4
24	1962	4226	(3)	(3)	(3)		(3)	(3)	26.7	(3)	(3)
25	1963	4226	(3)	(3)	(3)		(3)	(3)	20.4	(3)	(3)
26	1964	4226	(3)	(3)	(3)		(3)	(3)	18.3	(3)	(3)
27	1967	3452	34.8	35.5	29.7		2.8	4.4	12.4	34.2	54.5
28	1967	3471	27.9	40.6	31.5		‹17.0	‹17.0	12.1	‹200.0	‹200.0
29	1969	2655	56.1	20.2	23.7	3.7	3.4	5.4	13.0	44.3	69.5
30	1969	2311	33.9	48.2	17.9		3.2	4.1	11.9	38.7	49.5
31	1967	3579	42.0	16.4	41.6	2.4	1.2	2.3	13.3	15.6	31.2
32	1966	3499	80.1	4.7	15.2	4.0	2.0	3.5	13.4	26.9	46.9
33	1968	1961	41.2	33.1	25.7	3.6	2.8	5.7	14.2	40.2	80.5
34	1968	3599	49.9	20.7	29.4		5.9	20.0	12.5	73.2	248.8
35	1968	3599	54.0	11.8	34.2	.6	5.2	26.2	11.1	58.1	292.1
36	1968	2327	9.8	67.1	23.1		2.7	6.8	12.3	33.2	83.5
37	1968	5033	99.2		.8		3.0	8.3	5.4	15.9	44.5
38	1966	3531	56.7	15.2	28.1		2.4	2.9	14.2	33.4	40.7
39	1967	3662	55.9	22.3	21.8	21.4	4.0	7.5	14.3	56.5	107.3
40	1968	1999	65.4	11.4	23.2		1.9	2.5	15.9	29.7	40.2
41	1967	2311	15.3	59.0	25.7		1.9	2.3	15.3	28.9	35.4
42	1969	3599	61.9	14.7	23.4		2.2	3.5	14.7	32.6	51.2
43	1968	3599	28.9	40.0	31.1	23.2	‹0.6	‹3.0	17.0	‹10.0	‹51.2
44	1967	3599	5.3	28.1	66.6		5.4	1.5	15.1	81.7	203.6
45	1968	3643	45.2	32.3	22.5	19.4	1.7	2.3	14.8	25.4	34.3
46	1966	3231	25.1	22.4	52.4		3.4	8.2	16.7	57.4	137.0
47	1966	3229	34.1	33.8	32.1		1.6	2.6	35.7	56.9	95.1
48	1966	3229	43.5	30.5	26.0		1.5	2.1	35.2	53.2	73.2
49	1970	2441	71.3	21.3	7.4		3.3	5.0	12.0	39.4	60.1
50	1968	7399	(3)	(3)	(3)	(3)	(3)	(3)	3.4	(3)	(3)
51	1967	1929	42.8	10.5	46.7	9.8	2.9	6.2	11.5	33.0	70.8
52	1968	3531	49.6	23.6	26.8	3.3	2.0	4.1	12.6	26.8	52.3
53	1968	3352	28.9	19.4	51.7	.1	1.3	29.3	15.1	20.3	442.2
54	1968	3599	74.5	13.1	12.4	6.4	3.6	8.3	14.9	53.7	124.0
55	1967	1929	57.9	16.3	25.8	.9	1.5	5.0	14.9	22.4	74.4

Footnotes at end of table.

APPENDIX TABLE II.—EXCESSIVE PROFITS DETERMINATIONS, FISCAL 1972—Continued

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital [1]	Net worth [1]	Sales [1]	Capital [1]	Net worth [1]
56	1968	2311	21.6	51.3	27.1	1.0	6.6	45.9	12.8	84.6	589.3
57	1966	2231	74.9	13.2	11.9	3.3	1.8	2.9	11.2	20.8	32.4
58	1967	2394	50.7	32.5	16.8	21.2	4.2	8.2	12.5	52.0	102.6
59	1968	3361	26.0	57.7	16.3	----	1.7	2.9	18.1	31.0	52.4
60	1968	3499	81.9	7.1	11.0	1.1	2.0	7.0	13.7	27.1	95.6
61	1969	3494	39.2	23.3	37.5	9.9	1.7	2.3	14.8	25.4	34.9
62	1966	3732	67.0	15.2	17.8	6.3	4.3	11.6	18.7	79.8	217.0
63	1967	1929	71.6	8.1	20.3	3.1	1.8	3.4	11.9	21.2	40.5
64	1967	1941	67.8	21.5	10.7	----	2.8	22.7	11.3	31.2	255.4
65	1968	2394	52.1	20.4	27.5	3.5	2.5	9.2	15.5	38.9	142.3
66	1969	7534	50.9	19.1	30.0	.7	4.7	27.9	15.7	72.8	435.4
67	1967	8911	[2]	[2]	[2]	----	[2]	[2]	18.7	[2]	[2]
68	1968	3564	54.2	17.4	28.4	----	.9	1.1	21.0	19.1	23.8
69	1967	2262	17.6	43.7	38.7	1.7	2.1	7.2	13.6	29.0	96.9
70	1968	1929	32.8	48.5	18.7	----	4.6	4.6	12.0	55.4	55.4
71	1965	3674	16.3	33.6	50.1	.5	3.5	14.7	16.2	56.3	237.9
72	1968	3498	77.1	10.3	22.6	2.4	2.2	4.6	16.3	35.6	74.7
73	1968	3599	27.8	28.0	44.2	----	1.6	2.2	15.9	25.9	35.0
74	1967	2441	55.0	39.4	5.6	----	[1]	[1]	10.1	[1]	[1]
75	1965	7349	[2]	[2]	[2]	[2]	[2]	[2]	5.1	[2]	[2]
76	1967	7349	[2]	[2]	[2]	[2]	[2]	[2]	6.8	[2]	[2]
77	1968	2399	----	80.0	20.0	----	‹.4	‹.6	12.9	‹5.2	‹7.8
78	1968	3599	----	84.0	16.0	----	‹.3	‹.4	12.9	‹4.6	‹4.8
79	1967	3679	78.9	5.6	15.5	.9	5.8	25.3	8.3	48.1	210.2
80	1967	7392	[2]	[2]	[2]	[2]	[2]	[2]	7.0	[4]	[3]
81	1968	5033	98.7	----	1.3	----	2.0	6.4	7.8	17.8	55.6
82	1963	3611	14.7	35.9	49.4	----	2.3	3.3	16.6	37.6	55.1
83	1967	3531	66.3	13.2	20.5	----	2.0	2.6	14.9	29.8	38.2
84	1967	2311	13.8	40.5	45.7	3.3	1.8	4.6	13.8	25.1	63.3
85	1966	2385	4.1	95.9	----	----	‹10.0	‹10.0	12.2	‹121.1	‹121.1
86	1966	2385	56.7	36.9	6.4	----	4.8	11.0	9.5	45.4	104.6
87	1968	3429	69.5	20.8	9.7	----	1.8	3.8	13.1	23.0	49.3
88	1968	1929	57.8	17.3	24.9	1.1	1.6	4.8	15.0	23.7	72.4
89	1969	3323	41.5	26.7	31.8	2.1	2.2	5.5	13.7	30.7	74.6
90	1967	2892	68.4	11.6	20.0	.5	5.9	58.5	9.9	53.7	579.7
91	1969	3722	24.5	33.6	41.9	----	2.2	3.4	16.3	35.7	54.8
92	1967	2899	78.5	6.4	15.1	----	3.0	6.2	10.9	32.7	68.0
93	1968	2899	74.5	7.1	18.4	----	2.3	3.8	11.3	26.3	42.7
94	1967	2327	5.6	66.4	28.0	----	4.6	9.7	12.8	58.7	123.7
95	1967	3079	64.9	18.0	17.1	2.0	6.3	15.8	14.4	90.9	226.4
96	1969	3662	58.0	19.0	23.0	85.3	2.4	4.7	14.8	35.5	69.3
97	1968	3451	45.7	20.1	34.2	2.7	3.8	10.6	13.0	50.0	137.3
98	1967	1961	37.2	24.9	37.9	2.5	3.6	14.1	14.7	52.8	206.1
99	1968	3729	47.6	21.5	30.9	3.9	2.0	3.8	16.5	33.4	63.2
100	1967	3562	57.3	14.0	28.7	2.2	3.6	9.7	12.5	44.8	120.8
101	1968	3561	58.7	10.7	30.6	7.7	1.4	2.9	16.3	23.2	46.9
102	1967	2394	100.0	----	----	----	2.3	96.8	9.1	20.8	872.2
103	1968	3599	57.5	16.1	26.4	7.7	2.0	3.9	15.0	30.5	58.3
104	1968	3599	4.8	53.1	42.1	----	3.6	8.8	15.9	57.4	140.0
105	1969	1929	41.7	13.8	44.5	15.8	1.9	2.2	13.6	25.7	30.3
106	1966	3357	62.6	14.2	23.2	1.2	2.5	6.0	15.1	37.0	91.0
107	1968	3662	70.4	18.3	11.3	----	3.3	5.4	15.5	50.4	83.7
108	1970	2441	82.5	8.6	8.9	25.8	3.2	4.5	7.3	23.1	32.9
109	1968	3729	24.5	34.2	41.3	.7	2.7	16.0	15.4	41.1	244.3
110	1968	2033	79.1	12.1	8.8	4.1	1.8	7.6	12.6	22.2	95.3
111	1968	2311	17.6	43.5	38.9	[5]	5.7	[5]	10.9	62.0	[5]
112	1968	7394	[3]	[3]	[3]	----	[3]	[3]	[3]	[3]	[3]
113	1969	1929	58.0	16.7	25.3	.6	1.4	6.1	14.9	21.5	91.5
114	1966	3451	40.5	31.4	28.1	----	1.6	2.2	15.4	24.5	33.8
115	1967	3451	34.4	30.1	35.5	----	1.5	2.0	13.9	20.4	27.6
116	1967	5063	98.5	.9	.6	----	4.3	12.1	9.0	39.1	109.6
117	1966	3694	75.4	15.4	9.2	6.0	4.3	18.7	12.7	55.0	237.1
118	1967	3694	72.0	15.2	12.8	22.2	3.9	11.2	12.3	48.5	137.0
119	1969	2327	52.8	30.1	17.1	----	6.7	7.7	8.4	56.3	64.5
120	1968	3599	29.1	22.6	48.3	----	4.1	7.6	16.2	66.5	122.6
121	1967	7394	[3]	[3]	[3]	----	[3]	[3]	[3]	[3]	[3]
122	1969	2328	31.3	58.5	10.2	----	3.9	17.9	12.0	46.4	214.6
123	1968	3729	58.1	10.1	31.8	16.4	3.2	9.8	14.1	45.7	138.4
124	1967	3731	48.7	30.8	20.5	----	2.6	6.8	17.4	44.8	119.2
125	1968	3499	63.6	21.6	14.8	----	2.7	4.0	14.4	39.3	58.1
126	1967	5099	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
127	1968	5099	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
128	1968	3642	43.9	19.3	36.8	38.0	1.4	1.8	12.3	16.9	22.2
129	1967	3642	35.2	28.7	36.1	2.0	1.8	9.1	14.9	26.5	135.0
130	1969	3662	72.2	13.5	14.3	1.0	1.4	3.0	15.2	21.6	46.5
131	1967	3729	13.8	32.0	54.2	----	‹4.9	‹8.5	17.7	‹86.4	‹163.4
132	1965	2655	42.6	21.0	36.4	1.9	2.9	5.4	14.5	42.2	78.1
133	1965	4422	[3]	[3]	[3]	----	[3]	[3]	21.1	[3]	[3]
134	1969	3729	49.7	42.1	8.2	----	3.1	4.9	13.0	40.3	64.0
135	1967	7397	86.2	6.5	7.3	4.5	12.6	25.0	13.2	166.1	329.1
136	1967	3729	63.4	14.5	22.1	----	2.0	2.8	16.4	32.6	46.4
137	1969	2311	49.9	31.3	18.8	----	3.0	4.1	13.8	41.3	56.4
138	1970	7699	63.7	36.3	----	9.6	4.1	8.1	12.9	52.5	105.5
139	1966	2327	74.2	15.5	10.3	----	2.1	2.4	12.2	25.5	29.6
140	1968	1929	73.4	9.1	17.5	4.9	1.8	2.7	11.6	20.5	31.5
141	1968	4582	[3]	[3]	[3]	----	[3]	[3]	12.6	[3]	[3]
142	1969	4582	[3]	[3]	[3]	----	[3]	[3]	14.0	[3]	[3]
143	1968	4582	[3]	[3]	[3]	----	[3]	[3]	13.6	[3]	[3]
144	1969	4582	[3]	[3]	[3]	----	[3]	[3]	13.3	[3]	[3]
145	1968	4582	[3]	[3]	[3]	----	[3]	[3]	12.9	[3]	[3]
146	1969	4582	[3]	[3]	[3]	----	[3]	[3]	13.3	[3]	[3]
147	1970	4582	[3]	[3]	[3]	----	[3]	[3]	12.9	[3]	[3]
148	1968	[illegible]	[3]	[3]	[3]	----	[3]	[3]	15.3	[3]	[3]
149	1969	4582	[3]	[3]	[3]	----	[3]	[3]	13.3	[3]	[3]
150	1968	4582	[3]	[3]	[3]	----	[3]	[3]	15.1	[3]	[3]
151	1969	4582	[3]	[3]	[3]	----	[3]	[3]	13.8	[3]	[3]
152	1970	4582	[3]	[3]	[3]	----	[3]	[3]	14.1	[3]	[3]
153	1968	4582	[3]	[3]	[3]	----	[3]	[3]	14.7	[3]	[3]
154	1969	4582	[3]	[3]	[3]	----	[3]	[3]	13.6	[3]	[3]
155	1970	4582	[3]	[3]	[3]	----	[3]	[3]	13.9	[3]	[3]
156	1968	4582	[3]	[3]	[3]	----	[3]	[3]	12.3	[3]	[3]
157	1969	4582	[3]	[3]	[3]	----	[3]	[3]	12.5	[3]	[3]
158	1970	4582	[3]	[3]	[3]	----	[3]	[3]	12.3	[3]	[3]

Determination No.	Contractor's fiscal year	SIC No.	Renegotiable cost of goods sold (in percentages)			Ratio of net worth to long-term debt	Turnover rate (after determination)		Profit (after determination) as percent of		
			Material and subcontracting	Direct labor	Overhead		Capital [1]	Net worth [1]	Sales [1]	Capital [1]	Net worth [1]
159	1968	4582	(3)	(3)	(3)	----	(3)	(3)	13.1	(3)	(3)
160	1969	4582	(3)	(3)	(3)	----	(3)	(3)	13.7	(3)	(3)
161	1968	4582	(3)	(3)	(3)	----	(3)	(3)	12.9	(3)	(3)
162	1969	4582	(3)	(3)	(3)	----	(3)	(3)	14.7	(3)	(3)
163	1970	4582	(3)	(3)	(3)	----	(3)	(3)	15.1	(3)	(3)
164	1968	4582	(3)	(3)	(3)	----	(3)	(3)	13.3	(3)	(3)
165	1969	4582	(3)	(3)	(3)	----	(3)	(3)	12.9	(3)	(3)
166	1970	4582	(3)	(3)	(3)	----	(3)	(3)	13.4	(3)	(3)
167	1970	4582	(3)	(3)	(3)	----	(3)	(3)	13.5	(3)	(3)
168	1969	3731	59.9	24.2	15.9	----	2.3	3.8	13.0	29.6	49.0
169	1968	3731	51.6	34.7	13.7	----	3.3	7.9	13.7	45.7	109.0
170	1969	1999	42.6	11.8	45.6	----	2.1	2.8	13.1	28.0	36.4
171	1968	1929	71.7	13.1	15.2	10.2	2.1	4.8	13.2	28.2	63.7
172	1968	3452	20.3	23.4	56.3	7.9	1.6	2.4	16.7	27.0	39.7
173	1967	2231	42.5	24.0	33.5	2.7	1.8	3.0	14.0	25.4	42.1
174	1968	3391	81.7	7.7	10.6	----	2.4	2.7	13.5	32.3	36.9
175	1968	3714	63.8	16.0	20.2	----	3.6	10.8	13.7	48.7	147.4
176	1967	2311	100.0	----	----	.5	1.6	12.8	15.6	25.1	198.7
177	1968	1621	(3)	(3)	(3)	----	(3)	(3)	11.7	(3)	(3)
178	1969	1929	65.1	19.0	15.9	2.9	2.3	5.1	15.6	35.6	79.5

[1] Because of the presence or absence of factors, such as Government short- or long-term capital input, sole source or rated order procurement conditions, critical production or delivery requirements, etc., return rates on beginning capital and beginning net worth allocated to renegotiable business on a cost-of-goods sold basis are not always good indicators of comparative profitability. This is particularly true in case of smaller contractors with large increases in renegotiable business during the review year. Alao, it is important to note that the ratios are the results of the Board's determinations and that, because of the small number of cases involved and the great variety in underlying conditions, these ratios are not amenable to statistical interpretation.

[2] Rations influenced by intercompany relationships.

[3] Not relevant, because of the nature of the contractor's business.

[4] Not relevant: Agent.

[5] Nominal capital and/or net worth deficit.

Mr. PROXMIRE. One company, a manufacturer of ammunition parts, after refunding an amount determined to be excessive, was allowed to retain a profit amounting to 1,902.7 percent of net worth. Another firm made 872 percent of its net worth, after refunding an amount considered excess, and yet another firm made 589 percent of net worth.

What these figures show is not only that some defense firms are making profits that are excessive according to formal determinations made by the Renegotiation Board, but that the Renegotiation Board itself is permitting those same contractors to retain profits which by any definition also appear to be excessive.

INSUFFICIENT ATTENTION TO LARGER DEFENSE COMPANIES

Another fact that becomes clear upon analysis of the Renegotiation Board's data and upon review of the Board's activities, is that an insufficient amount of attention is being given to the larger defense companies. The table that I have referred to is composed primarily of small and medium sized firms. A few of the companies against whom excess profit determinations were made last year are among the 100 largest DOD contractors. But in the main, the firms listed are the small and medium sized ones.

This fact raises the question, are the larger firms somehow avoiding careful scrutiny by the Renegotiation Board or are they able to avoid excess profit determinations in some other way? The answer to this question may be found in the limited and inadequate staff resources possessed by the Board, in the exemptions and exceptions and other legal restrictions built into the Renegotiation Act, and the rules which permit companies who file under the act to consolidate the earnings from wholly owned subsidiaries and divisions and to average the profits from all products and services supplied to the Government in any given fiscal year.

LIMITED STAFF RESOURCES OF RENEGOTIATION BOARD

The facts about the limited staff resources are self-evident. At the height of the Korean war period, in 1953, the Board had 742 personnel. In fiscal year 1971, it employed 239 persons. This number went down to 223 employees in 1972 and in the current fiscal year, the Board has a total of 204 employees. This number is scheduled to drop to 200 by the end of the current fiscal year.

An examination of the organization of the Board shows how inadequately it attempts to scrutinize the billions of dollars of renegotiable sales awarded each year.

Last year over 4,500 filings were received by the Board from defense contractors. In the Board's Washington office, six professional employees were responsible for receiving the filings, examining them for sufficiency, preparing documents for electronic data processing, and checking into the validity of consolidation requests. When, during the hearings on the Board's appropriation request, I expressed astonishment at the small number of staff persons who were supposed to go over the thousands of filings received from defense contractors, the Chairman of the Board replied that—

This is the same system that was used for 20 years.

But the fact that a practice has been employed over a long period of time does not make it a good practice. In fact, as I have mentioned earlier, 20 years ago the Board had more than three times the number of employees it has today. We would like to think we are making progress in the conduct of our public business. I fail to see how, in light of this record of inadequate manpower to handle the job assigned to it, we can conclude that we have been making progress in this area.

I believe the relatively small amount of excess profits recovered, that is, relatively small compared to the tens of billions of dollars of contract awards, can be attributed in part to the inadequate staff resources in this important agency.

GAO REPORT ON RENEGOTIATION BOARD

In a report issued May 9, 1973, on "The Operations and Activities of the Renegotiation Board" the General Accounting Office identified other problems in the filing and screening process. One problem is that some defense contractors simply failed to file with the Board and that the Board does not have an adequate method of dealing with nonfilers or with late filers. GAO recommended that the Renegotiation Act be amended to provide reasonable civil penalties for failure to file as required by the Act and that the Board charge interest on any excessive profits for the period the filing was late or, if there is no excessive profit determination, a fixed amount.

GAO found that the Board has no practical means of requiring contractors to provide timely information which it considers necessary. A penalty provision is contained in the art, but the Board must show that the contractor's refusal was willful in order to impose the penalty. In contrast, as GAO points out, the Internal Revenue Service penalizes taxpayers for late filings unless they can show reasonable cause for not filing on time. Thus, on tax matters, the burden of proof for justifying a late filing is on the taxpayer, while on defense contract matters, the burden of proof for filing late is on the Renegotiation Board. GAO recommended that the IRS approach be adopted by the Board.

GAO found that the Board was not properly taking into account contractor claims pending against the Government. We are all familiar with the fact that the Navy alone has $800 million worth of claims pending against it by shipbuilders. Any amounts recovered by contractors for their claims should be considered income subject to renegotiation and, one would think, contractors would be required to report to the Board all pending claims and claims settled during that fiscal year in their initial submissions to the Board. But, according to GAO, the Board has not required contractors to report pending claims unless their cases had been assigned by Renegotiation Board headquarters to its regional boards. Thus, a contractor who was not referred to a regional board in the screening process at national headquarters, and who had pending claims and

later made recoveries on those claims, might not report the claims as renegotiable income. GAO reports that the Board is revising its forms so as to require contractors to report pending claims. This is a hopeful and encouraging sign, but it also illustrates how loose and sketchy the renegotiation process has been up to now.

Aside from the way the Board conducts its reviews of contractor filings, there are three major deficiencies in the act itself which would hamstring even the most diligent and dedicated and well-equipped Government agency from recapturing or even identifying the excess profits that are being made on defense contracts.

EXEMPTIONS FROM RENEGOTIATION

First, there are several different categories of exemptions from renegotiation. Contractors whose renegotiable sales in any fiscal year are below $1 million are not required to file. Certain kinds of sales and certain product categories are exempt from renegotiation under the act. Excess profits will not be collected by the Board, as a matter of Board policy, unless they exceed $80,000 for contractors and $20,000 for manufacturers, agents, and brokers.

In my judgment, each of those exemptions should be eliminated or, at the very least, tightened up. The statutory floor, for example, was $250,000 at one time. Of course, given the staff limitations of the Board, reducing the statutory floor would increase the already heavy workload of the Board and strain even further its capacity. The solution is to enlarge the Board at the same time that we are enlarging the scope of its work. Unfortunately, there have been no recent hearings to determine the additional number of personnel that would be needed to handle the additional workload, or to measure the potential increase in excessive profit determinations which would result from a lowering of the floor. This is one of the reasons why I regret the fact that an extensive Senate investigation into the Renegotiation Board has not been conducted up to now.

Under the act, there are 16 sales exemptions. Among them are defense contracts with foreign governments, contracts for certain agricultural commodities and raw materials such as oil, gas, minerals, and timber, and contracts for "standard commercial articles and services." Some of the exemptions have been a part of the law since World War II, when there was a program similar to the current one which dates from 1951. To my knowledge, these exemptions have never been reviewed. According to an estimate made by the Chairman of the Renegotiation Board, about $1.5 billion of sales escaped renegotiation in 1970 as a result of the exemptions.

In a report on "The Efficiency and Effectiveness of Renegotiation Board Operations," submitted by the House Committee on Government Operations in 1971, it was recommended that a number of the exemptions be eliminated.

The Government Operations Committee of the House stated:

> The interaction of competition in the marketplace does not necessarily result in fair and reasonable sales prices, particularly on sophisticated equipment such as computers and other articles produced by industries that may not have a well established competitive marketplace price base. If procurements of these items are in fact made under noncompetitive conditions, these procurements could yield excessive profits. For this reason, there seems to be little basis for defending the commercial article exemptions.

I support that conclusion. What is the justification for not reporting profits on defense sales to the Renegotiation Board? If the profits on this "exempt" business are reasonable and fair, there should be no objection to providing the information on the part of the contractors. If the profits, on the other hand, on "exempt" business are excessive, then we ought to know about it and appropriate refunds ought to be made.

A third class of exemptions are for excess profits under $80,000. The rationale for this exemption is that, due to the subjective nature of the renegotiation process, the amount of excessive profits cannot be precisely determined. Therefore, unless the "excessive" profits are above a specified minimum amount, the Board will not attempt to collect a refund.

In 1954 the amount below which excessive profits would not be collected was raised to $40,000 for contractors and $10,000 for manufacturers, agents, and brokers. These minimums were raised by the Board in fiscal year 1973 to $80,000 for contractors and $20,000 for manufacturers, agents, and brokers. The justification for this action was, according to the Board, that the increase was necessary to reflect inflationary trends and to assist and protect small businesses.

Because of these categories of exemptions, about one-third of defense procurement sales from 1961 to 1970 were not subject to renegotiation, according to the House Government Operations Committee. It should be recalled that we are not talking about competitively awarded contracts. We are speaking here of negotiated contracts. And what the facts show is that negotiated contract awards which escape the renegotiation process as a result of the exemptions have ranged from almost $12 billion in 1964 to nearly $30 billion in 1969.

As a consequence of the Board's recent ruling, the proportion of negotiated defense sales that will escape renegotiation will undoubtedly grow larger. GAO estimates that excess profit determinations totaling $1.6 million made in fiscal year 1972 would not have been made had the $80,000 minimum profit exemption been in effect that year.

ABSENCE OF OBJECTIVE STANDARDS

The Board's rationale for the profit exemption exposes another serious shortcoming in the Renegotiation Act. There is no definition in the statute which permits the Board to determine with any degree of precision whether profits are excessive. Instead, the act provides a series of guidelines which are supposed to aid the Board in its determinations. The guidelines, upon examination, turn out to be mostly a loose collection of subjective, nonquantifiable factors.

The factors include the contractor's efficiency, the reasonableness of costs and profits, the contractor's net worth, the extent of risk assumed, the nature and extent of contribution to the defense effort the character of business, and a final catch-all guideline consisting of "such other factors the consideration of which the public interest and fair and equitable dealing may require."

It will be seen that all of these factors, with the exception of the determination of net worth, are highly subjective in nature. To say that the method employed by the Board in determining what is excess and what is not excess is imprecise is putting it mildly.

This shotgun approach to the definition of excessive profits is most unsatisfactory. It may have been necessary and the best that could be developed 20 years ago or more, when renegotiation was relatively new. To continue renegotiation under such vague standards is unfair to both the contractors and the public. It is time to establish a more precise and objective definition of excessive profits.

One might suppose that the determinations of excessive profits, under such loose standards as exist today, would vary so widely that no pattern reflecting adherence to any standard would be discernable. That is exactly the case today. And that explains why the profits on net worth of contractors range as high as 1,900 percent, even after refunds are made.

In my judgment, the measurement of profit rates ought to be related much more closely than it is today with the net worth of individual firms. This, as I have pointed out earlier, is the most acceptable method of determining profitability employed by economists and businessmen. I should point out here that Federal statistics show that average profits on stockholders' equity, a measure that closely approximates net worth, for all manufacturing firms ranges from 18 to 20 percent per year. Certainly, there are types of contracts for which net worth would not be a good measure. For example, a contractor who operates a Government-owned plant and who has a very small or no capital investment of his own should not have his profits determined as a return on net worth or capital investment. For such contracts a different measure would have to be developed and there are probably other exceptions. But for most negotiated defense contracts, return on net worth would be the most acceptable measure.

CONTRACTORS CAN AVERAGE PROFITS

Finally, the policy of allowing contractors to average profits on all renegotiable sales for each fiscal year permits a number of abuses and inequities. Contractors can charge the Government high prices on one type of contract and then offset these high prices with lower prices on another type of contract. If a contractor has several different types of products he is selling to the Government, he can make high and excessive profits on one type of product and offset those excessive profits with low profits on another type of product. This is not the way profits are negotiated when they are awarded by the Defense Department, and this is not the way the system is supposed to work. A contractor should not

receive more than a reasonable profit on any individual Government contract, in my judgment.

Under the present system, we have created an incentive for contractors to charge the Government with excessive profits. Contractors who want to buy in to new defense product lines are encouraged to do so by the policy that permits them to average their profits. A contractor who knows he can average his profits can underbid his competitors, take moderate profits or even losses on new business which can then be averaged with his old business so as to enable him to escape excess profit determinations. This is a particular advantage for the large conglomerate corporation which has numerous subsidiaries and divisions and produces unrelated defense products.

The policy of averaging profits is also an incentive for defense firms to merge with other companies. A company that may be making low profits on defense work could be considered an attractive acquisition by another firm which is making high profits because the profits of both companies can be averaged when they are merged.

In the GAO investigation of the Renegotiation Board, several instances were noted in which consolidated filings by defense firms were advantageous to those firms. In one case, a contractor reported sales and profit figures for four affiliated companies engaged in ship repair, tug and barge charter, oceanographic instrument sales, and dredging operations. The profit rates of the four firms ranged from minus 5.8 percent to 44.6 percent. When the profits were consolidated for the four affiliated companies, they averaged out to a profit rate of 19.2 percent based on sales. The Board determined that the contractor had earned excessive profits totaling $275,000. But, according to GAO, had the Board been required to consider the company which made 44.6 percent profits on sales separately, the excessive profit determination would have been substantially greater.

In my judgment, renegotiable sales should be classified according to individual product lines, and renegotiation should be based on the product line sales, rather than on total company sales.

NEED FOR SENATE INVESTIGATION

Mr. President, I have been attempting to indicate why I believe there are weaknesses in the Renegotiation Act, what the major weaknesses are, and how I would propose to strengthen the law. I do not presume to know all there is to know about renegotiation. I do know that the original purpose of the renegotiation of defense and defense-related contracts is as important today as it was more than 20 years ago when the law was enacted. Indeed, in view of the size of the defense budget today and of defense contracting, and the fact that defense spending is projected to increase over the next several years, renegotiation is more important today than ever before.

It needs to be emphasized that the basic and primary purpose of renegotiation is, in the words of the law, "the elimination of excessive profits from contracts made with the United States, and from related subcontracts" in the course of the national defense program. That declaration of national policy has never been changed, and it needs to be clearly understood that when Congress extends the Renegotiation Act, as it has 10 times in the past, it reiterates the original declaration of national policy.

But I am not satisfied that the purpose assigned by Congress to the Renegotiation Board is being fully accomplished. I believe we can do much better and that in order to do so, it is necessary to plug the loopholes in the law and remove the legislative hamstrings that have been placed on the Board. For this reason, Congress needs to thoroughly inquire into the operation and activities of the Renegotiation Board. I would like to see the Senate Finance Committee hold extensive hearings on this matter in the near future.

I have indicated some of the changes I would like to see made in the Renegotiation Act. In addition to strengthening the law, Congress ought also to consider whether it would be desirable to upgrade the status of the Renegotiation Board itself. An agency whose life needs to be extended by congressional action every 2 years does not operate under the most ideal conditions. For example, some employees object to the uncertainties of such existence and it makes it difficult to recruit and retain competent professional personnel. The solution would seem to be to make the Board permanent so that it can do its work without the threat of being terminated every 2 years. It might also be desirable to transform the Board into an independent agency whose members, or some of whose members, would be selected by Congress and given fixed terms.

Such proposals and others need to be fully considered by the Senate and I look forward to a comprehensive and searching Senate inquiry in the coming months.

I ask unanimous consent to have printed in the RECORD a letter from the Comptroller General.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 27, 1973.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Housing and Urban Development, Space, Science, Veterans Committee on Appropriations, U.S. Senate.

DEAR BILL: Reference is made to your press release dated May 15, 1973, on the subject of excessive profits as determined by the Renegotiation Board. We made a brief review of the data you received and compared it with the data we obtained during our examination of the Board.

We would like to point out that the column in your press release entitled "Amount of Excessive Profits Refunded" actually shows "Amount of Excessive Profit Determinations." The amount of excessive profits that may have been refunded to date, in connection with the Board's FY 1972 determinations, is unlikely to exceed $13.4 million or about 30 percent of the amount shown in that column.

In fiscal year 1972, the Board made 178 excessive profits determinations totaling $43.9 million. Federal and State income tax credits reduced the maximum amount available for collection to $20.8 million. We did not determine how much of the $20.8 million has actually been refunded to date.

Refunds would not have been made in connection with excessive profits determinations appealed to the Court of Claims. Forty-seven of the above determinations amounting to $15.6 million were appealed. This reduces the Board's gross determinations for collection purposes from $43.9 million to $28.3 million. By applying the overall rate of 47.4 percent of the Board's gross determinations that is available for collection ($20.8/$43.9) to the $28.3 million, we estimate that only $13.4 million would have been refunded to date.

In our report to the Congress "The Operations and Activities of the Renegotiation Board," B-163520 dated May 9, 1973, we made the following recommendations to the Board:

1. Develop guidelines to show specifically how the statutory factors are to be applied and weighted and include in files adequate documentation on the rationale for decisions,

2. Give greater consideration in making excessive profit determinations to the rate of return on capital employed in generating renegotiable sales and use industry averages to provide for more objective and broader based analyses,

3. Assign filings with seemingly reasonable profits selectively (especially in borderline cases) to the regional boards to insure that such contractors are not escaping excessive profit determinations because inaccurate data was submitted,

4. Establish liaison with the Armed Services Board of Contract Appeals and other claims settlement review groups to insure that contractors are reporting accurate data on pending and paid claims, and

5. Consider forwarding to procurement activities data on excessive profit determinations and on the Board's analyses of such determinations.

In subsequent reviews of the Renegotiation Board, we plan to determine the actions the Board takes on our recommendations. In addition, we are planning the following work in connection with the renegotiation process.

1. Examine on a selective basis the reasons why excessive profits were realized by contractors and whether the excessive profits are attributable to weaknesses in the procurement procedures of the agencies that awarded the contracts.

2. Determine whether the voluntary refunds and price reductions the Board annually reports to the Congress (a) are truly voluntary or required by the contract, (b) were actually made to the Government or otherwise benefitted the Government and (c) could be attributed to the threat of renegotiation.

Sincerely yours,

ELMER STAATS,
Comptroller General,
of the United States.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the able Senator from Rhode Island.

Mr. PASTORE. I compliment the Senator on his amendment, and wish to say that this has been a very, very serious problem for the committee. Every time they come in and ask for more money, I have questioned them very closely as to whether or not they were asking for enough, because in this category every dollar we invest in personnel and in effective work will redound back to the Government in thousands of dollars. I think we ought to be rather generous in this area, because where excessive profits have been made, money should

be returned to the Treasury of the United States.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Rhode Island. For years he handled this appropriation. Just in the last few months I have been handling it, and I have become aware, as the Senator has been for many years, of the possibilities of increasing our revenues by providing greater equity, and at the same time securing a repayment to the Government of excessive profits.

Mr. President, I hope that the manager of the bill will accept the amendment.

Mr. LONG. Mr. President in the spirit of compromise, I am happy to go along with the Senator.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

Mr. PROXMIRE. Mr. President, this is not on this amendment?

Mr. MANSFIELD. No, on passage.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment was agreed to.

Mr. BIBLE. Mr. President, in conjunction with the consideration of H.R. 7445, I would like to call the attention of the Senate to the recent report of the Comptroller General entitled, "The Operations and Activities of the Renegotiation Board" dated May 9, 1973. This report gives a comprehensive and much-needed review of the work of the Renegotiation Board in its determinations of excessive profits from defense and space contracts and related subcontracts.

The Select Small Business Committee has for some time been interested in the Renegotiation Board in its review of Government contracts with small businesses. The report of the Comptroller General bears out the fact that much of the operations of the board concerns small business. The Comptroller General found that primarily it was the small firms with total sales below $10 million doing the bulk of their business with the Government that were hit with excessive profit determinations. One of the reasons found for excessive profit determinations falling on small business was that large business is able to average its profits among companies of common control. Furthermore, many large companies produce articles or services that may be exempt from renegotiation.

Mr. President, I ask unanimous consent that an excerpt from the Comptroller General's report dealing precisely with this aspect be inserted in the RECORD at this point in my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

PROFILE ON FIRMS MAKING EXCESSIVE PROFITS

We analyzed the firms which made excessive profits in fiscal years 1970–72 to determine their most common characteristics. The results of our analysis are shown below.

Characteristics:	Percent of total
Renegotiable profits:	
Below $800,000	65
Over $800,000	35
Renegotiable sales to total sales:	
Under 50%	25
50% to 75%	18
Over 75%	57
Total sales:	
Below $5 million	57
$5 million to $10 million	20
$10 million to $25 million	12
Over $25 million	10
Renegotiable sales:	
Below $5 million	75
$5 million to $10 million	16
$10 million to $25 million	6
Over $25 million	3
Total capital:	
Below $500,000	28
$500,000 to $1 million	20
$1 million to $5 million	34
Over $5 million	18

Our analysis showed that primarily small firms were found to have made excessive profits; they had total sales (renegotiable and nonrenegotiable) of below $10 million, renegotiable sales of below $5 million, total capital below $5 million, and the bulk of their business was with the Government. The Board rarely found the largest defense contractors to have made excessive profits. Because most of the firms were either small or medium size, the producers of major weapon systems do not seem to be the contractors making excessive profits. Rather, many of the contractor making excessive profits were producers of relatively low-technology products, such as ordnance or textile products.

Prime contract sales accounted for about 82 percent of the total renegotiable sales, and subcontract sales accounted for the balance. About 70 percent of the prime contract sales were under fixed-price contracts. We were unable to determine whether the excessive profits were made primarily under negotiated or formally advertised contracts. However, a law firm which represents contractors against which excessive profit determinations have been made told us that about 60 to 70 percent of its clients' renegotiable sales were under formally advertised contracts.

In part, the reason for the lack of excessive profit determinations among major defense contractors may be the averaging of profits for companies under common control. (See p. 37). Further, many large companies produce articles or services that may be exempt from renegotiation, e.g., computers and peripheral equipment, aluminum and aluminum alloys, textile fabrics, refined petroleum products, automobile and aircraft tires, steel, semiconductors, photographic film, pharmaceuticals, and aircraft communication and navigation equipment.[1]

Mr. BIBLE. Mr. President, the nub of the report is that the Renegotiation Act is essentially the "Renegotiation of Small Business Act," for it is small business that is being subjected to renegotiation more than nonsmall business.

This fact is particularly disturbing because the Renegotiation Board has taken the position of refusing to recognize that the small business policy of Congress as found in section 2(a) of the Small Business Act is applicable to its proceedings. It has rejected the amendment to the Renegotiation Board regulations proposed by the Small Business Administration which would have given recognition to this policy.

The Small Business Act sought to create conditions whereby small business concerns would be a more viable part of the economic structure—and so strengthen the competitive free enterprise system, and particularly in the area of Government procurement.

[1] *The Operations and Activities of the Renegotiation Board*, B–163520, May 9, 1973, p. 44–45.

The Renegotiation Act was and is directed at the recapture of excessive profits resulting from imperfections in the competitive free enterprise system that are caused by the nonexistence of a free competitive market.

The Small Business Committee has ascertained situations where small concerns that are in direct competition with large businesses in the proucurement of the same item by competitive market processes are being penalized by the manner of the application of the Renegotiation Act.

What has occurred is that the more efficient small business by competitive processes is awarded a firm fixed price contract. Because of its greater efficiency, it makes a greater profit, per unit sold, than the large business competitors. Or, in an unusual case the profits of the large business are not "renegotiated," or if renegotiated is required to refund less per unit than the more efficient small business concern.

The result is that the Renegotiation Act is used as a tool whereby the more efficient small business is required to refund profits so that its "per unit selling price" to the Government is less than the "per unit selling price" received by the less efficient large business.

While I support the policy laid down in the Renegotiation Act of 1951, which is furthered in H.R. 4775 now being considered, I urge the Board to reexamine the effect of this policy on small business. It surely was not the intent of Congress for the burden of renegotation to rest more heavily and inequitably on small business. I would hope that the Renegotiation Board in its deliberations would give earnest consideration to the points we have raised in our comments about the factual situation focused on by the Comptroller General's report. I support enactment of this legislation as recommended by the Finance Committee and its distinguished chairman (Mr. LONG).

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were order to be engrossed, and the bill to be read a third time.

The bill (H.R. 7445) was read the third time.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), the Senator from Delaware (Mr. BIDEN), the Senator from Washington (Mr. MAGNUSON), the Sen-

ator from Wyoming (Mr. McGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

Mr. TOWER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. McCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

The Senator from Illinois (Mr. PERCY), the Senator from Virginia (Mr. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are detained on official business.

If present and voting, the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 74, nays 0, as follows:

[No. 264 Leg.]

YEAS—74

Aiken	Eagleton	Metcalf
Allen	Eastland	Mondale
Baker	Ervin	Montoya
Bartlett	Fannin	Moss
Bayh	Fulbright	Muskie
Beall	Gurney	Nelson
Bennett	Hansen	Nunn
Bible	Hartke	Packwood
Brock	Haskell	Pastore
Brooke	Hatfield	Pearson
Buckley	Hathaway	Pell
Burdick	Helms	Proxmire
Byrd, Harry F., Jr.	Hollings	Randolph
	Hruska	Ribicoff
Byrd, Robert C.	Huddleston	Saxbe
Cannon	Hughes	Schweiker
Case	Inouye	Stevens
Chiles	Jackson	Stevenson
Church	Johnston	Symington
Cook	Long	Taft
Cranston	Mansfield	Talmadge
Curtis	Mathias	Tower
Dole	McClellan	Tunney
Domenici	McGovern	Weicker
Dominick	McIntyre	Young

NAYS—0

NOT VOTING—26

Abourezk	Griffin	Roth
Bellmon	Hart	Scott, Pa.
Bentsen	Humphrey	Scott, Va.
Biden	Javits	Sparkman
Clark	Kennedy	Stafford
Cotton	Magnuson	Stennis
Fong	McClure	Thurmond
Goldwater	McGee	Williams
Gravel	Percy	

So the bill (H.R. 7445) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5452) to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8152) to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to improve law enforcement and criminal justice, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RODINO, Mr. CONYERS, Mr. FLOWERS, Mr. SEIBERLING, Ms. JORDAN, Mr. MEZVINSKY, Mr. HUTCHINSON, Mr. McCLORY, Mr. SANDMAN, Mr. DENNIS, and Mr. FISH were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. WHITTEN, Mr. SIKES, Mr. PASSMAN, Mr. BOLAND, Mr. FLOOD, Mr. CEDERBERG, Mr. RHODES, Mr. MICHEL, and Mr. SHRIVER were appointed managers on the part of the House at the conference.

SUBSTITUTION OF CONFEREES ON HOUSE JOINT RESOLUTION 636

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the name of the Senator from Arkansas (Mr. FULBRIGHT) be substituted for the name of the Senator from Washington (Mr. MAGNUSON) as a conferee on House Joint Resolution 636. The Senator from Washington will not be here today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I find also that the Senator from New Hampshire (Mr. COTTON) who is named as one of the conferees in House Joint Resolution 636 last night will not be here today. I ask unanimous consent that the Senator from Alaska (Mr. STEVENS) by substituted therefor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. TOWER. Mr. President, because a number of Senators are interested and want to get away, I take this opportunity to ask the distinguished majority leader what he has in store for us for the remainder of the day.

Mr. DOMINICK. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. In response to the question raised by the distinguished acting Republican leader, I make the following request.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 257, H.R. 8825, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The bill was stated by title as follows:

A bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

PROGRAM TODAY

Mr. MANSFIELD. In addition to the foregoing bill, we have about 12 or 13 unobjected to items which we will take up later in the day. There will be a number of conference reports which will come before both Houses during the course of the day. Rollcalls will be of 10 minutes' duration from now on, except for final passage of any bill, which will be 15 minutes.

We hope with luck and some tenacity to get out at a reasonable hour.

Mr. TOWER. I thank the majority leader.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Louise Ringwalt may be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that during the consideration of H.R. 8825 privilege of the floor may be granted to Richard Allnutt, Charles Lombard, and Mary Jane Due.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HANSEN. Mr. President, I ask unanimous consent that Tyler Craig and Mrs. Marilyn Koester may be granted privilege of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Rod Solomon may be granted the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am handling the appropriation bill and I ask unanimous consent that my administrative assistant, Howard Shuman and my legislative assistant, Tom van der Voort, may be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, in the pending measure, the committee recommends appropriations of new obligational authority of $19,011,241,063. This sum is $393,788,063 above the budget estimate, $59,712,937 under the amount contained in the House bill, and $1,852,449,937 less than the amount made available in fiscal year 1973. We have appropriated less than last year.

I hasten to point out, however, that the committee received budget estimates from the Secretary of the Department of Housing and Urban Development totaling $260 million, of which $75 million was for the model cities programs and $185 million for the urban renewal programs. The committee was advised by telephone that the OMB concurred in these estimates submitted to the committee by the Secretary, but the committee was told there would be no official estimate coming from the President for these amounts. If this $260 million were made part of the official estimates, the committee recommendations would then be $133,788,063 above the budget estimate.

In title I of the bill, for the Department of Housing and Urban Development, the committee recommends an appropriation of $3,095,903,000, which sum is $417,810,000 above the budget estimate but $69,402,000 below the House allowance. The committee has concurred with the House, and recommends an appropriation of $600 million for the urban renewal programs and $150 million for the model cities program. In these two programs the committee sum is $612,500,000 over the estimated amount. The committee has also allowed the full budget estimate for the comprehensive planning grants of $110 million, which sum is $85 million above the amount recommended in the House bill.

Other reductions in the HUD budget include minor cuts in the various salaries and expenses accounts, and consist of concurrence in House reductions made in these appropriation items and the denial of the amount for pay increases for fiscal 1974 that was included in the HUD budget. The other agencies of the Government have not included the item for pay increases in their budgets for fiscal 1974. There is no reason to make the HUD budget an exception; thus, I felt that HUD should be put on a par with the other agencies of Government and be required to absorb the pay increases applicable to fiscal year 1974.

In title II of the bill for the space programs the committee has concurred with the House by recommending an appropriation of $2,194 million for research and development, which is a reduction of $3 million below the budget estimate. Within the total appropriation of $2,194 million recommended by the committee for research and development, the committee expects NASA to carry out, to the extent possible, the suggestions contained in the House report concerning allocation of funds to various programs. In particular, the committee recommends that NASA provide the funds to launch the second Earth resources technology satellite—ERTS–B—as early as possible if ERTS–1 encounters a major system failure, and replace the capability of the flying laboratory "Galileo," the Convair 990 which was destroyed in an accident in April 12, 1973. The committee also recommends that NASA provide the funds, within the total appropriation: First, to carry out a program to explore and demonstrate options for energy generation and management using NASA-developed technologies; second, to expand its jet engine noise reduction program to include refan work on the JT3D jet engines used on 707 and DC–8 aircraft; third, to continue development of the Questol research aircraft; fourth, to increase efforts in the technology utilization program and continue research in nuclear power and propulsion; and fifth, to continue the advanced supersonic technology program at a level not to exceed $11,700,000, specifically including continued research in propulsion technology, encompassing noise reduction, pollution reduction, reduced fuel consumption, and stratospheric emission experiments, and in aerodynamics technology, encompassing aerodynamic efficiency and sonic boom studies.

For the construction of facilities of the space agency the committee recommended an appropriation of $101,100,000, which is $10,900,000 below the budget estimate but $13,300,000 above the sum contained in the House bill. The House reduced the funds for "construction of orbiter landing facilities, John F. Kennedy Space Center" by $20.9 to $7.3 million. The committee recommends $17.3 million for this project to permit NASA to proceed in an orderly way with the first increment of the required work. For the same reason, the full amount of $9.51 million is included in the bill for NASA to proceed with the "modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility."

This is $3.3 million above the amount recommended by the House for this item. If it is discovered as the year progresses that additional funds are needed for the orbiter landing facilities, the committee recommends that such funds be made available through temporary adjustments within the amount appropriated and available unobligated balances.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question on that point?

Mr. PROXMIRE. I yield.

Mr. FULBRIGHT. With respect to the space program, I am just curious as to what the view of the Senator is as to the relative priority of space as compared with any other activities. Did the Senator makes a deliberate decision on the significance of the space program?

Mr. PROXMIRE. The Senator is asking for my individual view?

Mr. FULBRIGHT. Yes, or the committee's.

Mr. PROXMIRE. There is a difference. The view of the Senator from Wisconsin is that the space program should have a lower priority. I supported the amendment of the Senator from Arkansas to reduce the funds in the authorization bill, which failed by a better than 2-to-1 vote. I tried in the Space Committee to knock out the Space Shuttle. I was unsuccessful. I may say I was overwhelmingly unsuccessful.

Mr. FULBRIGHT. I congratulate the Senator.

Mr. PROXMIRE. It was clear that we could not win in the full committee. I discussed this matter yesterday with the Senator from Minnesota (Mr. MONDALE), who has been the leading exponent of eliminating the Space Shuttle. He agreed with me that it would be a futile effort to try it on the floor, that it would be a waste of time. We agreed that, unless someone else wanted to bring it up, we would not bring it up. I would point out that the Members of the Senate indicate they have no desire to reduce the NASA appropriations. So, on that basis, and on the basis of what we did the other day, we concluded there is no chance to change it.

Mr. FULBRIGHT. What is curious to me about this is that normally the Senate is usually very responsible. This is one of the cases in which the Senate figure goes above that of the House by $13 million. I am puzzled by the power of the space lobby in the Senate, as opposed to the House. Normally they function very well in the House. The military normally are more powerful in the House than in the Senate. Here they are more powerful in the Senate. It makes me wonder.

Mr. PROXMIRE. In fairness, this is a program that was reduced sharply in the past 3 or 4 years.

Mr. FULBRIGHT. Why does the committee go above the House figure? Is there any particular reason for it? We make all these general statements of responsibility here and that we are not going to justify the President's accusation that we are a spendthrift body. All that goes by the boards when it gets down to specifics. These are statements made only for general publication, but

are not to be applied in any specific manner.

Mr. PROXMIRE. We went over the House figure, because the decision of the subcommittee was, over the objections of the chairman of the subcommittee, that we should proceed with certain construction; that it was orderly; that it would save money in the long run; that it was inevitable; that we would have to do it if we were going to have a manned space program. The construction primarily is to take place at the Kennedy Space Center. There was also some in Mississippi, but primarily it was at the Kennedy Space Center.

Mr. FULBRIGHT. I know the Senator shares my views about the priority of this program. I think it is unfortunate that we are not able to do anything about it.

Mr. PROXMIRE. I agree with the Senator. Perhaps in another year we may do it in another way. I think this is a program that should be placed, as the Senator has said, in a somewhat different priority—in my view, a lower priority. This year we do not have the fiscal discipline; we may have it next year when we adopt a different system—I hope we will—of determining our priorities. I know we cannot reduce it now.

Mr. FULBRIGHT. The President has appointed a czar for the energy field, showing the concern we all have with the energy problem. There is a shortage of gasoline. Farmers are without gas in some areas. Yet we are providing only about $5 million for research and development in the conversion of oil shale. This is a most important aspect of the whole energy problem which is acute and affects millions of people. But for this program we spend only one one-hundredth of what we spend on the space program. It seems inconceivable that we do nothing about research in the gasification of coal or on research and development or to supply oil or to build refineries——

Mr. PROXMIRE. Well, in fairness, in the NASA budget there is money to carry out a program to explore and demonstrate options for energy generation——

Mr. FULBRIGHT. Solar energy?

Mr. PROXMIRE. Solar energy. That is a very real option.

Mr. FULBRIGHT. That is of a very low priority in terms of meeting our immediate needs—it is in the same class with nuclear fusion. While they may be valuable in meeting future energy requirements, there is nothing as important in the short run as the development and use of coal and shale. I disagree that solar energy is of great near-term priority. We spend more on solar energy research than we do on coal research. It seems to me an absurdity.

Mr. PROXMIRE. For the National Science Foundation the committee recommends an appropriation of $574,600,000, which is $8 million below the sum estimated and $10 million above the amount recommended by the House. The committee has directed that this reduction be applied to the research incentives program.

For the Selective Service System the committee recommends an appropriation of $35 million, which is $20 million below the budget estimate and $12,500,000 less than the sum contained in the House bill.

This Senator felt we should simply provide enough money to wind up and end the Selective Service System since the administration has made it clear it is not going to use it this year, at least, and since a voluntary army is the policy of both the Congress and the administration. However, under the circumstances, the committee felt we do not have power to repeal the law, so we should provide enough so that we would have enough money so the Selective Service System could continue at a minimum level.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. PROXMIRE. I will yield in just a minute.

While the committee does not recommend a termination of the Selective Service System at this time, because it feels that this should be a matter handled in the ordinary legislative process, it has nevertheless included a proviso in the bill that would prohibit the induction of any individual into the Armed Forces of the United States.

The reason why we did that is that there are some 5 million, as I understand it, men who have been deferred and who could be called up in spite of the volunteer Army policy that would prevent further inductions; but they are subject to being called up without further action by the Congress.

I yield now to the Senator from Georgia.

Mr. NUNN. Mr. President, I have a few questions on this section. I think the record ought to be clear.

If the draft itself has expired, and with it the power of the President to induct people into the service, what is the need for that last section in the proviso?

Mr. PROXMIRE. No. 1, the authority to induct still exists. No. 2, it was felt strongly by some members of the committee that we should continue to have registration required, and the requirement of registration makes it possible to have an effective Army Reserve and National Guard. Without that incentive, Congress might be required to change the present provision of law and restart the draft. It would be harder to maintain Reserves and the National Guard.

Mr. NUNN. It would be difficult for the President to implement any kind of draft that will expire as of June 30.

Mr. PROXMIRE. No. As I understand it, the people in the pool could be inducted.

I will yield to the Senator from Maryland (Mr. MATHIAS) to comment in this aspect of it. He took a lead in the subcommittee in that area.

Mr. MATHIAS. I thank the Senator for yielding. The Senator is exacly right. Once the pool of 4 or 5 million young men incurred a liability to the Selective Service System as a result of the selective service laws and were deferred for one reason or another, their liability continues, even though the act itself has expired and no further liabilities will be incurred by the young men who reached the target ages hereafter, but their liability exists.

We felt the reason it was important was that with the selective service offices around the country continuing to exist and function with staff, it would be a very easy matter for a President to simply order inductions and begin again, because the liability exists, the men exist, and the machinery of induction exists.

Mr. NUNN. In spite of his not having this authority, the 4 or 5 million who are in the pool could be inducted, under the Senator's understanding of the law without this provision?

Mr. MATHIAS. Mr. President, that is exactly right. He does have the authority because that is merely for induction. It is a condition which accompanies them until they move out beyond the critical age.

Mr. NUNN. If that is the case, then it would appear that with the resources of the Pentagon outside of the Selective Service System, there could certainly be implementation by the President by the use of these people if he were denied the funds under the Selective Service Act.

Mr. MATHIAS. It seems to me that this is the clear congressional intent, that no further inductions would be made pursuant to this without further action of Congress.

Mr. NUNN. Mr. President, my overall concern is with the volunteer forces. I am concerned that this language might be interpreted very broadly to deny the volunteer forces to do anything virtually.

It says none of the funds appropriated by this act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

Everything the Selective Service does, in my opinion, is in connection with the induction of people into the Armed Forces of the United States.

Mr. PROXMIRE. Mr. President, it is clear that the Selective Service would register young men as they come of age and would have to keep a record of their registration. They would have to come in and be registered and fill out the required forms.

We have a situation here where we are at peace, and certainly on August 15 we will be at peace. We will have the largest number of men in the Armed Forces that we have ever had in times of peace, over 2 million, backed up by heavy reserves and a National Guard. And we are in a position where the recruiting of any additional personnel should require a deliberate act of this body, rather than to leave it to the Executive.

Mr. NUNN. Mr. President, I would completely agree with the Senator on that part, although I do not agree with the part as to the volunteer forces. The language seems to be overrestrictive. I know what the Senator is doing in this paragraph. However, it seems that the language could be construed as giving the power to the Selective Service to do anything. What does the Selective Service do that is not in connection with the induction of men into the Armed Forces, either directly or indirectly.

Mr. MATHIAS. Mr. President, I think the Senator is performing a very useful function in raising the question. Maybe we can define exactly what we mean by induction. First of all, let me say that the President has committed himself to an honest trial of the Volunteer Army. This is something that we will try.

I do not think that anyone can guarantee that it is going to work. However, it is something that we want to examine as an alternative to the Selective Service System which has been such a burden on the young people of America for a quarter of a century or more.

The President, in pursuit of that amendment, has said he does not intend to seek an extension of the Selective Service Act and that he does not wish to involuntarily induct young men into the armed services after the expiration of the existing act.

Induction, it seems to me, is a process by which a young man leaves civil life and becomes a member of the Armed Forces. It is a completed act by which he moves into the armed services with all of the obligations that implies, and the change in status that implies. That is what we seek to prevent, the ordering of young men into the armed services involuntarily. Registration is not induction.

The mere maintenance of an office and the retention of files is not induction. Induction is the act of moving into military life. And that is what we are talking about, the involuntary moving into military life.

Mr. NUNN. Would the Senator state then that registration itself is not prohibited?

Mr. PROXMIRE. Absolutely.

Mr. NUNN. And the maintenance of the records and all things up to the actual induction of the men itself is permitted.

Mr. PROXMIRE. Absolutely. Otherwise there would be no reason to have any appropriation whatsoever.

Mr. NUNN. Perhaps we need to make that a little clearer.

Mr. MATHIAS. Mr. President, I might suggest to the Senator that the Selective Service System and the authority to induct is a separate and distinct authority. It is all set out in the Selective Service Act. It is distinguished from the authority to classify and examine the records. I think these are separate and distinct powers, and they make it easier to define. It makes it easier to distinguish Congress intention with regard to each of these activities.

Mr. NUNN. Does the Senator think that the words "or in connection" are vital to the language that "none of the funds appropriated by this act may be used for the induction of men into the Armed Forces." Would the deletion of those words dilute it too much?

Mr. MATHIAS. Mr. President, I think when one looks at the Selective Service Act itself, he will see that induction means the actual movement of a young man from civil life into the involuntary military service. And then he will see that there is separate authority for classification, examination, and registration, and that that difficulty is really removed. We are talking about induction. We are talking about the critical act in the drama. It really is not improper to have "in connection with" as part of that restriction.

Mr. PROXMIRE. Mr. President, if the Senator will refer to page 27 of the report, he will see one paragraph that is appropriate.

I will read it: It reads:

> Section 10(h) of the Military Selective Service Act provides that the Selective Service System should be maintained as an active standby organization, with a complete registration and classification structure that is capable of immediate operation in the event of national emergency and with the necessary personnel to reinstitute promptly the full operation of the so-called draft system.

Extended induction process is defined in section 17 of this act. This would not touch the 10(h). That would apply in section 17.

Mr. NUNN. Mr. President, I thank the Senator from Wisconsin and the Senator from Maryland. I believe that the RECORD will show that this amendment does not prohibit the other activities, short of the actual involuntary induction of men.

Mr. PROXMIRE. Mr. President, for the Veterans' Administration the committee is recommending an appropriation of $12,225,061,063. This sum is $12,061,063 above the budget estimate and $1,110,037 below the sum contained in the House recommendation. The committee has concurred with the recommendation of the House addition of $14,350,000 for medical care which is provided to hire an additional 1,000 nurses in fiscal year 1974. In addition, the committee has increased the budget estimate by $6,800,000 for medical and prosthetic research to compensate for inflation, and it has added $5,911,063 to provide for the activation of closed wards, to establish 10 new alcohol dependency treatment centers and to activate 15 new and upgrade 16 existing hospital-based home-care programs.

When the committee addition of $6,800,000 for medical and prosthetic research is added to the $4,818,000 of unobligated balances carried over from fiscal year 1973 plus the $2,606,000 of reimbursements to be received by the prosthetic research account, there will be available for medical and prosthetic research in fiscal year 1974 the sum of $85,224,000, which will enable the Veterans' Administration to not only offset the $2,594,000 in program costs but will also permit the addition of at least 89 positions for medical research and 11 positions for prosthetic research.

The committee has also included in the bill appropriations for a number of independent offices and commissions. For the Federal Communications Commission the committee recommends an appropriation of $39,860,000, which is the same as the amount recommended by the House and $3 million above the budget estimate. For the Securities and Exchange Commission the committee is recommending an appropriation of $34,027,000, which also is the same as the House allowance but $2,817,000 above the budget estimate. For the Renegotiation Board the commmittee is recommending the budget estimate and the sum contained in the House bill of $4,690,000.

Also, Mr. President, the committee has concurred with the House in the limitation on administrative and nonadministrative expenses of the Federal Home Loan Bank Board by allowing $28,090,000 for fiscal year 1974.

Mr. President, as the committee reports this bill, a number of the appropriations made herein have not yet been authorized by the Congress. Nonetheless, all the authorizations are in various stages of completion at this time.

The authorization for the NASA program was passed by the House on May 23, 1973, and by the Senate on June 21. The Joint Conference Committee on this authorization bill reached agreement on June 27. The National Science Foundation authorization was reported to the House on June 22, 1973, and passed the Senate yesterday on June 29, 1973.

The authorization for the Renegotiation Board providing for the extension of its life was passed by the House on May 9, 1973, reported to the Senate on June 22, 1973, and just passed the Senate a short time ago.

House Joint Resolution 512, which authorizes appropriations for a number of the programs of the Department of Housing and Urban Development, passed the House on May 21, 1973, and has been reported to the Senate on June 25, 1973. It is the understanding of the committee that at this time there is a "hold" on House Joint Resolution 512.

Mr. President, the bill also includes language to insure that all funds appropriated herein shall be obligated except as specifically provided by law. It is the intent of the committee that all funds be available for obligation except those for which a specific reservation has been provided in this bill or those which may legally be withheld under the Anti-Deficiency Act or other specific statutory authority.

The committee has also recommended the addition of a new section 405 to the bill—and this is something Senators should be aware of—to prohibit the use of limousines and heavy, medium, and light sedans by Federal officials. It has exempted from this provision officials of Cabinet rank, and thus, in the new section has included language to provide that the Secretary of the Department of Housing and Urban Development is, therefore, exempted from this provision.

This, of course, is something that is a personal matter with many officials in town—and I say many, because it is hard to drive around the streets of Washington without being passed or driven over to the curb by some one of hundreds of bureaucrats who is hard to recognize, but is being chauffeured around; and many of these chauffeured limousines have been funded, in the past, by this appropriation. The members of the subcommittee feel strongly that this provision should become law.

In its report the committee points out that under existing law (38 U.S.C. Supp. II 638(a)) vehicles furnished to Government officials of Cabinet rank are to be used exclusively for official purposes and

shall not include transportation between the official's domicile and his place of employment.

We recognize, however, that on the basis of testimony before the committee, this law has been flouted again and again by some of the leading figures in the administration. They admit they are doing it, and their justification before the subcommittee was, in the view of this Senator, very lame indeed.

Mr. President, that concludes my statement on the bill. I thank the distinguished Senator from Maryland, the ranking Republican member of the subcommittee, who has been extraordinarily helpful in developing this appropriation.

Mr. MATHIAS. Mr. President, first I would like to respond to the very generous comments of the distinguished chairman of the committee. Certainly he has put in extraordinarily intensive work on this bill. He has been very faithful in attending committee sessions and very patient in hearing out the large number of witnesses who appeared before us. He has been extremely helpful to me as a new member of the Appropriations Committee in explaining the procedures under which the committee traditionally operates, and I think that we would not be in a position to be presenting this bill to the Senate prior to the Fourth of July if it had not been for his persistence and his skill.

While we have not been able to agree at all points on the funding levels of some of the items in the bill, I think that the chairman, as he has explained this morning, has been very cooperative in the consideration of the many important agency programs that have been reported out, notwithstanding his strong views on many of these items.

He has covered all the major facts concerning the bill, but I would make a few personal comments on certain items of particular concern to me, beginning with the Department of Housing and Urban Development.

In general, the administration has taken the position that many of the categorical housing programs should be stopped while a massive study is done by HUD to see where we go from here in attacking the many housing problems still prevalent in this nation, and which admittedly are not being resolved or cured by the programs now in being. Perhaps the difficulties are being alleviated or mitigated, but the cures have not been found.

I do not believe that we should allow progress in our cities to grind to a halt because we do not yet have the final answers as to where we go from here and the new legislation and new programs to supplant the various housing programs that have been going on for some years and on which all committees, rural and urban, have been depending.

It seems to me that even in cases where programs admittedly are not going to the root cause of the problem, they are at least providing the means of continuing the life of the cities from day to day, and that we have to consider that before we arbitrarily suspend them. In fact, I think a suspension at this time would not be shifting gears to a smoother, more efficient power ratio, but rather just the opposite.

In the long run such a stop-start tactic can only cost this Nation more money, not less, and cause more hardship, not less, in all those efforts that go into home building in this country. I have supported, therefore, an increase in urban renewal funding of $462,500,000 over the budget request to bring the level to the House appropriations figure of $600,000,000 and I have supported a funding level of $150,000,000 for model cities programs for which the administration asked nothing. We can hope there will be a Better Communities Act but until we have this on the books I do not believe we can go back on the promise that these programs hold out. So I have felt constrained, in these particular matters, to go beyond the budget requests. I have supported the full budget amount of $110,000,000 for comprehensive planning grants because I firmly believe that we must succeed in gearing better planning into our housing development if our other programs are to work, and work satisfactorily.

I have joined with other Senators in supporting a higher than budgeted level for public housing operating subsidies and we have for the first time written language into the bill providing a floor for these subsidies so that the $315,000,000 cannot be spent for anything else.

Finally, in the HUD budget I supported research and technology efforts at HUD with the hope that they will become increasingly innovative.

This is particularly important because HUD is now taking over certain OEO functions which have been primarily devoted to the problems of the rural poor, while current HUD research appropriations focus primarily on the urban poor.

The committee has fully funded the Veterans' Administration with the exception of a small cut in central administration. We have gone over the budget for medical care and for medical and prosthetic research. Of course, we cannot underestimate the importance of assuring that every veteran receives the medical attention he needs and deserves. I am sure all Senators agree on this and if there are differences it comes down to how best to achieve this end.

Last year this same committee put special language in the bill and increased funding for certain additional hospitals and, while this was enacted into law, these funds have not been released. This year we have put special language in our committee report insisting that the Veterans' Administration should move ahead with the planning and design and construction of these new medical facilities. One of these items supplied funds for a new Veterans' Administration hospital at Baltimore, Md. It is interesting that the funding originated 3 years ago, based on an administration request for $1,500,000 for the purchase of a site for a new Veterans' Administration hospital at Baltimore. These funds were voted. In last year's appropriation, an additional $3,724,000 was provided for planning and site acquisition. All of these funds remain available and the need continues to increase; yet the Veterans' Administration, who have testified each year that the need for this hospital remains, has not been able to move ahead because the Office of Management and Budget will not release the funds. I have, therefore, with the consent of Chairman PROXMIRE and the Members of the committee placed special language in the Senate Report accompanying this bill, pointing out these facts and directing that the Veterans' Administration forthwith undertake planning and site acquisition and report back to this committee within 120 days on their progress, and directing that should be Office of Management and Budget continue to withhold allocation of the funds previously appropirated that this should be reported to this committee immediately.

I have also been concerned that we may not be providing sufficiently high levels of educational support for our veterans. We have not had the benefit of a now overdue study comparing World War II educational benefits with those now granted for the so-called Vietnam era veterans, and I have inserted, again with the concurrence of the chairman, language in the report on this subject.

Mr. President, as I have said, I have had to disagree on certain items with my chairman. One of these has been funding of the Space Shuttle at NASA an item which I support. Several weeks ago, I spoke in the Senate on the purposes and the potential of the space program which will depend not only in this country but internationally on the timely and successful development of the space shuttle with all its varied capabilities. This has been debated in the Senate and studied here and in many other places. I am not going into the details except to say that I do not join those who believe that dollars spent on the future exploration of the possibilities of space are dollars that are wasted.

The committee did not vote full funding for facilities construction for space shuttle supportive facilities but if we can hold to our figure in conference with the House, I believe we have provided the minimum necessary to keep Space Shuttle development from falling behind in its schedule.

In this connection, I would especially like to commend the two ex officio members of the subcommittee, the Senator from Utah (Mr. Moss) and the Senator from Arizona (Mr. GOLDWATER), who provided expertise and leadership in the consideration of this item. I would also note the very strong support that the Senator from Alaska (Mr. STEVENS) gave to assuring that the language in the report supports the ERTS-B—earth resources technology satellite—satellite.

Concerning the selective service, there has been much discussion this year on the floors of Congress, in our hearings and in our markup of this bill. We now are entering into an era where this country will be depending on a volunteer army and this I have supported and do support.

I accept the concept of the Volunteer Army and hope that it will be a successful concept. We are allowing the draft to terminate and expire but I feel very

strongly there is a loophole here; because in voting to end the draft, we did not end the authority to induct young men who had previously been deferred. With the support of the committee, I have inserted language in the bill which will close this loophole so that funds cannot be provided to enable the selective service to draft any young men in this country into the armed services without the concurrence of Congress.

There are many good arguments for totally abolishing the Selective Service System and there have been good arguments presented for continuing it for just this 1 more year so that registration of our young men can continue while we determine that an all Volunteer Army can become a successful reality. The committee in adopting this general philosophy has voted sharply to reduce the funding level which will permit continued registration for this year.

Lastly, I had to part ways with my chairman on the recommendation for funding of the National Science Foundation. We came up finally with a figure of $10 million above the House, but $8 million below the budget request. But I would point out here that the distinguished Senator from Wisconsin (Mr. PROXMIRE) was extremely helpful in giving the necessary flexibility to the internal funding of the National Science Foundation programs.

Between the action of the House Authorizing Committee, the expected action of the Senate Authorizing Committee and the action of the House Appropriations Committee, all of whom supplied certain minimums and maximums for various NSF programs, the NSF might well have found itself in a very difficult position and unable sufficiently to support those very programs that most of us in the Congress believe do bear and will bear meaningful results. The committee, under the guidance of Chairman PROXMIRE, has provided therefore, the proper flexibility for funding. Two items of special interest in the Senate Report indicate the committee's interest in supporting the development and construction of the very large array radio telescope upon which many scientists and many scientific programs, including those at NASA, are dependent in the future for very specialized astronomy observations. Language was also placed in the report upon the suggestion of the senior ranking member of the full Appropriations Committee, Senator MILTON R. YOUNG of North Dakota, to show our support for technical education programs where needed to supply the underlying basis for scientific education and activities.

Mr. President, I have not covered every item in the bill and I know other Senators may wish to comment on items of special interest to them, but I have tried to comment here on those programs of special concern to me and to many others on the committee and in the Congress. Again, I commend Chairman PROXMIRE for the excellent work and leadership he has shown all of us on this bill and I thank him for the many courtesies extended to me.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Maryland.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered, and the committee amendments are considered and agreed to en bloc.

The amendments, agreed to en bloc, are as follows:

On page 1, line 4, after the word "appropriated", insert a comma and "and shall be made available for expenditure except as specifically provided by law,".

On page 2, line 11, strike out "$5,300,000" and insert "$5,120,000".

On page 3, line 12, after "(12 U.S.C. 1715z, 1715z–1)", strike out "$2,100,000,000" and insert "$2,020,000,000, of which not less than $315,000,000 shall be used only for the payment of operating subsidies to local Housing Authorities".

On page 3, line 19, after the word "for", strike out "$24,475,000" and insert "$23,135,000".

On page 4, line 5, after "(40 U.S.C. 461)", strike out "$25,000,000" and insert "$110,000,000".

On page 4, line 11, after the word "for", strike out "$10,134,000" and insert "$9,875,000".

On page 5, after line 7, strike out:

OPEN SPACE LAND PROGRAMS

For grants as authorized by title VII of the Housing Act of 1961, as amended (42 U.S.C. 1500–1500e), and the provision of technical assistance to State and local public bodies, $70,000,000, to remain available until expended: *Provided,* That no part of this appropriation may be used for financing a grants made pursuant to section 706 of the cost of any activity or project, except that grants made pursuant to section 706 of the Housing Act of 1961, as amended (42 U.S.C. 1500), may be made in an amount not to exceed 75 per centum.

On page 5, line 22, after the word "for", strike out "$22,900,000" and insert "$22,176,000".

On page 7, line 4, after "(34 Fed. Reg. 12985)", strike out "$9,750,000" and insert "$9,546,000".

On page 7, line 10, after the word "expenses", strike out "$6,150,000" and insert "$6,042,000".

On page 7, line 14, after the word "for", strike out "$3,250,000" and insert "$3,134,000".

On page 7, line 17, after the word "for", strike out "$6,825,000" and insert "6,534,000".

On page 7, line 21, after the word "for", strike out "$11,500,000" and insert "$10,731,000".

On page 8, line 1, after the word "Department", strike out "$20,200,000" and insert "$19,769,000".

On page 8, line 16, after "$39,860,000", insert a comma and "and that not to exceed $800,000 shall be available for travel expenses:".

On page 9, line 11, after the word "law", strike out "$87,800,000" and insert "$101,100,000"; and, on page 10, line 5, after "(12)", strike out "$43,000,000" and insert "$56,300,000".

On page 13, line 3, after the word "services", strike out "$561,000,000" and insert "$571,600,000"; in line 7, after the word "amount,", strike out "not less than $14,000,000 shall be used only for Graduate Student Support; not less than $69,000,000 shall be used only for Science Education Improvement; and"; and, at the beginning of line 11, strike out "$65,000,000" and insert "$79,200,000".

On page 14, line 20, after "$34,027,000", insert a comma and "and that not to exceed $840,000 shall be available for travel expenses".

On page 15, line 4, after the word "expenses", strike out "$47,500,000" and insert "$35,000,000"; and, in line 9, after the word "defense", insert a colon and *"Provided further,* That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States."

On page 16, line 24, after "(38 U.S.C. 641)", strike out "$2,670,350,000" and insert "$2,676,261,063".

On page 17, line 11, after the word "expended", strike out "$71,000,000" and insert "$77,800,000".

On page 18, line 6, after the word "services", strike out "$313,822,000" and insert "$300,000,000".

On page 18, after line 16, insert:

Item and location:	*Amount*
Replacement and modernization:	
Boise, Idaho, new clinical support facility	$4,010,000
Bronx, New York, replacement hospital	5,100,000
Columbia, South Carolina, new bed building and modernization	1,500,000
Loma Linda, California, replacement hospital	3,400,000
Wadsworth (Los Angeles), California, replacement hospital	15,000,000
West Roxbury, Massachusetts, spinal cord injury rehabilitation center and modernization	8,000,000
Total, replacement and modernization	37,010,000
Nursing home care facilities:	
Brooklyn, New York, 120 beds	232,000
Jackson, Mississippi, 120 beds	153,000
Manchester, New Hampshire, 120 beds	2,211,000
Sepulveda, California, 180 bed rehabilitation	3,451,000
Tuscaloosa, Alabama, 120 beds	2,994,000
Wilmington, Delaware, 60 beds	94,000
Total, nursing home care facilities	9,135,000
Research and education facilities:	
Shreveport, Louisiana	1,202,000
Improvements to outpatient clinics:	
Boston, Massachusetts	2,067,000
Brooklyn, New York	350,000
Chicago, Illinois (research)	2,350,000
Cleveland, Ohio	1,415,000
Total, improvements to outpatient clinics	6,182,000
Other general projects:	
Gainesville, Florida	200,000
Huntington, West Virginia	85,000
Indianapolis, Indiana	122,000

Leavenworth, Kansas	$2,388,000
Reno, Nevada	700,000
White River Junction, Vermont	150,000
Whichita, Kansas	125,000
Total, other general projects	3,770,000
Correction of seismic deficiencies	4,000,000
Total, major projects	61,299,000

On page 19, line 3, after the word "process", insert a colon and *"Provided, further,* That not to exceed 5 per centum of the amount made available for any of the aforementioned items may be transferred to any other of the aforementioned items, but not to exceed 5 per centum of the amount made available for such item so augmented."

On page 21, line 8, after the word "exceed", strike out "$400,000,000" and insert "$500,000,000".

On page 21, line 24, after the word "indemnities", strike out the comma and "Construction, major projects", and "Construction, minor projects",".

On page 30, after line 4, insert a new section, as follows:

SEC. 405. (a) None of the funds made available under this Act may be used for the purchase, hire, or operation and maintenance of passenger motor vehicles (other than passenger motor vehicles of the types generally available in motor pools of Government agencies on the date of enactment of this Act and other than for the purchase, hire, or operation of one such vehicle for official use by the Secretary of Housing and Urban Development).

(b) None of the funds provided in this Act may be used for the purchase, hire, or operation and maintenance of any passenger motor vehicle for the transportation of any Government employee between his dwelling and his place of employment, except in cases of medical officers on outpatient medical service and except in cases of officers and employees engaged in field work in remote areas, the character of whose duties make such transportation necessary, and only when such exceptions are approved by the head of the department concerned.

On page 30, at the beginning of line 23, change the section number from "405" to "406".

Mr. PROXMIRE. Mr. President, in the rush to get the bill printed—and we were rushed—we just finished the bill the day before yesterday and we thought it might come up yesterday so we had to get it printed in a hurry—there are certain committee errors in the amendments, and portions which were omitted from the bill. I therefore ask unanimous consent that perfecting amendments of a technical nature be made.

The PRESIDING OFFICER. The clerk will report the technical amendments.

The legislative clerk read as follows:

On page 18, lines 15 and 16, the following language which is in roman type should be in italic type because it was added by the Senate: "including amounts heretofore made available for the projects herein enumerated below:"

On Page 23, line 17, strike out "$15,280,000" and insert in lieu thereof "$15,080,000."

On Page 23, line 24, strike out "$178,730,000" and insert in lieu thereof "$175,851,000."

On Page 24, line 3, strike out "$7,769,000" and insert in lieu thereof "$7,750,000."

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

ORDER FOR ADJOURNMENT UNTIL 9 A.M., MONDAY, JULY 2, 1973—ORDER VACATED

Mr. ROBERT C. BYRD. Mr. President, for extra insurance, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 o'clock Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If all goes well, it is hoped that this order can be vacated at the close of business today.

Mr. MANSFIELD subsequently said:

Mr. President, I ask unanimous consent that the agreement entered into by the Senate to convene on Monday morning next at 9 o'clock be vacated.

Mr. TOWER. I have absolutely no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

AMENDMENT NO. 293

Mr. ROBERT C. BYRD. Mr. President, I call up my amendment No. 293 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 17, after line 12, insert a new title:

ASSISTANCE FOR HEALTH MANPOWER TRAINING INSTITUTIONS

For pilot programs for assistance in the establishment of new State medical schools, grants to affiliated medical schools, assistance to public and nonprofit institutions of higher learning, hospitals, and other health manpower institutions affiliated with the Veterans' Administration to increase the production of professional and other health personnel, and for expansion of Veterans' Administration hospital education and training capacity as authorized by title 38, United States Code, chapter 82, $55,000,000, to remain available until June 30, 1979, of which $25,000,000 shall be available for pilot programs under section 5072 of title 38, United States Code.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. EAGLETON, that Suzanne Murray be permitted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Joe Stewart of my staff be permitted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Maryland for a similar request.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Michael Smith of my staff have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. RANDOLPH, that Mr. Philip McGance have the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, my amendment No. 293 to H.R. 8825, if enacted, would provide an additional $55 million to the Veterans' Administration for carrying forward the programs authorized by Public Law 92-541. The Veterans' Administration Manpower Training Act.

Public Law 92-541, which was signed into law on October 24, 1972, authorizes the Administrator of the Veterans' Administration to provide assistance in the establishment of new medical schools; the improvement of existing medical schools; and the development of cooperative arrangements between other institutions of higher learning, hospitals, and other nonprofit health service institutions affiliated with the Veterans' Administration, in an effort to improve and expand the training of professional and allied health and paramedical personnel.

This legislation was developed and finally enacted because of the tremendous need which exists in this country to train additional physicians and other health related personnel. These programs will assist the Veterans' Administration by providing a continuing education for VA health care personnel and will thus improve the quality of the care offered in VA medical centers.

Subchapter I of Public Law 92-541, authorizes a pilot project to establish up to eight new medical schools in conjunction with ongoing VA medical centers;

Subchapter II authorizes grants of assistance to existing medical schools who maintain VA affiliation; and

Subchapter III authorizes grants of assistance to allied health training institutions.

The act authorizes $25,000,000 for purposes of subchapter I and $50,000,000 for all three titles. A total of $75,000,000 was authorized for fiscal year 1973, and $75,000,000 is also authorized for each fiscal year thereafter for the next 6 fiscal years. These funds will remain available for 6 fiscal years following the year in which they are appropriated. We included my amendment adding $20,000,000 in the vetoed supplemental for fiscal year 1973.

That $20 million was restored and included in the supplemental appropriations bill which passed the Senate last evening. My pending amendment requests $55,000,000 funding pursuant to

the fiscal year 1974 authorization, and it would allocate $25,000,000 for purposes of subchapter I and $30,000,000 for use in subchapters I, II, and III. If the Senate adopts my amendment today we will still only be providing funding over the 2 fiscal years 1973–74 equal to the total amount authorized for 1 year.

Mr. President, I offered this amendment in the Appropriations Committee, and it was defeated by a very close vote because several members were absent. I would like to briefly describe how this program will be administered.

First, who will be eligible under the program?

To be eligible, an applicant must meet the following criteria:

First. The applicant must be a public or other nonprofit college or university primarily supported by the State in which it is located;

Second. It must offer 4-year college level programs and be accredited by an accreditation body approved by the Commissioner of Education; and

Third. It must be located within a reasonable distance of a Veteran's Administration medical facility.

Now, to move past eligibility—assuming that the institution is eligible—what assurances would have to be provided to the Veterans' Administration by a participant under this program?

First. Assurance of accreditation; and

Second. A commitment from the State providing reasonable assurance of adequate fiscal support, including long-range plans for financing beyond the period of the grant. This statement must be excused by appropriate State officials on behalf of the applicant college or university.

I am informed that the appropriate State official would have to be approved by the Administrator of VA, but in most cases, it would involve the Governor of the State.

If a grant is made to a school, its use would be limited to the following purposes:

First. The extension, alteration, remodeling, improvement, or repair of buildings and structures to the extent necessary to make them suitable for medical schools. However, these funds cannot be used for new buildings or what is sometimes called new free standing construction; and

Second. The payment of salaries for the faculty. However, these funds must be limited to payment of the following percentages: 90 percent for the 1st, 2d, and 3d years of operation; 80 percent for the 4th year of operation; 70 percent for the 5th year of operation; 60 percent for the 6th year of operation; and 50 percent for the 7th year.

It is envisioned that all Federal support will cease at the end of the 7th year and that all costs will then be assumed by the State.

Third. I also want to call attention to the fact that the VA Administrator is also authorized to lease VA facilities to the schools for use in these programs.

My amendment would allocate $25,000,000 for the pilot program to establish the new medical schools because that is where the heaviest startup expenses will occur.

I would like to call to the attention of the Senate the following facts, which illustrate the need for additional doctors and other trained medical personnel in the United States:

First. The American Association of Medical Colleges presently estimates that there are 346,000 physicians in the United States, or 1 physician for each 636 potential patients. This is 69,000 short of AAMC's goal of 1 doctor for every 500 patients. By way of contrast, the Soviet Union has 1 doctor for every 420 potential patients.

Second. The doctor shortage is getting worse. In 1950, there were 75 doctors per 100,000 citizens, whereas today, there are fewer than 50 per 100,000 citizens. And, in rural counties with populations of less than 10,000, the average is less than 1 doctor per 1,000 potential patients.

Third. This shortage is forcing us to have to rely, to a large extent, on foreign-trained physicians. In 1960, 1 doctor out of every 9 practicing in the United States was a graduate of a foreign medical school. Today, it is 1 in 5. Of the 54,600 interns and resident physicians in the U.S. hospitals today, 17,500—1 in 3—are foreign trained.

Fourth. In 1972, American medical colleges were able to accept only 13,570 of the more than 47,000 students who applied for admission. American medical schools have been forced to turn away "B" students and even "A" students at times.

The Senate Committee on Veterans' Affairs held very comprehensive hearings on Public Law 92–541 which confirmed both the need and support for this type of a program. I congratulate the distinguished chairman of that committee, Mr. HARTKE, on the excellent work he has done, and for the great foresight and tremendous effort he has put forth in programs such as this to benefit our veterans.

I also commend the distinguished Senator from California (Mr. CRANSTON) and the distinguished senior Senator from West Virginia (Mr. RANDOLPH) for the equally good work they have done on that committee on behalf of all veterans.

Mr. President, I ask unanimous consent that the names of the distinguished senior Senator from West Virginia (Mr. RANDOLPH), the distinguished senior Senator from Indiana (Mr. HARTKE), and the distinguished senior Senator from California (Mr. CRANSTON) be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. HARTKE. Mr. President, will the Senator yield to me for 1 minute?

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, I congratulate both Senators from West Virginia for the fine work they have done in this field. I also congratulate the Senator from California.

The measure authorizing medical schools in connection with veterans' hospitals was passed unanimously in the Subcommittee on Veterans' Affairs and on the floor of the Senate. This will provide not only the needed doctors throughout the Nation but also an increase in the quality of care to be given in veterans' hospitals.

I urge the committee to accept the amendment. It is a meritorious measure.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I believe that the shortage of doctors and other health care personnel is one of the most important problems facing this country today. I believe these programs, when operational will be a major step in bridging that shortage, and I urge the adoption of the amendment.

Mr. ROBERT C. BYRD. Mr. President, I yield my remaining time to the distinguished senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, it is a privilege to express genuine thanks to my colleague from West Virginia (Mr. ROBERT C. BYRD) for his sponsorship of this important $55 million funding amendment to implement the program which, as just indicated by the able chairman of our Committee on Veterans' Affairs, Senator HARTKE, received the approval of all the members of our committee and unanimous approval by the Senate last year.

Mr. President, there is an urgent need to increase the number of physicians in this country who are engaged in patient care. The funding anticipated in the amendment by the Senator from West Virginia goes to that need. This is a challenge which all of us recognize; but it is also a challenge for which we have not found a solution. Frankly, the critical requirements for increased numbers of doctors is evidenced in a substantial degree in West Virginia. Medical officials in our State estimate that West Virginia loses from 100 to 115 practicing doctors per year. This is due to a number of factors, ranging from death, to retirement, to relocation to another State, to acceptance of a position on a hospital house staff, to entering medical research.

The estimated ratio of physicians to patients in West Virginia is one doctor to 1,000 potential patients, while the national average is approximately one doctor per 660 patients.

In 1969, there were 1,675 physicians in actual practice in West Virginia. In 1970 there were 400 fewer, or about 1,270 practicing physicians.

The average age of physicians in the State is estimated at 54.6 years. In many rural areas, the general practitioner who has served the community for most of his life is becoming old. And when he dies, or retires, there is little assurance a young doctor will be there to replace him as the local doctor to whom the people turn for help. But West Virginia does not represent an isolated situation. Similar conditions exist in many areas of our country.

A further indication of the need for increased numbers of physicians is shown by the recent HEW study revealing that one out of every five doctors in America graduated from a foreign medical school.

The study points out also that the number of foreign medical graduates practicing or engaged in other medical activities in this country has doubled in the past 10 years and that in 1971 more foreign trained doctors—10,540—entered the United States than graduated that year from American medical schools—8,974.

It is clear, Mr. President, that both the West Virginia and the national average of doctors to patients show there is not a sufficient number of doctors to provide the health care needed by our citizens. We do know that the American Association of Medical Colleges considers a ratio of 1 doctor to a potential 500 patients as a desirable national goal. We are not at that level now and we are not moving toward that goal as quickly as we should. According to HEW estimates this country can expect to have 408,000 doctors by 1981, an average of nearly 180 doctors per 100,000 population. This will reflect an increase of 27 percent from 1971 to 1981 and an improvement in the doctor-patient ratio, but it still falls short of the desired and necessary goals projected by the medical authorities. And it is questionable how many of these will be practicing doctors as opposed to physicians engaged in other activities. At present only 9,000 to 10,000 doctors are graduating from medical schools in the United States.

This gap must be closed and one way of doing it is to develop government assisted medical school programs utilizing existing resources. A further objective of such a program should entail efforts to reduce the cost of medical school operations and the cost of education, and to streamline medical education.

The Veterans' Administration Medical School Assistance and Health Manpower Training Act certainly offers an innovative and, I think, necessary program to utilize the largest health care system in the world to achieve these objectives.

The Veterans' Administration is well equipped with personnel and facilities to labor with institutions of higher education in West Virginia and throughout the Nation in developing and expanding medical schools and health care training programs. Knowing of the extensive professional personnel and facilities of the VA, I think we have a responsibility to vote for this amendment, so that existing Government resources can be utilized to the maximum extent to solve a highly critical problem.

Mr. President, the amendment of my able and diligent colleague (Senator ROBERT C. BYRD) will provide $55 million in the HUD–VA appropriations bill to move forward with the implementation of the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972.

It is my conviction that Senate approval will be a significant step to set in motion a progressive program giving the Veterans' Administration clear-cut authority to participate in the efforts to solve the health manpower crisis in this country. It is a privilege to join with Senator BYRD in documenting the importance of this proposal and in urging its approval.

As I have stated on many occasions, the effort to more fully utilize the Veterans' Administration facilities and programs and personnel in education and training of health care personnel presents a very unique opportunity.

As a member of the Senate Committee on Veterans' Affairs and as an active original sponsor of the authorizing legislation, I know that it will maximize the potential of VA's medical resources to provide leadership with the Nation's medical community in developing health manpower education and training programs. It will not detract from the primary responsibility of the VA to provide services and health care for our veterans. Rather, I believe that the implementation of this program will lead to improved health care under the VA programs. Our veterans and citizens generally will benefit.

The cooperative effort between the VA and institutions of higher learning envisioned in Public Law 92–541 will lead to more efficient and effective health manpower education and training efforts. This act authorizes $25 million for pilot programs for the establishment of eight new medical schools affiliated with VA hospital facilities and $50 million to be used for these new schools or to expand and improve programs at existing medical schools or at other health manpower institutions affiliated with VA hospitals.

The VA is uniquely qualified to engage in this effort with its nationwide network of hospitals, clinics, and extended-care facilities and ongoing reputable training and education programs. We are challenging the VA and charging it with the responsibility to be the leader in putting its medical resources to work in meeting the great national need for additional new types of health manpower.

It is my belief that the VA stands ready to meet this challenge and we should give them the funds to begin this vital endeavor. The regulations and guidelines for this program were published this week. They were developed in consultation with health care professionals, colleges and universities, and governmental agencies. The Congress must now provide the funding to do the job.

I believe the membership of the Senate should be reminded again of the strong support within the health community for this program.

The capable Senator from California (Mr. CRANSTON) who was the chief sponsor of Public Law 92–541 has outlined this in detail to the Senate and the Committee on Appropriations. The recent hearings of the Subcommittee on Health and Hospitals of the Senate Veterans' Affairs Committee, chaired by Senator CRANSTON, revealed the strong and important support for this new public law and the urgent need to approve funds for its implementation. During those hearings, outstanding leaders in the health education field submitted comprehensive testimony stressing the importance of affiliations between the health professions schools and VA medical facilities in terms of the beneficial effect on the care provided the veterans as well as the impact on meeting national needs for additional health care personnel.

Mr. President, the $55 million in the pending amendment, together with the $20 million in the supplemental appropriations bill, will provide a full year of funding for the Veterans' Administration Medical School Assistance and Health Manpower Training Act. This will enable the VA to move forward with a vital effort to help solve the health care problems of our citizenry. The sum of money we are asking is modest compared to the benefits it will bring. I urge adoption of the amendment.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. BROCK. May I just take a moment to congratulate the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) for his amendment, which I favor strongly. I think there is no question that the State of Tennessee is in the same situation as is West Virginia. If we are going to solve the problem of getting close to a thousand students, we have to do a better job of training a professional service. We have to provide better facilities.

The PRESIDING OFFICER. All time of the proponents of the amendment has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished junior Senator from Tennessee (Mr. BROCK), the distinguished senior Senator from Tennessee (Mr. BAKER), the distinguished junior Senator from California (Mr. TUNNEY), and the distinguished junior Senator from Minnesota (Mr. HUMPHREY) may be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, it is with great reluctance and regret that I must oppose the amendment. It should be defeated. The amendment was brought up in the Committee on Appropriations. There is no member of the committee who has more influence—and proper influence—more support and popularity in the Appropriations Committee than BOB BYRD. But the amendment was defeated in committee. Why? Because the Senator from Washington (Mr. MAGNUSON) and the Senator from New Hampshire (Mr. COTTON) recognized that it is an inefficient way to proceed to train doctors. Both Senators argued strongly against it and voted against it. Any time we see the Senator from Washington voting against an amendment of this kind, we know that the amendment has serious shortcomings.

Mr. President, the bill is already $400 million over the budget. We are getting into a position where, if we accept this amendment and other amendments, we will have difficulty getting the bill signed by the President.

It is also recognized that the problem, as pointed out by Senator MAGNUSON and Senator COTTON in the Committee on Appropriations, is that existing medical schools are already going out of business, because they do not have the funding. Right here in Washington, one of the finest medical schools in the country is going to close down in October,

because it does not have the money. This is not unusual. It is happening in other parts of the country.

As the fundamental bill was drafted—the authorization bill—it provides, as I understand, for cost-sharing with the States—which is right. However, we have to recognize that the States are going to be left with the entire burden of completing these medical schools 5, 6, or 7 years from now. If we really start funding them, the burden is going to be very large indeed. Many Senators say that they do not see how their States could do this if their funding is taken from them.

I must disagree with the Senator from West Virginia concerning the doctor shortage. There is no question about it; we have had a shortage in the past. In 1965 there was a shortage of 50,000 doctors. By 1972 we had increased the number by 60,000 from what we had in 1965.

Presumably, on that basis, the doctor shortage would be nearing an end. In addition, within 4 years we will have another 50,000 doctors. By 1980 there is every indication that there will be a doctor surplus.

This bill cannot possibly produce any doctors in any significant number until 1980. So we are going down the road that is going to provide a surplus of doctors 7 or 8 years from now, and at a very great cost indeed.

I conclude by pointing out to the Senate that while this is an amendment that has great appeal, and I am sure is going to get a very strong vote—and may well be adopted—it is going to cost an additional $55 million. It is going to be followed a little later by amendments by the Senator from California to ask for $103 million for veterans' care. That will be followed by an amendment by the Senator from Wyoming (Mr. HANSEN) asking for $15 million for general operating expenses for the Veterans' Administration. We are getting into a situation which is not responsible fiscally. Difficult and painful as it is, I think we still have to say "no."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. PROXMIRE. I yield on my time to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to express my extremely high regard for the distinguished senior Senator from Wisconsin, who speaks out of deep and honest conviction in opposing this amendment. He has been absolutely fair in all of his dealings with me in connection with this amendment and other matters, and I respect his viewpoint as he opposes this amendment.

The Congress authorized the basic legislation, Public Law 92–541, last year. If Congress means business when it authorizes legislation, it ought then to put its money where its beliefs are and appropriate funds to carry out the program. Congress, in passing the authorizing legislation for these hospitals, apparently felt that they were needed; and I think the time has come when Congress ought to appropriate money to implement that legislation. That is the purpose of this amendment.

Mr. PROXMIRE. Mr. President, if no other Senator wishes to speak——

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. DOMENICI. I have a question regarding the Senator's statement that this is $400 million over the budget. Is that the figure the Senator used?

Mr. PROXMIRE. We are now $390 million over the budget with no additional amendment. If this amendment is adopted, we will be $400 million over the budget.

Mr. DOMENICI. Did not the President's budget include something like $2 billion for Better Communities Act funding for the ensuing year?

Mr. PROXMIRE. It provided $2.670 billion for medical care.

Mr. DOMENICI. I am not talking about the bill now, but, rather, about the Senator's statement that we are budgeting more than the President requested. I do not know how the Senator can say that with such specificity when the Better Communities Act portions are carried over into this bill and funded under urban renewal or model cities. Am I right or wrong?

Mr. PROXMIRE. The Better Communities Act has not been authorized yet.

Mr. DOMENICI. I am speaking of the budget of the President that the Senator is saying we are over on this bill.

Mr. PROXMIRE. We are. We are over the President's budget on this bill. The President has a specific budget request on this bill. We are over it by $393 million.

It is true the President has asked for additional funds that are not yet authorized. They may or may not be by Congress. On the assumption that is implicit in the Senator's question, that we do not act on that authorization, it may be we will be providing less funds. However, that was understood by the President. He wants us to proceed this way. I think it is possible, on the basis of past performance, that if we adopt these amendments, we are risking a veto. The President has taken the position that he is not going to sign legislation that will bust his budget and be fiscally irresponsible.

Mr. DOMENICI. Let me ask a more specific question. Under model cities, under the Senator's explanation, the amount requested was zero, and we are going to fund $150 million. Was not the administration's request for zero based upon the fact that they were going to ask for a program under the Better Communities Act for model cities funding?

Mr. PROXMIRE. No; there would be no funding for better communities until fiscal 1975.

Mr. DOMENICI. So that there would be a year's transition, when there would be a mere pipeline?

Mr. PROXMIRE. Yes.

Mr. HARTKE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. HARTKE. How much of the $400 million that the Senator says we are over the budget is attributable to the veterans' section? Is it about $25 million?

Mr. PROXMIRE. At the moment we are $12 million over. However, if we adopt the pending amendments we will be putting $200 million in that category. At the moment we are $12 million over.

Mr. HARTKE. Out of the $400 million the Senator is talking about?

Mr. PROXMIRE. That is correct.

Mr. HARTKE. One other question: Is it not true that the total amount appropriated for the veterans this year is less than it was last year?

Mr. PROXMIRE. The total amount of the total budget is less. It is $1.8 billion less. I understand that the reason it is less is that $460 million for readjustment benefits will come up in a supplemental bill. This year there will be another supplemental bill, and the anticipation is we will provide the same amount, in which case we will be over last year.

Mr. HARTKE. Is the amount this year, however, less than last year?

Mr. PROXMIRE. It is less at this point in time. There is a supplemental bill coming up——

Mr. HARTKE. Then, the veterans' section is not the one that is causing the big difficulty?

Mr. PROXMIRE. If we accept these amendments, it would be.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. BROCK. I think the Senator pointed out that we did authorize the money requested by this amendment last year. Is that correct?

Mr. PROXMIRE. The Senator is correct, and I think the Senator knows as well as any Senator that the Senate will authorize legislation and then recognize that it should have second thoughts. That is the reason for the appropriation process, as I understand it, so we can take another look at whether to go ahead in any particular year, how fast to go ahead, depending on the fiscal situation.

Mr. BROCK. The Senator from Tennessee is quite aware of that process, but rarely have I seen the situation where we authorize 1 year and give nothing in the next year. Usually we reduce the appropriation below the authorization. That is quite common. But I have never seen this kind of procedure engaged in here.

Mr. PROXMIRE. There are many, many authorizations that are never funded. We have already provided $20 million.

Mr. BROCK. I would like to make a statement with reference to whether or not we are going to have a surplus of doctors. The Senator's statistics, as usual, are accurate, but the problem is that more and more so-called doctors are not treating patients. That is where the problem is. We are not getting doctors to people, particularly in eastern Tennessee, West Virginia, and States like that, where the doctor-patient ratios are intolerable.

Mr. PROXMIRE. The Senator is right. We have the same situation in Wisconsin. I am sure it exists in Montana as well as in other rural areas. There are a number of ways of accomplishing a solution to that problem. I do not see how this bill really does very much to achieve that objective. There are ways

of doing it by providing scholarships to young men who will have their medical training paid for with the understanding that they will practice 4 or 5 years in a small community. This bill does not achieve that purpose.

Mr. BROCK. I will support that, too.

May I point out that, in the final analysis, one of the reasons that has brought this situation about is that there is an enormous potential in cost involved. We are talking about using existing VA sites and facilities, and so forth, without constructing new buildings.

Mr. PROXMIRE. That is exactly the point the Senator from New Hampshire (Mr. COTTON) has dealt with devastatingly again and again and again. He points out that it is very expensive to start out with brandnew medical schools in connection with a veterans' hospital where they do not have any now. He points out that in a number of cases we are closing down many established medical schools, such as George Washington and Georgetown in this city, and many others around the country.

This is not the efficient way to do it. I am sure that the Senator has great respect for the Senator from New Hampshire (Mr. COTTON) and for the Senator from Washington (Mr. MAGNUSON), and for their judgment. They say that this amendment represents an inefficient and wasteful way to proceed.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator has made reference to the fact that certain medical schools in the country and in Washington, D.C., are in great financial difficulty. Is there authorizing legislation by which Congress can now appropriate moneys to benefit those facilities?

Mr. PROXMIRE. I do not know about that. I understand that there may be in HEW.

Mr. MATHIAS. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, why do we not appropriate money to help the medical schools?

Mr. PROXMIRE. I think that we should. And one reason is that we are spending money in this area, and that money will not be available for other areas.

Mr. ROBERT C. BYRD. Mr. President, we are not spending money in this area, because the first funds were appropriated last night in the second supplemental appropriation bill. So, we are not spending money to fund this law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes on the bill.

What I am saying is that by the kind of action we take today, we are appropriating moneys that are going to make it more difficult for us to fund these very worthy causes of providing more money for George Washington, Georgetown, and other medical schools around the country.

Mr. ROBERT C. BYRD. Mr. President, would the Senator cite the basic authorizing legislation by which Congress may appropriate moneys to assist these colleges and medical schools throughout the country that are in financial difficulty?

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from West Virginia that I will be delighted to get that information before we vote. It will take a minute to get that information.

Mr. ROBERT C. BYRD. Mr. President, the only point I want to make is that where we have authorizing legislation, we have not funded it. And if these funds are appropriated in this amendment, then we will have funded a total of $75 million for the 2 years, fiscal years 1973 and 1974, whereas the basic authorizing legislation provides twice as much for the 2 years.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Maryland.

Mr. BEALL. Mr. President, I believe the health, manpower bill which we passed last year has capitation grants for medical schools and even gives them bonuses if they expand their facilities under the legislation passed by Congress. That would ease the burden on the medical schools.

I rise to support the amendment of the Senator from West Virginia and to point out that the statement on shortage of doctors does not apply only to rural areas.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, I yield 1 additional minute to the Senator from Maryland.

Mr. BEALL. Mr. President, the doctor shortage applies to urban areas also.

The most recent census pointed out that in Baltimore 114,000 people in the outer city do not have prime medical services available.

Mr. PROXMIRE. Mr. President, we had 74 Senators vote on the first rollcall vote. Perhaps there will be more voting on this vote. We will have to proceed rapidly if we are to transact much business today.

I hope that we can proceed rapidly with the remaining amendments.

Mr. CRANSTON. Mr. President, the amendment we are offering to add $55 million to carry out the VA's new health manpower training responsibility under Public Law 92–541 is most important. In my June 20, 1973, letter to Chairman PROXMIRE, I fully outlined the need for this funding as demonstrated in our Health and Hospitals Subcommittee oversight hearings in April. I ask unanimous consent, Mr. President, that the full text of that letter be set forth at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 20, 1793.

Hon. WILLIAM PROXMIRE,
Chairman, HUD-Space, Science-Veterans Subcommittee, Committee on Appropriations, Washington, D.C.

DEAR MR. CHAIRMAN: I was very pleased that the Conference Committee on H.R. 7447, the Second Supplemental Appropriations Act for Fiscal Year 1973, agreed to include $20 million for the Veterans' Administration to begin implementation of P.L. 92–541, the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972. I am very grateful to you and to the other Senate Conferees for your efforts in successfully retaining this Senate provision in the conference report.

I am writing now to recommend that your Subcommittee include in its amendments to H.R. 8825, the Fiscal Year 1974 Department of Housing and Urban Development, Space, Science, Veterans and Certain Other agencies Appropriations bill the sum of $55 million to carry out the provisions of P.L. 92–541. This sum, when added to the $20 million to be appropriated if the fiscal year 1973 Second Supplemental Act is enacted, would provide an appropriation over a two fiscal year period equal to the total amount authorized for a single year.

Of the $55 million I am recommending for inclusion in the Fiscal Year 1974 appropriations measure, I would recommend $10 million be made available to carry out subchapter I (Pilot Program for Assistance in the Establishment of New State Medical Schools) pursuant to section 5072 of title 38, and $45 million be made available to carry out the full chapter (including subchapter I) pursuant to section 5082 of title 38.

It is my understanding that the Veterans' Administration has completed the preparation of regulations governing administration of these authorities and that the publication of these regulations in the Federal Register will occur this Friday or Monday.

When I wrote you recommending the addition of $25 million to the Second Supplemental Appropriations Act for fiscal year 1973, for these purposes, I went into some detail on the demonstrated need for funding of these authorities. I attach a copy of my letter to you at that time, to reemphasize to you the extent of interest throughout the nation in implementing these authorities.

I plan to make further recommendations with regard to other Veterans Administration hospital and medical program items in a letter I will send separately.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

MAY 9, 1973.

Hon. WILLIAM PROXMIRE,
Chairman, HUD-Space, Science-Veterans Subcommittee, Committee on Appropriations, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in support of an amendment to the Second Supplemental Appropriations bill, FY 1973, in which I am joining with Senator Byrd of West Virginia to add $25 million to carry out the new chapter 82 (Assistance in Establishing New State Medical Schools; Grants to Affiliated Medical Schools; Assistance to Health Manpower Training Institutions) in title 38, as enacted in P.L. 92–541, the Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972. Our amendment would fund only one-third of the $75 million FY 1973 authorizations, and under it, $15 million would be to carry out subchapter I (Pilot Program for Assistance in the Establishment of New State Medical Schools) pursuant to section 5072, and $10 million would be to carry out the full chapter (including subchapter I) pursuant to section 5082.

On April 16 and April 18, the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Veterans Affairs Committee, held oversight hearings on the impact on Veterans Administration medical care of the revised FY 1973 and proposed FY 1974 budget requests and the failure to implement P.L. 92–541. At those hearings the Chief Medical Director of the Veterans Administration stated that the VA had received 62 inquiries about grants under the

new chapter from health manpower and other institutions. Thirteen of these inquiries were regarding subchapter I (New State Medical Schools), 27 were regarding subchapter II (Grants to Affiliated Medical Schools) (which also generally inquired regarding subchapter III), and 22 were regarding subchapter III (Assistance to Public and Nonprofit Institutions of Higher Learning, Hospitals and other Health Manpower Institutions affiliated with the Veterans' Administration to Increase the Production of Professional and other Health Personnel). These inquiries covering the following 31 states are detailed in the enclosure: Alabama, Arizona, California, Connecticut, Georgia, Idaho, Illinois, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

At the hearings, the VA indicated on April 18 that the regulations implementing the new law would be published in the Federal Register in 45 days—in other words, by the end of May.

The hearings also developed important support for the need to find the new Public Law. A number of outstanding leaders in the health education field testified to the importance of affiliations between the health professions schools and VA medical facilities in terms of the beneficial effect on the care provided the veteran as well as the impact on meeting national needs for additional health care personnel. A few quotes from some of these individuals eloquently express the benefits of such affiliations, and the effect of inadequate funding of these programs on the ability of these affiliations to achieve their full potential.

Dr. Dennis, Vice President for Health Sciences at the University of Arkansas Medical Center, said: "On the basis of information provided to us, our V.A.-Demas Committee Hospital can, with the projected budget for fiscal year 1974 (July 1973–June 1974), expect to be fortunate to maintain operations at the 1973 level yet the service demands will be greater. They can employ no more than the current number of house staff (residents and interns) at a time the medical school enrollments are increasing and the need for an additional ten resident positions are essential. Other deficiencies in the FY 1974 budget include (1) inability to obtain additional staffing that would permit employment ratios of staff to patients equivalent to that of the average private hospital, (2) inability to recruit additional professional and allied health personnel required to serve ever increasing demands, particularly in the outpatient areas, (3) inability to fund the new School of Health Related Professions in order to provide for the students, programs and facilities that would permit even a fraction of the tremendous growth potential in this short supply field of health manpower, and (4) indefinitely delayed are plans, meticulously generated over a period of several years, to activate an innovative, critically needed program for high quality geriatric medical care and a unique program of Geriatric Home Care. These programs were designed to provide the basis for a new medical school department for research and teaching in the field of aging. Neither institution can do this alone. The importance of the intolerable neglect of research, teaching and care for the aged requires no amplification."

Dr. Edmund Pellegrino, Vice President for Health Sciences and Director of the Health Sciences Center of the State University of New York, concisely stated the importance of funding P.L. 92–541 to achieving up to date methods of providing quality care to veterans: "I would like to emphasize that my support for the specific provisions of S. 59 I have discussed and elements of 92–541 now awaiting funding is based on my conviction that they will improve the care of veterans and especially those veterans in the category for which we have the greatest moral responsibility as a nation. These measures if enacted and funded as the case may be—will bring certain aspects of medical care delivered to all veterans closer to optimal than is now the case. Surely, the veteran should not receive inferior care when a comprehensive pattern is available (to the non-veteran) in the community. But these measures will also enable the veterans hospitals to develop and provide improved methods of care. Thus, in selected areas of care, the veterans hospitals can take a role of leadership for the benefit of these they serve and all others, as well."

Dr. Schmidt, Vice President for Academic Affairs and Dean of the College of Medicine at the Upstate Medical Center, SUNY-Syracuse, seconded this statement saying: "The contributions of the Veterans Administration to health science education have been great and have been amply documented by others. Suffice it to state that a very large proportion of practicing Health professionals in the United States have had portions of their education and training with Veterans hospitals. In turn, the partnership between the Veterans Hospitals and Academic Health Science Centers has materially benefited the veteran patient in terms of the quality of his care. Largely because of this partnership, patients in veterans hospitals have had available to them most of the skills and resources that modern scientific medicine and technology can offer. This partnership has not been free of stress or critics and there are admitted points of weakness. In my testimony, however, I would prefer to dwell on opportunities, especially as they concern the three major missions of patient care, education and research. These three are interdependent and no one of them can be of highest quality without each of the others."

And Dr. Stanley S. Bergen, Jr., President of the College of Medicine and Dentistry of New Jersey, gave examples of the benefits to the veteran resulting from an affiliation with New Jersey Medical School: "In return, the Veterans' Administration Hospital receives numerous advantages as a result of its participation with the medical school. Prior to its affiliation with the College the East Orange Hospital had no intensive care unit, no coronary care unit, no dialysis unit, nor any vascular catheterization program. In large part these deficiencies were due to the difficulties experienced by the Hospital in attracting adequately trained staff. Furthermore, the hospital had difficulty attracting sufficient housestaff to meet its needs.

The affiliation with the medical school has substantially altered the picture. The assurance of faculty appointments and the stimulation involved through participation in a teaching environment has greatly enhanced the ability of the Veterans' Administration Hospital in East Orange to attract highly qualified and in some cases nationally known individuals to its staff. It has also been of great assistance in attracting housestaff.

Based on all the information available to the Subcommittee on Health and Hospitals, it is clear to me that (1) implementation of the new law can play a major role both in upgrading care to veterans and assisting the nation to meet its health manpower shortage; (2) there is great interest in the public and the health community and enormous capacity and untapped potential to carry out effective prorgams; and (3) the VA will finally—after more than 6 months—be issuing its regulations so that applications can begin to be submitted in June. It is important to stress that under sections 5072(b) and 5082(b) of title 38, sums appropriated for the new chapter 82 remain available until the end of the sixth fiscal year following the final year of appropriation.

Thus, this $25 million can get the program started and avoid the almost inevitable delay, under a continuing resolution for FY 1974, in starting up the program next fiscal year.

In closing, I wish to reiterate my conviction that the money is needed for these programs now and express my opinion that any expression to the contrary by the VA or the administration is dictated by OMB, which strenuously opposed enactment of P.L. 92–541, despite the facts involved. I very much hope you will support the amendment.

I have taken the liberty of sending copies of this letter and the enclosure to Senator Byrd and Chairman McClellan.

With best regards,

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

EXPRESSIONS OF INTEREST IN THE VETERANS' ADMINISTRATION MEDICAL SCHOOL ASSISTANCE AND HEALTH MANPOWER TRAINING ACT OF 1972—PUBLIC LAW 92–541

SUBCHAPTER I

There have been inquiries or statements of interest on behalf of 13 states (Attachment A). This number, and the still lesser number (about seven) which reflect potential immediate eligibility, is probably accounted for on two bases: The Act itself requires that the applicant present reasonable assurance of appropriate accreditation of the new medical schools to be initiated with this assistance (Section 5073b 1 D). Implementing regulations, as presently drafted, would also eliminate from eligibility under this subchapter the "new" schools which are provisionally accredited and receiving Federal assistance under one or more of the authorities contained in the Comprehensive Health Manpower Training Act of 1971 (PL 92–157) administered by the Bureau of Health Manpower, NIH, DHEW. Such schools, if they are presently affiliated with the VA hospitals, would be eligible for assistance under Subchapter II.

SUBCHAPTERS II AND III

There have been about 27 inquiries from Medical Schools specifically concerning *Subchapter II*, the majority of these also express interest in Subchapter III in behalf of nursing or other allied health programs conducted either by the School or by other Schools within the academic health center of which they are a part (Attachment B). There have been an additional 22 letters from institutions inquiring specifically about *Subchapter III* (Attachment C). These range from Schools of Allied Health, Schools of Pharmacy, etc. which are components of academic health centers to single programs conducted in community and junior colleges.

Most of these inquiries and statements of interest do not include specific proposals. Although the Act itself is rather explicit in defining eligibility, it is not all specific regarding the kinds of "projects and programs in furtherance of the purposes of the subchapter" (Section 5083 and 5093) for which grant assistance might be sought. Publication of regulations will undoubtedly elicit more detailed plans

Letters, submitted directly and through Congressmen, generally express the need for additional clinical experience opportunities for medical students (Subchapter II) and other health professions and occupations students at all levels (Subchapter III), to complement the academic programs in medical schools, schools of nursing, dentistry, pharmacy, and other health-related fields which have been created or significantly expanded in response to recent Federal, State, or local funding initiatives

General inquiries

There have been several expressions of general interest from health professions societies, organizations of health professions schools, and others; and inquiries on behalf of "otherwise eligible veterans" (Section

5070e) who are seeking or planning to seek admission to medical schools (Attachment D).

SUBCHAPTER I

State, Institution or agency, and VA Hospital(s):

Alabama, University of Alabama, Troy State University, Tuscaloosa, Medical District No. 14.

Arizona, Navajo Health Authority, Medical District No. 34.

California, Charles R. Drew Postgraduate School of Medicine, San Joaquin Valley Health Consortium, San Fernando Valley Health Consortium, Sepulveda, Fresno, Medical District No. 36.

Georgia, Georgia State University, Atlanta.

Idaho, Medical Education Foundation, Inc., Boise.

Maine, University of Maine, Bangor, Togus.

Mississippi, Fifth Congressional District of Mississippi, Gulfport/Biloxi.

New Hampshire, University of New Hampshire, Manchester.

Ohio, Wright State University, Dayton.

South Carolina, University of South Carolina, Columbia.

Tennessee, East Tennessee State University, Mountain Home.

Texas, Texas A&M University System, Texas College & University System, Temple/Waco/Marlin, Medical District No. 26.

West Virginia, Marshall University, Huntington.

SUBCHAPTER II

State, Institution or agency:

Alabama, University of Alabama in Birmingham, University of South Carolina—Mobile.

California, Stanford University Medical Center.

Kansas, Wichita State University, College of Health Related Professions.

Kentucky, University of Kentucky Medical Center.

Louisiana, Louisiana State University, Medical Center.

Massachusetts, Boston University, Tufts University School of Medicine.

Michigan, University of Michigan School of Medicine.

Mississippi, University of Mississippi Medical Center.

Nevada, University of Nevada School of Medical Sciences.

New York, Mt. Sinai Medical Center, S.U.N.Y at Stonybrook.

North Carolina, University of North Carolina School of Medicine.

North Dakota, University of North Dakota School of Medicine.

Oklahoma, University of Oklahoma Medical Center.

Oregon, University of Oregon Medical Center.

Rhode Island, Brown University Division of Biological and Medical Sciences.

South Carolina, Medical University of South Carolina.

South Dakota, University of South Dakota School of Medicine.

Tennessee, University of Tennessee Medical Units.

Texas, University of Texas Southwestern Medical School at Dallas; Baylor College of Medicine; Texas College & University System (all campuses); Texas Tech. University School of Medicine.

Virginia, Eastern Virginia Medical School.

Wisconsin, University of Wisconsin (Madison) Medical College of Wisconsin.

SUBCHAPTER III

State, Institution or Agency:

Alabama, Tuskegee Health Education Center.

California, East Bay Area Health Education Center, De Anza Community College San Joaquin Valley Health Consortium (Fresno Area Health Education Center).

Connecticut, Western Connecticut State College.

Georgia, Georgia State University.

Illinois, University of Illinois at the Medical Center, School of Allied Health Professions.

Michigan, Saginaw Valley College—Saginaw Area Health Education Center.

Missouri, Central Missouri State College.

Nebraska, University of Nebraska—Lincoln Area Health Education Center.

New York, Consortium of Health and Educational Institutions—Bath, New York S.U.N.Y.—Downstate Medical Center.

New Mexico, University of Albuquerque.

North Carolina, Duke University Medical Center—Division of Allied Health, Western Carolina University.

Ohio, Wright State University.

GENERAL INQUIRIES

LOCAL ORGANIZATIONS AND GROUPS

Arkansas, Arkansas State Medical Society, a practicing physician.

Maine, Maine's Regional Medical Program.

New York, 29th District of New York (Congressman Stratton), Albany/Schenectady area.

Ohio, "Interested citizens of Ross County" (Chillicothe area).

ASSOCIATIONS AND SOCIETIES

Association of American Medical Colleges, Association of Schools of Allied Health, American Medical Association—Council on Medical Education, American Podiatric Association, American Optometric Association, Association of Colleges of Pharmacy.

LETTERS IN BEHALF OF POTENTIAL STUDENTS

Senator Jacob Javits, Senator James Buckley, Senator Bob Packwood, Congressman Olin Teague.

State, *Institution or Agency:*

Pennsylvania, St. Francis College, Altoona Lakes Area Health Education Center.

Tennessee, Vanderbilt University School of Allied Health Professions.

Texas, St. Joseph's Hospital, Houston, Central Texas Regional Medical Education Foundation (Temple Junior College).

Utah, Weber State College.

Washington, City of Seattle—Schools and Colleges.

Mr. CRANSTON. Mr. President, I believe that these materials amply illustrate the substantial value for veterans' health care of providing funds to carry out the new public law—for which the VA's regulations have just been issued—and thereby utilize the great potential of VA hospitals as clinical facilities for the training and education of physicians, dentists, nurses, and other health care personnel. These materials also make abundantly clear the enormous interest throughout the country in providing this funding. Through the end of February of this year, Mr. President, the VA received more than 40 expressions of interest from State governments, medical schools, universities, and other health manpower training institutions about utilizing the new authorities in that public law to establish new medical schools using VA clinical facilities or to expand the education and training capabilities of medical and other schools affiliated with existing VA health facilities.

Mr. President, I am delighted to join with the Senators from West Virginia and many other Senators in sponsoring this amendment. This past fall my amendment to add $40 million to the First Supplemental Loan Act, fiscal year 1973, was adopted on the Senate floor, but was lost in conference. Then Senator BYRD of West Virginia then this spring succeeded in getting $25 million for this purpose in committee—reduced to $20 million in conference—added to the Second Supplemental, now back on the President's desk again.

Now we are seeking to complete our action to appropriate a full year's authorization level—$75 million—over 2 fiscal years to carry out Public Law 92-541 which I authorized in the Senate last fall.

Mr. PERCY. Mr. President, I intend to vote against the amendment offered by the Senator from West Virginia (Mr. BYRD). I have long been aware of the crucial shortage of doctors which this country faces and have continually supported programs to upgrade our medical and health services; however, I do not believe this amendment is the most efficient way to further express that support.

I believe the best method by which we can curtail this shortage is to continue to upgrade and expand the existing medical schools with high reputations rather than to create an entirely new program administered by the already overburdened Veterans' Administration. Indeed, the Veterans' Administration operates a highly efficient and credible hospital system, but to include medical education and training as a further responsibility would only detract from their most important function—to treat and care for those men and women who served their country when called.

Both the Illinois Medical Society and the American Medical Association have given their pledge to work for expansion and upgrading of the current medical schools and health training institutions. I believe this is the correct route to follow.

I would be less than realistic if I did not say that I fully expect the Byrd amendment to carry overwhelmingly.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from West Virginia. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Iowa

(Mr. CLARK), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

If present and voting the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 61, nays 18, as follows:

[No. 265 Leg.]

YEAS—61

Allen	Hatfield	Nelson
Baker	Hathaway	Nunn
Bayh	Hollings	Pastore
Beall	Hruska	Pearson
Brock	Huddleston	Pell
Burdick	Hughes	Randolph
Byrd, Robert C.	Humphrey	Ribicoff
Cannon	Inouye	Saxbe
Case	Jackson	Schweiker
Chiles	Johnston	Scott, Va.
Church	Long	Stafford
Cranston	Mansfield	Stevens
Domenici	Mathias	Stevenson
Eagleton	McClellan	Symington
Eastland	McGovern	Talmadge
Ervin	McIntyre	Tower
Fulbright	Metcalf	Tunney
Gravel	Mondale	Weicker
Gurney	Montoya	Young
Hansen	Moss	
Hartke	Muskie	

NAYS—18

Bartlett	Cook	Helms
Bennett	Curtis	Packwood
Bible	Dole	Percy
Brooke	Dominick	Proxmire
Buckley	Fannin	Taft
Byrd, Harry F., Jr.	Hart	
	Haskell	

NOT VOTING—21

Abourezk	Fong	McGee
Aiken	Goldwater	Roth
Bellmon	Griffin	Scott, Pa.
Bentsen	Javits	Sparkman
Biden	Kennedy	Stennis
Clark	Magnuson	Thurmond
Cotton	McClure	Williams

So Mr. ROBERT C. BYRD's amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

NATIONAL COMMISSION ON THE FINANCING OF POSTSECONDARY EDUCATION—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the provisions of section 140 (g), Public Law 92-318, appoints the Senator from Maine (Mr. HATHAWAY) to be a member of the National Commission on the Financing of Postsecondary Education.

HOUSING AND URBAN DEVELOPMENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

The Senate continued with the consideration of the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 5, line 23, insert before the period at the end thereof: ": *Provided*, That no part of the foregoing appropriation for administrative expenses shall be available for expenditure unless the Secretary of HUD, during fiscal year 1974, undertakes to make, and makes, available for obligation or commitment, as may be appropriate, the full amount of the appropriations for community development assistance programs, provided in this Act and previous Acts making appropriations for the Department of Housing and Urban Development".

Mr. CRANSTON. Mr. President, this is the first of two amendments that I shall offer, that relate to frozen funds for housing. These amendments would have been submitted for printing by the chairman of the Committee on Banking, Housing, and Urban Affairs (Mr. SPARKMAN), but in his absence I am presenting them. As I say, they relate to frozen funds for housing programs.

There is already anti-impoundment language on the first page of the bill, stating, on line 4, regarding funds appropriated: "and shall be made available for expenditure except as specifically provided by law."

However, the two amendments that I am offering are necessary in addition to that language in the bill in order to release funds heretofore frozen by the administration for all HUD subsidy programs.

The first amendment, the one that has now been called up, would deny the Secretary use of funds appropriated for administrative expenses during the fiscal year 1974, unless he makes available for obligation the full amount of the appropriations for community development programs.

The amount of the appropriations covered by this provision would include both those funds appropriated in the act, as well as funds available from previous appropriations acts.

The community development programs included in this requirement are the water-sewer program, urban renewal, open space programs, neighborhood facilities, model cities, and rehabilitation loans.

In the interest of brevity, that is all that I shall say at this point.

The PRESIDING OFFICER. Who yields time? Is time yielded back?

Mr. PROXMIRE. Mr. President, this amendment is new to me. No one showed it to me before. I had no idea it was coming up. I am a member of the Banking Committee, as the Senator knows.

Mr. CRANSTON. I am sorry. I had not been informed that the Senator had not seen it.

Mr. PROXMIRE. I understand that this is an anti-impoundment amendment.

Mr. CRANSTON. That is right. That is all it does.

Mr. PROXMIRE. How would it require the President to spend the money we have appropriated?

Mr. CRANSTON. It would release all funds presently frozen for the programs that we have enacted.

Mr. PROXMIRE. So that if the President should refuse to spend the money, the people who work on the administration programs would not be paid; is that right?

Mr. CRANSTON. That is correct.

Mr. PROXMIRE. I am glad to accept the amendment. I am very much against impoundment. This amendment would seem an effective way to do it.

Mr. MATHIAS. Mr. President, I would have no objection to accepting the amendment and taking it to conference and considering its impact on the whole program as the conference committee considers the bill.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CANNON). The question is on agreeing to the amendment of the Senator from California (Mr. CRANSTON).

The amendment was agreed to.

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 6, line 15, strike out "$60,000,000" and insert "$71,450,000".

Mr. MATHIAS. Mr. President, I offer this amendment on my own behalf and

that of the distinguished Senator from New Jersey (Mr. CASE). What it would do would be to provide the funds that have been requested by the President for research and technology in the Department of Housing and Urban Development.

If we are going to be innovative in supplying the housing needs of the Nation, if we are going to develop new techniques which will permit us to provide for the housing needs of the Nation, we are going to have to do research and examine the technology available which can be developed.

Secretary Lynn has assured us that he has every intention of vigorously pursuing a research program and I believe that he should have the funds he needs to do so. It will be an ultimate economy.

Mr. PROXMIRE. As I understand the amendment, it simply goes up to the level requested by the administration, is that right?

Mr. MATHIAS. The chairman is exactly right. This brings the figure to $71,450,000, which is what the President requested.

Mr. PROXMIRE. Does it also make it possible for the OEO functions to continue, functions that otherwise might not be able to be preformed, because they would fail because of lack of funds; is that right?

Mr. MATHIAS. The Senator is correct. OEO, as the Senator knows, has surrendered some of its functions or had them abbreviated, and this would meet that need.

Mr. PROXMIRE. I am glad to accept the amendment. The one unfortunate aspect of it is that it will be another $11 million. It will put another $11 million over the budget, another $11 million over the House. It does make this bill that much more difficult to get enacted by getting the President to sign it. But, in view of the fact that the amendment figure goes back to the budget request, I accept the amendment.

Mr. MATHIAS. It is an item within the budget itself which is what the President deemed to be necessary for his program, so that I think that it can be strongly supported.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Maryland (Mr. MATHIAS).

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I should like at this time to make a short statement on section 108.

URBAN RESEARCH AND TECHNOLOGY

I want to make one statement concerning the HUD R. & D. funds. In 1968 Congress passed section 108 of the Housing Act. That section required HUD to carry out a program to determine if costs could be substantially lowered for industrialized housing. It called for building 1,000 units a year of five prototypes for 5 years of industrialized housing.

No new funds were needed. The funds were to come from existing programs—public housing, section 235 section 236, and other programs.

Some 300 or 400 units could be granted to cities throughout the country to use in their public housing program or on urban renewal sites.

But HUD failed to carry it out. It is still the law of the land. As it was my amendment I have some interest in it also.

But this year we want HUD to carry out section 108. And the R. & D. money is being appropriated on the assumption that HUD will carry out section 108 and carry out the law and clear intent of the Housing Act of 1968.

Mr. CRANSTON. Mr. President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, line 24, insert before the period at the end thereoff: ": and *Provided further*, That no part of the foregoing funds shall be available for expenditure unless the Secretary of Housing and Urban Development, during fiscal year 1974, undertakes to make, and makes, available for obligation, on at least an evenly apportioned monthly basis, such contract authority as may be available for obligation during fiscal year 1974 as the result of the provisions of this act, or previous Department of Housing and Urban Development Appropriations Acts, for the rent supplement program (authorized by Section 101 of the Housing and Urban Development Act of 1965, as amended), the homeownership program (authorized by Section 235 of the National Housing Act, as amended), and the rental housing assistance program (authorized by Section 236 of the National Housing Act, as amended), as well as such contract authority as may be available during fiscal year 1974 for the public housing program pursuant to the United States Housing Act of 1937, as amended".

Mr. CRANSTON. Mr. President, I will speak for less than a minute on the amendment. It is similar to the other amendment which was just adopted by a voice vote.

The amendment would deny the Secretary the use of appropriated funds for administrative expenses during fiscal year 1974 unless he promptly commits funds appropriated for HUD subsidy housing programs. This requirement would include both the funds previously appropriated and the funds to be appropriated in this Act. This would cover FHA 235, 236, and rent supplemental programs and, in addition, the public housing program.

Mr. President, I trust that this will be acceptable, as was the other amendment. This also would have been offered today by the distinguished Senator from Alabama (Mr. SPARKMAN), were he not unavoidably absent.

Mr. PROXMIRE. Mr. President, as I understand it, this will be effective, but if it is to be effective, it must be accepted by the House. Of course, in addition, this could be veto bait. But it would end the moratorium, and I am certainly in favor of that. It is shameful action on the part of the Government to deprive people of low incomes of housing. Thus, I am willing as a Senator as well as the chairman of the subcommittee, to accept the amendment.

Mr. CRANSTON. I thank the chairman very much.

Mr. President, the suspension of the federally assisted housing programs was wrong in January when it was announced by former Secretary Romney. It continues to be wrong. Nothing the administration said at the outset or subsequently has justified a moratorium of the subsidized housing programs.

Congress enacted these programs; the responsibility for their fate belongs to the Congress. But the administration has been both the judge and the executioner. In January, it declared the programs wasteful and ineffective—without offering proof—and followed with a set of instructions to the HUD area offices that dealt these programs crippling blows.

The Department of Housing and Urban Development insists that the subsidy programs are not terminated, only suspended. But what difference does the terminology make to sponsors and housing authorities whose applications for subsidized units do not meet HUD's criteria for continued processing? What relief can a "suspension" bring to the thousands who wait for public housing that will not be built? How much good is there to assure workers in the building and construction trades—whose jobs are at stake—that the programs are not terminated, only suspended? In communities across the country, the programs might just as well have ended. Financial and personal hardships are not fanciful projections of what might happen—they are very real, and the most cruel aspect of the moratorium is that they need not have happened at all.

The administration has sought to justify the moratorium on the grounds that the programs require evaluation, tying the length of the moratorium to the time necessary to analyze the programs and come up with recommendations. I do not quarrel with the desirability of evaluating housing programs. In fact, I believe Congress and the executive branch should do more evaluations, and not just of housing programs. Those programs shown to be wasteful should be reformed, and if that is not possible, scrapped altogether. But a moratorium that throws housing programs into limbo, that confuses both the officials who have to administer the programs and the participants, is not the way to safeguard against inefficiency and waste; nor will it result in a calm atmosphere conducive to a thorough evaluation and, in fact, the moratorium has charged the atmosphere with bitterness and distrust.

In my view, Mr. President, the moratorium cannot be justified. Evaluations can go forward and so can programs; it happens all the time, except in the case of the subsidized housing programs. Here, by some strange logic, the administration has reasoned that the goals of evaluating programs and maintaining their integrity are mutualy exclusive.

Mr. TAFT. Mr. President, I strongly support the Cranston amendments to H.R. 8825 and the amendment to House Joint Resolution 512 which mandates

the end of the moratorium on federally assisted housing programs.

The present rate of inflation leaves no doubt whatsoever that the fiscal restraint must be a major consideration in all Government actions. Furthermore, it is indisputable that there are some real shortcomings with present housing programs which must be addressed. In addition, the moratorium was declared at a time when the private homebuilding industry was supplying the Nation's housing needs at record levels and there was a considerable volume of subsidized housing "in the pipeline."

Nevertheless, I have been opposed to the housing moratorium from its outset. The total cutoff action does not sufficiently deal with remaining housing needs and creates serious hardships in some cases. It may also be unconstitutional, if recent court decisions on related subjects are any indication.

In his March 4 address to the Nation, the President noted that the number of people in substandard housing has been cut by more than 50 percent since 1960. He went on to conclude that in the community life in America, "the hour of crisis has passed."

It is true that we have made great strides in housing during the past several years and that the rioting in our ghettos has ended. But these facts simply do not merit the conclusion that our urban problems have subsided to the point where we can drastically cut Federal housing assistance. There are still over 2 million urban Americans living in substandard housing. In far too many instances their dwellings are rat-infested, with faulty plumbing and wiring, broken steps and windows and inadequate heating.

The reasons for the moratorium were spelled out in the budget document in less than one-half a page. I have no doubt that some of the inequities and shortcomings pointed out there are real, at least to some extent. However, it is simply not acceptable to explain the practical termination of an act of Congress in a one-half page budget statement.

Furthermore, the alleged need to stop these programs so that a thorough reevaluation of housing policies can be conducted is extremely questionable. Program evaluation is, or should be, a continuing task of any administration. It is quite shortsighted to do virtually no evaluating until the programs are in trouble. In addition, there is certainly no need to stop the programs completely so that they can be evaluated.

My doubts about the desirability of a program suspension have been exacerbated as I have watched how it has worked. One of the most tragic aspects of it may be the unconscionable treatment of those people who did what the Government has been trying to encourage people to do for years. In many cases, those who invested their own time and money to improve the living conditions of more unfortunate citizens are being forced to write off as a loss any investment they have made. The Government has treated many of these people as if they deserve to be reprimanded rather than commended.

HUD has taken the position that it only has a legal and moral commitment to the project and sponsor if a feasibility letter was actually issued. This position ignores the necessity for spending considerable sums of money on land acquisition and architects' and attorneys' fees before even applying for a letter. Nevertheless, if an organization does not have a feasibility letter, the line all too often has been "tough luck, you should have known better"—even though the organization spent its money based upon the understanding that HUD would follow its normal project approval procedures.

For example, St. Paul's Lutheran Church in Cincinnati has expended tremendous effort over a 3-year period to initiate a section 236 project for which funding has now been suspended. An investment in land of $162,000 may be unrecoverable. The land, which already has been rezoned for the project, would almost certainly have to be rezoned again before it could be sold. If the project is not continued, the church's effort to help provide impoverished citizens with better housing are quite likely to result in its own bankruptcy.

Other tragic examples of bureaucratic insensitivity in connection with the moratorium abound. One of my constituents was to pick up his feasibility letter for Grandvista section 236 apartments on the day of the freeze, but he was told that the area director was out of town and the deputy director could not sign it. He had submitted all required documents by March 12, 1972. Because the area director happened to be out of town on January 5, however, he may lose his $45,000 investment.

I cannot believe that there is any public benefit to be derived from saddling private citizens and organizations who help to make the housing programs operative with tremendous financial losses, instead of allowing them to carry out their plans.

To make matters worse, the first major bill to come out of the review and evaluation period, the Better Communities Act, could hardly be called a major innovation or a substantial improvement over last year's legislation. It supposedly is the result of a great deal of consultation and consideration earlier this year, but its most striking characteristic is its general similarity to last year's administration bill. I doubt that the committee will adopt very many of its provisions.

Although some money has been released lately for the housing programs, I do not see any general movement toward more reasonable administration of the moratorium.

Perhaps it appears that the public and Congress have not reacted effectively to date. I do not know. I certainly have written letters for many individuals and it may appear to some that I have approached the moratorium on a case-work basis. But that is not the only interest or my overriding interest. Most importantly, many of my colleagues and I are not willing to stand by and watch plans for thousands of subsidized housing units, and the hopes of the people who could have taken advantage of them, be dashed without putting up a fight.

That is why I am going to vote for this bill.

When the Department of Housing and Urban Development was created, it served as concrete expression of the Government's commitment to reverse the rapid and hartbreaking disintegration of our urban areas. The department truly symbolized hope for our cities.

Now it appears to many that the agency is abandoning commitments faster than it is providing new assistance. Morale is exeremely low and the Subsidized Housing Division, which should be the heart of the agency, does not even have a Director or a staff that has any idea whether it will still be around in a few months. Until very recently there was not even a nominee for FHA Commissioner; rumor has it that no one would take the job.

Mr. President, my father was an author of the expression which has become so closely identified with our housing programs. His dream was "a decent home and a suitable living environment for every American family."

We have made great strides toward that goal, but it still escapes us. Now is not the time to stop pursuing it. As long as there are still Americans who are forced to live in dwellings that are unsafe, health hazards, or otherwise unsuitable, it is our responsibility to continue to strive for that goal in every responsible way.

Perhaps as a result of any rethinking which is inspired by the moratorium, we will find more efficient and effective ways of meeting that goal. I hope that we do so. Nevertheless, until we have a better way of doing so in its place, we must continue to accomplish as much as we can with the tools we already have.

That means ending the housing moratorium immediately.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, with the time to be taken out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, since we put in the quorum call, I have been informed by one Senator that he intends to ask for the yeas and nays, so I do not know whether we will accept the amendment now or not, and we will have to vote on it.

Mr. MATHIAS. Mr. President, I have no objection to the amendment. It is a program in which Congress has been very much interested, and in which there is a need. I think the language proposed can serve a useful purpose, and I shall be glad to support the amendment.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment

of the Senator from California (Mr. CRANSTON).

Mr. HELMS. Mr. President, I call for a division.

The PRESIDING OFFICER (Mr. CANNON). A division is called for.

On a division, the amendment was agreed to.

Mr. CRANSTON. Mr. President, I now turn to the veterans' medical care items of the pending measure.

The PRESIDING OFFICER. Who yields time to the Senator from California?

Mr. PROXMIRE. I yield 3 minutes to the Senator.

Mr. CRANSTON. At the outset, Mr. President, I want to express my appreciation to the Appropriations Committee and the subcommittee chairman, the Senator from Wisconsin (Mr. PROXMIRE), and the ranking minority member, the Senator from Maryland (Mr. MATHIAS), for having accepted during full committee markup four of the recommendations made by Senator HARTKE, chairman of the Committee on Veterans' Affairs, and I, as chairman of the Subcommittee on Health and Hospitals of that committee. These amendments were offered as amendments by our colleague, Senator BAYH. The total amount added was $12.66 million for the following:

First, $2,478,068 to activate closed wards, requiring 197 new staff, where patient demand has been shown;

Second, $2,160,000 to establish 10 and upgrade 4 existing alcohol dependence treatment units;

Third, $1,273,000 to establish 15 and upgrade 16 hospital-based home-care programs; and

Fourth, $6,800,000 to allow for inflation in the cost of maintaining the present level in medical and prosthetic research programs.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point charts showing as nearly as possible at which VA hospitals these added funds would be spent, as well as the detailed justification for each item contained in our narrative justification submitted to the Appropriations Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS FOR ADDITIONAL VA HOSPITAL AND MEDICAL CARE ITEMS INCLUDED IN H.R. 8825, AS REPORTED FROM SENATE APPROPRIATIONS COMMITTEE

I. MEDICAL CARE ITEM

1. Activate closed wards where demand demonstrated at following hospitals $2,478,068

(See chart inserted from detailed justification)

II. SPECIALIZED MEDICAL SERVICES

1. Establish 10 new and upgrade 4 existing alcohol dependence treatment units $2,160,000

10 new units to be established at:
West Haven, Conn.
White River Junction, Vt.
Manchester, N.H.
Memphis, Tenn.
Atlanta, Ga.
St. Cloud, Minn.
Denver, Colo.
Martinez, Calif.
Prescott, Ariz.
San Diego, Calif.

4 units to be upgraded at:
Chicago, Ill. (Hines)
Bedford, Mass.
Hampton, Va.
Fort Meade, S. Dak.

2. Establish 15 new and upgrade 16 existing hospital based home care programs $1,273,000

15 new programs to be established at:
Syracuse, N.Y.
Buffalo, N.Y.
East Orange, N.J.
Atlanta, Ga.
Dallas, Tex.
Richmond, Va.
Allen Park, Mich.
Cleveland, Ohio.
St. Louis, Mo.
Iowa City, Iowa.
Albuquerque, N. Mex.
Denver, Colo.
Portland, Oreg.
Seattle, Wash.
San Diego, Calif.

16 existing hospital-based home-care programs to be upgraded at:
Albany, N.Y.
Pittsburgh, Pa.
Miami, Fla.
New Orleans, La.
Hines, Chicago, Ill.
Long Beach, Calif.
Boston, Mass.
Philadelphia, Pa.
Washington, D.C.
Bay Pines, Fla.
Birmingham, Ala.
Houston, Tex.
Little Rock, Ark.
Minneapolis, Minn.
Phoenix, Ariz.
San Francisco, Calif.

III. MEDICAL AND PROSTHETIC RESEARCH ITEM

1. Funds recommended to meet the increase in cost due to inflation $6,840,000

These funds would be distributed among the following VA hospitals where there has been a demonstrated need for additional research support fully 60 percent higher than the amounts shown:

Projected spending

(In thousands of dollars)

Alabama:	
Birmingham	$107.42
Tuscaloosa	5.33
Tuskegee	6.15
Arkansas: Little Rock	90.61
Arizona:	
Phoenix	8.61
Prescott	1.23
Tuscon	36.90
California:	
Brentwood	61.91
Fresno	3.68
Livermore	6.56
Long Beach	118.90
Los Angeles	5.74
Martinez	22.55
Palo Alto	136.12
San Diego	176.80
San Francisco	181.72
Sepulveda	175.98
Wadsworth	234.52
Colorado:	
Denver	107.42
Grand Junction	.82
Connecticut:	
Newington	29.11
West Haven	115.21
Delaware: Wilmington	1.23
Florida:	
Bay Pines	19.27
Gainesville	70.11
Lake City	4.10
Miami	179.67
Tampa	131.20
Georgia:	
Atlanta	$41.00
Augusta	50.02
Illinois:	
Chicago	88.56
Danville	5.33
Downey	27.06
Hines	165.23
Indiana: Indianapolis	45.51
Iowa:	
Des Moines	6.15
Iowa City	102.91
Kansas:	
Leavenworth	4.51
Topeka	12.30
Wichita	1.23
Kentucky:	
Lexington	61.50
Louisville	25.00
Louisiana:	
New Orleans	59.45
Shreveport	16.40
Maine: Togus	10.25
Massachusetts:	
Bedford	27.47
Boston	160.51
Brockton	23.37
Northampton	6.15
West Roxbury	2.46
Maryland:	
Baltimore	25.01
Perry Point	136.12
Michigan:	
Allen Park	28.70
Ann Arbor	59.45
Minnesota:	
Minneapolis	224.27
St. Cloud	6.97
Mississippi:	
Biloxi	4.10
Jackson	30.75
Missouri:	
Columbia	71.75
Kansas City	88.56
St. Louis	113.16
New Jersey:	
East Orange	2.05
Lyons	25.01
Nebraska: Omaha	51.66
New Mexico: Albuquerque	36.90
New York:	
Albany	51.66
Bath	2.80
Bronx	119.26
Brooklyn	65.60
Buffalo	41.00
Canandaigua	1.23
Castle Point	2.05
Montrose	6.56
New York	82.41
New York (prosth. ctr.)	232.47
Northport	17.22
Syracuse	65.19
North Carolina:	
Durham	118.96
Oteen	16.40
Salisbury	2.05
North Dakota: Fargo	2.05
Ohio:	
Brecksville	6.56
Cincinnati	36.90
Cleveland	56.99
Dayton	5.33
Oklahoma:	
Muskogee	9.02
Oklahoma City	121.36
Oregon:	
Portland	28.70
Roseburg	1.23
Pennsylvania:	
Coatesville	19.27
Lebanon	1.23
Philadelphia	102.91
Pittsburgh	57.81
Puerto Rico: San Juan	24.60
South Carolina:	
Charleston	22.96
Columbia	6.15
South Dakota: Ft. Meade	1.23
Rhode Island: Providence	2.05

Projected spending—Continued

(In thousands of dollars)

Tennessee:	
Knoxville	$6.97
Memphis	68.06
Nashville	111.11
Texas:	
Dallas	129.97
Houston	141.61
San Antonio	176.80
Temple	10.25
Waco	1.64
Utah: Salt Lake City	109.06
West Virginia:	
Clarksburg	4.10
Huntington	3.69
Martinsburg	22.55
Wisconsin:	
Madison	72.16
Tomah	2.06
Wood	94.30
Washington:	
Seattle	109.01
Spokane	2.46
Wyoming: Sheridan	1.23
Vermont: White River Junction	1.23
Virginia:	
Hampton	2.05
Richmond	36.90
Salem	10.25
Washington, D.C.:	
Washington	198.03
Washington (VACO)	148.01

SUBMISSION TO APPROPRIATIONS SUBCOMMITTEE ON HUD-SPACE, SCIENCE-VETERANS AND CERTAIN INDEPENDENT AGENCIES NARRATIVE JUSTIFICATION FOR FY 1974 APPROPRIATION RECOMMENDATIONS BY SENATOR ALAN CRANSTON, CHAIRMAN OF THE VETERANS AFFAIRS SUBCOMMITTEE ON HEALTH AND HOSPITAL AND BY SENATOR VANCE HARTKE, CHAIRMAN OF THE COMMITTEE ON VETERANS AFFAIRS FOR VA HOSPITAL AND MEDICAL PROGRAM

I. ADDITIONAL FUNDING

A. Medical care item

* * * * *

2. ACTIVATION OF CLOSED AND NEEDED WARDS

Our recent oversight hearings also brought out that there are a number of wards in seven VA hospitals throughout the country which have been closed due to lack of staff to provide care to the patients. The closed wards amount to 278 needed beds denied to eligible veterans—the equivalent of an average sized VA hospital. We wish to stress that the full data provided by the VA showed 49½ closed wards at 32 hospitals, and those we are including in our recommendation are only those where the VA's own data confirms that there is a *demand* for services which is not being met.

Reactivation of these seven wards would mean that eligible veterans in these areas could receive needed treatment without delay. We recommend that $2,478,063 be added to enable the hiring of the 197 medical personnel needed to open these 278 beds in these seven wards.

Following is a listing of the locations of the hospitals, the number of beds in the wards, and the number of personnel needed to staff the wards adequately:

VA Hospital	Beds	Personnel
Lyons, N.J.	51	42
Atlanta, Ga. (alcohol unit)	40	28
Columbia, S.C.	38	27
Dalls, Tex.	72	50
Miami, Fla.	31	22
Topeka, Kans.	27	28
Saginaw, Mich., (respiratory care units)	19	10
Total	278	197

* * * * *

7. SPECIALIZED MEDICAL SERVICES PROGRAM

Specialized medical services programs initiated in the Veterans Administration hospital system have been of tremendous value in providing highly specialized care to veterans suffering from serious illnesses. In fiscal year 1973, the number of these specialized units had grown to 1187, and the VA has made great advances in developing new treatment procedures to provide care to veterans in these units.

It is generally conceded that high quality care today is virtually impossible without such programs specializing in intensive care, coronary care, nuclear medicine, respiratory care, drug and alcohol treatment, mental hygiene, and speech pathology, for example.

In its budget submission to OMB, the VA had requested $39,101,000 for upgrading 139 existing units and establishing 121 new units. The OMB allowed only $2,328,000 for a very limited expansion of this much needed program area.

We have carefully analyzed those programs deleted by O.M.B. to ascertain those we believe hold promise of the most cost effective improvements in the most urgently needed care categories.

* * * * *

b. Alcohol Dependence Treatment Centers

The VA now operates and staffs the nation's largest single system for alcoholism rehabilitation. Alcohol abuse and related health problems represented 13 per cent of total VA hospital discharges for 1969. VA and DOD figures show that of the approximately 9.5 million veterans discharged since the Korean War, 235,000 now have, or had at time of discharge, an alcohol problem serious enough to require hospitalization. Further, the VA states that one in seven of their present patient load has a diagnosis or sub-diagnosis of alcoholism.

It is apparent that the veteran population is in no way spared the overall population's problems with what Special Assistant to the President Dr. Roger Egeberg called the nation's number one health problem—alcohol abuse. We must continue to provide the priority and care this problem deserves.

The average peak age of the alcohol abuser among veterans is 40–55. Recent projections by the VA show a continued high incidence of veterans with alcohol abuse problems through 1985. Therefore, we must be sure sufficient resources are made available to meet what will be, unfortunately, a continuing high demand for many years to come.

Hence, we urge *addition of the $2.16 million which O.M.B. deleted from the VA FY 1974 request for the establishment of 10 new and the upgrading of 4 existing Alcohol Dependence Treatment Centers.* As indicated in the Senate Report (No. 93–56) on S. 284, the Veterans' Drug and Alcohol Treatment and Rehabilitation Act of 1973 (pages 21–22), activation of these 10 centers and upgrading of the four was postponed until FY 1975. These facilities are needed now to continue the growth toward meeting the enormous unmet need for alcoholism treatment facilities as these veterans grow older and require hospitalization and rehabilitation.

c. Hospital-Based Home-Care Programs

The same services involved in the spinal cord injury home-care program are utilized to benefit other seriously ill and severely disabled veterans. A hemiplegic patient, for example, may need this same type of continued monitoring which can be provided effectively outside the hospital. Similarly, the blinded veteran needs re-orientation to adjust to his home and community.

These types of therapeutic and medical problems for severely disabled veterans can be anticipated and dealt with to some extent during hospitalization. But total reorientation to home and community can take place only when the patient is actually back in that milieu. In addition, many medical services can be more effectively provided in the very personalized and supportive environment of a loving family, rather than in an institution, no matter how adequately staffed. That is why these programs are so important and need to continue to expand.

Therefore, we are recommending that *$1.273 million, which O.M.B. cut from the VA budget request, be added to activate 15 new and upgrade 16 existing Hospital-based home-care programs.*

* * * * *

B. Research Item

The April oversight hearings also provided the Subcommittee with invaluable data on the importance of research to the care of veterans, and on the inadequacies of the proposed VA budget for FY 1974 in this regard.

1. MEETING INFLATION

Testimony was provided from eminent research figures—such as Dr. Michael De Bakey, President of Baylor Medical College—that, in general, just to maintain research at the same level at which it was conducted in fiscal year 1973, an increase of 8–10% would be essential to offset increased research costs just due to inflation.

The budget request when coupled with almost $5 million in unobligated fiscal year 1973 funds, provides for roughly a $2.6 million increase in funds available for research. This $2.6 million, the VA says, would cover the costs of 100 additional personnel and some initial research programs. But, this does not take into account increased costs due to inflation. In addition, the VA submitted to the Subcommittee a list of the research programs which had been approved by the central office and included in the original VA budget submission to OMB. These deleted research programs totaled $16.5 million to be spent at 124 hospitals.

We recommend that at least *$6.8 million be added to the medical and prosthetic research item budget request of $71 million in order to keep the VA research programs operating at the same level as fiscal year 1973.* This $6.8 million represents a 9% increase over the $76 million appropriated for fiscal year 1973.

Mr. CRANSTON. Mr. President, I do have one point I wish to make with respect to the amounts already accepted by the committee. This relates to the $6.8 million added for research. In our recommendations, we proposed addition of $1,535,500 to correct deficiencies in animal research facilities at eight VA hospitals which fail to meet minimal national standards for such facilities. I do wish to stress that the other 89 VA animal research facilities are in compliance, but there is no excuse for perpetuating substandard and inhumane conditions in any research program.

In order to permit each facility to come up to the minimum standards within a year or two would require the following sums at the following locations: Atlanta, Ga., $157,000; Chicago, Ill.—research hospital—$24,000; Long Beach, Calif., $200,000; Minneapolis, Minn., $187,000; Palo Alto, Calif., $80,200; Pittsburgh, Pa.—UD—$140,000; Salt Lake City, Utah, $15,300; and Tucson, Ariz., $250,000.

Mr. President, I would hope that the distinguished floor managers of the bill would agree with me that it is not necessary to increase the research appropriation item beyond the $6.84 million which

the committee has already so responsibly added and that funds from that $6.84 million should be used to make the necessary corrections in the eight animal research facilities I have just outlined.

Is that point of view acceptable to the chairman of the subcommittee?

Mr. PROXMIRE. I say to the Senator that I would agree that the Bayh amendment, which was accepted by the Appropriations Committee, took care of the additional funds in the first area.

Unfortunately, however, we have not had, to the best of my knowledge, either testimony in the hearings or a record of any kind of mistreatment of animals. As the Senator knows, some years ago, we passed legislation, humane treatment legislation; and, frankly, I am not aware of the need for this particular proposal, for this amount of money.

It is difficult for the Senator to accept it for that purpose, although it sounds laudable, and all of us would deplore the mistreatment of animals.

Mr. CRANSTON. It was brought out in our hearings that there are substandard animal research practices at those installations, and the VA admits that.

Mr. PROXMIRE. Unfortunately, that information has not been brought before our committee in any way, shape, or form. I would hope that before we act on something involving millions of dollars, we would have some kind of record before the Appropriations Committee.

Mr. CRANSTON. Senator HARTKE and I submitted to the subcommittee on Monday detailed documentation of this matter, and this material was inserted in the RECORD Wednesday.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HARTKE. I do not think this presents any problem. We just want assurances that additional funds are not needed to make sure they raise the standards in these laboratories which are substandard. There are eight in the United States which do not meet the standards.

Mr. PROXMIRE. As I understand, the Senator from California wants to modify the original amendment he intended to offer.

Mr. CRANSTON. I am offering no amendment. I am asking the Senator whether he thinks the problem can be dealt with through the use of the $6.8 million already in the bill. I am not proposing more money for this purpose.

Mr. HARTKE. What the Senator is saying is that if the chairman of the committee agrees with the general proposition that there is sufficient money in the bill, then the Senator from California is not asking for additional money. He just wants assurances that the animal laboratories which are not meeting the standards today can be brought up to standard under the money in the bill.

Mr. PROXMIRE. For the purpose of the legislative history, I have discussed this matter with the distinguished ranking minority member, and we can agree that action should be taken to correct these conditions. It is a laudable purpose. We will inquire if further language is required in the conference report before the bill becomes law.

Mr. CRANSTON. That is satisfactory.

Mr. HARTKE. That is fine.

Mr. CRANSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

In title II, under the heading "MEDICAL CARE", strike out "$2,676,261,063, plus reimbursements" and insert in lieu thereof "$2,722,165,063, plus reimbursements, of which $45,360,000 is for the hiring of 3,000 additional health care personnel, for which the commensurate number of personnel positions shall be allocated, to support an unrestricted average daily patient census in Veterans Administration hospitals, and of which $544,000 if for the establishment of four and updating of two spinal cord injury home-care programs".

Mr. CRANSTON. Mr. President, I am offering this amendment and the next one for myself and Senators HARTKE, STAFFORD, RANDOLPH, MONDALE, HUMPHREY, JAVITS, TUNNEY, BIDEN, BROCK, and HANSEN.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. TOWER. Does the Senator intend to get the yeas and nays?

Mr. CRANSTON. Mr. President, I ask for the yeas and the nays.

The yeas and nays were ordered.

Mr. President, this amendment is the first of two we will offer to insure the quality of VA hospital and medical care. Both amendments were included in detailed recommendations which Senator HARTKE, chairman of the Committee on Veterans' Affairs, and I submitted earlier this week to the Appropriations Subcommittee. These recommendations appear at page S 12329 of the RECORD of June 28.

Our first amendment would increase the medical care item by $45,904,000 for two purposes: First, to provide funds for the hiring of 3,000 VA new health care staff in order to support an unrestricted VA hospital patient census—which is presently 82,500—rather than the arbitrary census of 80,000—imposed by OMB in the fiscal year 1974 budget; and, second, to provide funds to establish 4 and upgrade 2 spinal cord injury home-care programs.

The basic amount we propose to add—$45,360,000—is for staff to support the present patient census level. This is an absolutely vital purpose, for several reasons:

First, Vietnam era veterans are constituting a higher and higher proportion of VA patients.

During fiscal year 1972, Vietnam era veterans constituted 15.9 percent of all veterans discharged from VA hospitals, as compared to 13.2 percent in fiscal year 1971 and 9.9 percent in fiscal year 1970.

The same pattern exists with respect to outpatient visits. In fiscal year 1972, Vietnam era veterans accounted for 17.8 percent of all VA—staff and fee—outpatient visits, as compared to 14.9 percent and 10.8 percent in fiscal years 1971 and 1970, respectively.

Mr. President, of particular significance, it seems to me, is that Vietnam era veterans constituted 26.2 percent of all veterans discharged from VA hospitals in fiscal year 1972 after treatment for service-connected disabilities.

Although these trends toward greater care of Vietnam era veterans by the VA hospital and medical program will not continue indefinitely at the same upward pace, I am aware of no indication that they will not continue upward over the next several years.

Thus, this is the time of the very greatest demands on the VA system by our most recent and, as our hearings have illustrated only too plainly, our most seriously disabled veterans.

Second, Mr. President, the administration seems set upon a policy—hatched by OMB and HEW—to do in the VA medical program by severely retrenching the VA hospital system and selling, or transferring to local communities, many of the VA hospital properties and facilities. My statement in the RECORD Thursday cited the recommendations approved by HEW Secretary, and former OMB Director Weinberger on April 23, as follows:

D. VETERANS' ADMINISTRATION (VA) MEDICAL PROGRAMS

The VA operates its own system of 169 hospitals and other facilities. VA outlays for medical programs are budgeted at $2.4 billion [*sic*] in 1974. [Actually, it was 2.65 billion] VA patients fall into two categories: (1) veterans with service-connected disability and (2) low income veterans without service-connected disabilities, who receive services on a space available basis. Some 64% of hospitalized VA patients fall in the second category. When NHI becomes a reality, particularly if universal entitlement is achieved a strong argument can be made for restricting special VA medical programs to veterans with service-connected disabilities, since other veterans would be covered under general programs. The estimated budget savings of such a change would be over $1 billion annually.

In addition, those who do have service-connected disabilities could be covered under VA-issue health insurance programs rather than be eligible for treatment only in VA facilities. VA hospital properties could be sold to the private sector, transferred to local communities, or used for other governmental purposes.

Mr. President, I trust that my colleagues in the Senate and on the Committee on Appropriations will want to provide a resounding answer to this VA death sentence apparently about to be imposed by the administration.

Third, there is tangible evidence that this strategy is already being carried out by the administration in its arbitrary direction, supported by no factual data, to reduce the present patient census by 2,500 in fiscal year 1974. This would be the equivalent of closing eight 300-bed VA hospitals and would deny care to more than 30,000 eligible disabled veterans needing it.

In fact, Mr. President, all the available data shows a continuing patient demand rather than any decline.

Figures provided by the Veterans' Administration itself show that the patient census for fiscal year 1973 has been consistently between 1,000 and 2,000 higher each month than the census for the comparable month in the previous year. For example, the estimated monthly

census during May 1973, was 82,493, as compared to 81,305 for May a year ago.

In fiscal year 1971, Mr. President, as you will recall, OMB ordered a reduction in the census of over 5,000 which resulted in the total patient census falling to 79,865 by the end of that fiscal year. Since then, due to strong congressional protest that this figure should be based on medical need rather than budgetary considerations, and mandates of minimum levels in the fiscal year 1972 and 1973 appropriations acts, the average census has been rising steadily, reflecting a figure more nearly approximating the actual hospital care needs of veterans.

On March 6, this year, the Senate passed S. 59 by an 86 to 2 vote. The Veterans' Health Care Expansion Act of 1973 directed that a census be maintained at a level of no less than 82,000 for any fiscal year, and that individual station allowances be premised on a census of 85,500. This step was taken by the Senate as a response to the further proposed arbitrary reduction from 82,000 to 80,000 directed by OMB in the fiscal year 1974 budget.

The census figures for fiscal year 1973 indicate that the annual average census will be about 82,500—somewhat in excess of the minimum figure in the Senate-passed bill and, given the documented cases of veterans needing hospital care who have been turned away by VA facilities, the figure should actually be higher.

Fifth, Mr. President, the Senate Veterans' Affairs Committee and the House Veterans' Affairs Committee, with the assistance of the national veterans organizations, have been compiling data on the many cases brought to their attention where veterans have been denied admission to VA medical facilities and have been forced to seek and have received needed care in the community. This data involves hundreds of cases.

The House Veterans' Affairs Committee has analyzed a 2-week survey of several thousand veterans who applied to VA medical facilities for treatment of a variety of medical problems. While a majority expressed either general or limited satisfaction with their treatment, hundreds expressed either minor or major dissatisfaction with some phase of their treatment episode. For instance: First, many complained of denial of hospitalization either because of apparent incomplete examination or artificial admission guidelines based on numerical, rather than medical considerations; second, others cited overcrowded and understaffed admission facilities often contributing to inordinate decision delays in the admitting or treatment process, third, there was considerable dissatisfaction with the medical and personal demeanor of many employees, largely attributable to understaffing and overcrowding; and fourth, there was apparently less than satisfactory attention paid to patients by VA medical staff members.

Mr. President, on June 28, I inserted into the RECORD a most shocking list of case histories, submitted by the Veterans of Foreign Wars, of 15 veterans who applied for VA hospitalization and were rejected and subsequently had to receive private medical care for the condition for which they were seeking VA hospitalization. It is extremely shocking to note that in 8 of these 715 cases the veteran died shortly after having been rejected by the VA hospital to which he had applied.

Also included in our amendment, Mr. President, is a very modest sum, $544,000, to help spinal cord injured veterans.

Admissions to VA spinal cord injury centers increased 11 percent in the last fiscal year. The funds we propose to add would be to initiate home-care programs for spinal cord injured veterans at four VA hospitals: Chicago, Ill.—Hines; Memphis, Tenn.; West Roxbury, Mass.; and Cleveland, Ohio; and to upgrade the existing programs at Castle Point and Bronx, N.Y.

Mr. President, the general oversight of VA programs conducted by the Subcommittee on Health and Hospitals has shown that the four VA programs now providing hospital-based home-care services for the spinal cord injured have proved highly effective in easing and speeding the readjustment of these paralyzed veterans to life in the community. The program consists of periodic visits to the recently hospital-discharged veteran in his home by a coordinated team of physician, nurse, therapist, nursing assistant, psychologists, and social worker. Working together in helping the veteran adjust to his home and community, as well as working with the family so they may provide the necessary support to the veteran, these multidisciplinary teams have facilitated the transition of the spinal cord injured veteran from hospital patient to member of the community.

We believe that the success achieved at the four VA hospitals currently providing this service—Long Beach, Calif.; Richmond, Va.; and Bronx and Castle Point, N.Y.—should be repeated at additional locations.

These, then, Mr. President, are the purposes of the amendment we are now offering to ensure quality health care for our Nation's disabled veterans.

Mr. President, I reecived yesterday an excellent telegram from the national commander in chief of the Veterans' of Foreign Wars, which has fought every VA medical care battle at our side. The telegram was also sent to other Senators, and reads as follows:

> Veterans of Foreign Wars deeply disturbed at continuing cuts in VA hospital care for veterans. VA budget recommendations are inadequate to meet the rising demand for hospital care by returning Vietnam veterans and older veterans with catastrophic disabilities.
>
> V.F.W. supports amendment to be offered to HUD-Veterans Appropriation Bill (H.R. 8825) which will add $45 million to VA hospital care appropriation. This additional money is a barebone's minimum to assure that all veterans who are entitled will receive VA medical care during this coming fiscal year.
>
> Your approval of this amendment, together with approval of the overall VA appropriation for 1974, as approved by the House, will be deeply appreciated by more than 1.8 million members of the Veterans' of Foreign Wars of the U.S.
>
> PATRICK E. CARR,
> *National Commander-in-Chief, Veterans of Foreign Wars of the U.S.*

In closing, Mr. President, I do wish to point out that we are not seeking all of the medical care funds we requested from the subcommittee and what we believe are very much justifiable—having dropped eight items totalling about $22 million from our medical care item recommendations.

Mr. RANDOLPH. Mr. President, will Senator yield?

Mr. CRANSTON. I yield.

Mr. RANDOLPH. Mr. President, I would like to make this inquiry of the able Senator from California (Mr. CRANSTON). This specific amendment costs how much money?

Mr. CRANSTON. $46 million.

Mr. RANDOLPH. And all the amendments actually total a little over $56 million. Is that correct?

Mr. CRANSTON. The Senator is correct.

Mr. RANDOLPH. I commend the Senator from California for bringing these issues before the Senate. It is further evidence of his deep concern and effective efforts in this vital area. The Senator's diligent work and leadership has brought significant benefits to aid veterans of this Nation. To me these are very modest amounts in the amendments. The total is a very modest amount to bring a better health care program for veterans who fought for the United States, regardless of the conflict in which they were engaged. Also, there will be an improvement to VA facilities. That is the thrust of this and the other amendments. We will be able to bring to our deserving veterans better opportunity to return to normal life. Is that correct?

Mr. CRANSTON. That is absolutely correct. I believe it is essential that we meet these needs of wounded, paralyzed, and disabled veterans, so many of them recently returned from Vietnam.

Mr. RANDOLPH. We need to make an assessment constantly to insure that we are keeping pace with the needs of veterans—those of the recent conflict and those who are becoming older—to provide needed attention in a greater degree. Is that true?

Mr. CRANSTON. We most certainly do, and as a very hard-working and well-informed member of the Subcommittee on Health and Hospitals, the Senator from West Virginia has been a great ally in all our efforts and a tireless champion of compassion and justice for our Nation's veterans.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I am delighted to yield to the chairman of the full Committee on Veterans' Affairs, the Senator from Indiana (Mr. HARTKE).

Mr. HARTKE. Mr. President, I congratulate the Senator from California and all the members of the subcommittee for the excellent work they have done in this field. They have been diligent in bringing to the attention not only of the Senate but of the country the need to upgrade medical care and fill in some of the deficiencies.

We recognize that the Veterans' Administration operates under a disadvantage, that is, that the Office of Management and Budget operates a cold operation, when they should be warmhearted toward our veterans.

I congratulate the Senator for offering the amendment which I have joined in sponsoring.

Mr. President, as chairman of the Committee on Veterans' Affairs, I am privileged to rise in support of the amendments which I have cosponsored to strengthen the medical care programs of the Veterans' Administration. At the onset, I wish to thank the members of the Appropriations Committee, especially the subcommittee chairman (Mr. PROXMIRE) for the consideration of the recommendations which I joined in submitting to them. I am pleased that during the short period of time they had to consider the bill and these recommendations they adopted several of them totaling approximately $12,000,000. While I am pleased, I believe additional amounts, totaling approximately $56,000,000 which are primarily for increased medical care staffing and the air conditioning of certain hospitals, are equally essential.

I will not dwell at length on these recommendations. The detailed justifications for them were inserted in the RECORD yesterday by the distinguished chairman of the Subcommittee on Health and Hospitals (Mr. CRANSTON). Senator CRANSTON, as chairman of this subcommittee, has done an outstanding job in closely monitoring the needs of the Veterans' Administration medical programs. His oversight hearings, in this and past years, are evidence of his continuing dedication to get the facts and see that our veterans are not shortchanged when it comes to medical care. I am convinced that the amendments being offered are fiscally prudent and the very minimum that we could recommend without jeopardizing the health care of the patients in Veterans' Administration hospitals.

Specifically, the amendment to the medical care item which provides $45,360,000 for an additional 3,000 patient care staff will provide the Veterans' Administration the ability to treat in an appropriate way the present patient load. The Veterans' Administration has reported that its patient census as of June 6, 1973, was 82,556 patients. This is a flexible and ever changing figure, I realize, but indicates the level of veteran patients presently being treated. It is my strong feeling that we must base the number of staff available upon the number of patients being treated. Certainly should this level decrease, I would not expect the Veterans' Administration to hire more personnel than required to treat the average daily patient census load at an appropriate staff to patient ratio. There should be no misunderstanding among my colleagues that it is my firm conviction that patient loads should be based on professional medical judgment as to those who should be served and not on any artificial numbers or restraints.

It is my belief that this 82,556 is a realistic average daily patient census; more realistic than that which was submitted by the Administration. I would point out however, Mr. President, that due to present staffing ratio level deficiencies in the Veterans' Administration hospitals, these staff positions could fill the real need of raising that ratio to a more appropriate and efficient level even if the census should decrease. This is what this amendment would achieve.

Further, Mr. President, the inclusion of the $544,000 to provide four new units of spinal cord injury home care is essential. The six programs now ongoing have provided invaluable assistance to veteran patients with a most catastrophic disability. Veterans' Administration testimony indicates that the special multidisciplined teams which aid these veterans in the readjustment and reorientation in the home and community, give valuable advice, training, and counsel to the veterans' family, friends, and loved ones. The success of the six programs now in place clearly indicates a rationale for beginning new programs at four other stations all of which have specialized spinal cord injury centers.

Mr. President, I am alarmed at the Office of Management and Budget's total insensitivity to the need to continue to fund projects for air-conditioning in the eight Veterans' Administration hospitals that the Veterans' Administration had scheduled for fiscal year 1974. This to me is the most gross example of the lack of empathy by the faceless bureaucrats in the Office of Management and Budget to the plight of the sick and dying veterans in the Veterans' Administration hospital system. Patient and staff both suffer in this sweatshop atmosphere. This is unconscionable. The Veterans' Administration has made some progress in this area in past years. Its own statistics show that at least 30 hospitals are still in need of air-conditioning. It is thoughtless not to allow this progress to continue, until such time as all these hospitals have this basic necessity which all of us take so much for granted. I do not think that $10,138,000 is a great deal to ask to continue this vital construction since it fulfills such a very basic and humane purpose.

Mr. President, I want to insert in the RECORD at this point the July average maximum temperatures at the eight Veterans' Administration hospitals currently without air-conditioning which would be affected by this amendment:

Gulfport, Miss., 89.3; Wichita, Kans., 92.4; Poplar Bluff, Mo., 91.9; Huntington, W. Va., 86.0; Kerrville, Tex., 93.6; Salisbury, N.C., 90.8; Waco, Tex., 96.0; and San Juan, Puerto Rico, 87.1.

Mr. President, I also ask unanimous consent to insert in the RECORD, at this point, a telegram from the American Legion evidencing their strong support for the amendment proposed today.

Their being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 29, 1973.

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans' Affairs, Russell Senate Office Building, Washington, D.C.:

The American Legion strongly supports your proposed amendments to H.R. 8825 to increase funds for the Veterans' Administration's medical and hospital program by some $103.6 million.

Your consideration of sponsoring an amendment to restore the $15 million cut from the House passed measure by Senate Appropriations Committee for VA general operating expenses will also be appreciated. These funds are desperately needed if VA is to maintain reasonably current levels in its adjudicatory activities and other services to disabled veterans and their dependents.

HERALD E. STRINGER,
Director, National Legislative Commission.

Mr. HARTKE. In consideration of these amendments, I know the members of the Appropriation Committee, as well as every Member of the Senate, are aware of budgetary constraints. As such, I think it worthwhile to make a few observations to place these concerns in perspective.

First, the amendments proposed today are modest in scope and would only increase the medical budget by about 2 percent and represent less than half a percent increase in the total Veterans' Administration budget.

In this connection, I should also point out that the Veterans' Administration requested $173,000,000 more for medical care for this fiscal year than the Office of Management and Budget allowed it to submit to Congress. Further, the Veterans' Administration's own doctors have estimated that $240,000,000 more than the amounts actually submitted by the Veterans' Administration would be needed. I believe these figures illustrate not only the modest nature of the $56,000,000 amendments proposed today, but also that the sums which we are urging should be added to the Veterans' Administration budget more closely approximates the real need of the Veterans' Administration hospital system as opposed to those arbitrary limits allowed by the Office of Management and Budget.

Second, contrary to mythology spread by some, the Veterans' Administration's appropriations have not been, and are not now, a major factor in the budgetary problems that face us today. I wish to emphasize that a smaller percentage of the Federal tax dollar will be spent on veterans in this coming year than was spent 10 years ago in 1963, although some 6 million Vietnam era veterans have since joined our country's population. The increasing need of these young men for medical care is reflected in the growing percentage of Vietnam era veterans who were discharged from the Veterans' Administration hospital in recent years—9.9 percent in fiscal year 1970, 13.2 percent in fiscal year 1971, and 15.9 percent in fiscal year 1972. Of even greater importance is the fact that Vietnam era veterans constituted 26.6 percent of all veterans treated for service-connected disabilities in the fiscal year 1972. Yet despite this increased need, the Veterans' Administration budget is a smaller percentage of the Federal tax dollar than it was 10 years ago.

So much then for the myths concerning the Veterans' Administration budget. If cuts must be made, they must be made elsewhere.

The final and most important point concerning the budget, however, is the simple fact that I believe we have no

higher priority than to fulfill the obligation we owe to those who served our country. This is a priority which I will not compromise. Further, I believe that each of my colleagues in the Senate agrees with this principle. Just the other day, for example, in the consideration of the debt ceiling bill, the Senate reaffirmed its commitment to our Nation's veterans by explicitly adopting provisions exempting veterans benefits and services from any pro rata impoundments. The Senate has spoken again and again as to the priority it assigns to veterans, and I urge my colleagues to reaffirm their commitment by voting for these needed funds in the veterans medical program.

Mr. CRANSTON. Mr. President, I thank the Senator. The Senator's leadership as chairman of the full Committee on Veterans' Affairs has been indispensable to the subcommittee's activities in obtaining the information and facts to enable us to marshall so strong a case.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. DOLE. I appreciate the comments of the distinguished Senator from California and ask that I may be a cosponsor of both the first and second amendments. I know the second pertains to one of the hotter places in Kansas City, the VA hospital there.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I am delighted to have the Senator as a cosponsor.

Mr. DOLE. I am interested in the money set aside, a relatively minor amount, for improving the spinal cord injury home care programs. As I understand it, a certain portion of the total amount would be set aside for four of these home care spinal cord injury programs.

Mr. CRANSTON. $544,000 is for that purpose.

Mr. DOLE. I thank the Senator.

Mr. CRANSTON. I thank the Senator for his support, which means a great deal.

Mr. PROXMIRE. Mr. President, we are now $460 million over the budget. This is an amendment that, of course, has great appeal. The Senator from California makes a powerful argument for it. The difficulty is that it is a little unfair to the subcommittee, it seems to me. We had a day of testimony for outside witnesses, and there was no testimony on this item. We had a day for outside witnesses for the Space Shuttle. The Senator from California made an excellent case for it. I suppose that is one reason why, over the objections of the chairman of the subcommittee, the Space Shuttle was approved.

I think we ought to recognize that in this particular item even before we consider the millions the Senator would add, we are $20 million over the budget and $6 million over the House figure. With the Cranston amendment we would go another $46 million above.

We provide in the bill, and the House has already provided—it will not go into conference—an addition of over 1,000 nurses. The thrust of this measure is to provide $45 million to provide for additional medical care personnel.

In view of the fact that we are already providing these funds for nurses, and are going well over the budget under those circumstances, in view of the fact that there has been no testimony made available to the committee which we could check with the Veterans' Administration and determine what all the facts are and what the justification is for it, I would have no option except to resist an amendment which I am sure has substantial appeal.

Mr. MATHIAS. Mr. President, the Senator from California makes a very appealing case. I agree with him that with the rising veteran population, with the kind of serious cases who, very frankly, would not have survived on the battlefield in earlier wars, but who, because of the remarkably efficient care that was available in Vietnam, did survive, did come home, but are hopelessly and hideously crippled, we have some special problems in the Veterans' Administration's medical care program that need to be addressed by the Congress.

There is another side which is just as vital to the health of veterans and to the future of veterans, and that, of course, is the ability of the Veterans' Administration, and beyond the Veterans' Administration, the ability of the country itself, to do the kind of job we need to do for them.

If we apply the inflationary factor to the Veterans' Administration budget, it is perfectly clear that we are providing, even if we appropriate precisely the same dollar amount of money—about $150 million less—as a rough estimate—in buying power than we appropriated with the same dollar value the year before.

If we give them the same budget, the same appropriation, year after year, we can figure pretty confidently that, under existing conditions, they are going to lose 5 percent of the buying power we sought to give them, on the average.

Our concern with the veterans is also to consider the ability of our economy to provide for them the very highest standards of care, which we hope to do.

The subcommittee did increase the amount of medical care which is available to the Veterans' Administration programs by an amount of $20 million. This is a very substantial increase, one that I supported, and supported enthusiastically. I hope that this will improve the quality of care that the veterans receive.

I believe, however, that the full amount of the amendment that the Senator has provided may not be necessary. I am wondering—and I address my question to the Senator from California—whether the Senator feels that there is any adjustment that could be made in the amount he has proposed, by way of amendment.

Mr. CRANSTON. Yes, there is a way that I think we can reach an agreement. The effect of it would be to reduce what we are asking to about $30 million for additional staff and retain $544,000 for the spinal cord injury home-care programs. This would be done by striking out the figure which appears on the third line of the amendment: "2,722,165,063" and inserting in lieu thereof "2,706,805,063".

I would be willing to modify my amendment in that way provided it is clearly understood that the manager of the bill and the co-manager, representing the minority, will strongly support this figure in conference. I think it is very evident that there is overwhelming support for the amendment as offered. If we can modify the amendment on the floor, in a way to secure unanimous bipartisan support and, at the same time, insure that we do justice to our disabled veterans' need for quality health care, which is the inescapable cost of the war, then I am agreeable.

In the interest of moving the legislation and having the full support of the committee, I will agree to modify my amendment.

Mr. PROXMIRE. I appreciate that very much. It does make it possible for us to fight for a more realistic figure in conference. I assure the Senator from California that we will do exactly that. I am not going to give up trying to get, first, what is provided in the Senate bill—when there is a difference with the House. The Senator is making a very strong case, and in the intervening time between now and the conference, I am sure we can get additional documentary evidence which will enable us to make a stronger fight in the conference.

We have had a chance to review the Senator's second amendment with respect to air-conditioning. I think it would be a service to our colleagues if we could vacate the order for the yeas and nays and modify the Cranston amendment and accept both the first and second amendment as offered in this respect.

Mr. CRANSTON. Mr. President, that is a perfectly satisfactory solution. I deeply appreciate the statement by the manager of the bill and his cooperation.

Once again, I thank the Senator from West Virginia (Mr. ROBERT C. BYRD) for his strong support of these needed programs.

Mr. MATHIAS. Mr. President, I join with the manager of the bill, the Senator from Wisconsin, in saying that I will support as strongly as possible the agreement which has been reached. I think it is practical, and I think that when added to the $20 million which the Senate itself had, it makes a very substantial contribution to the purpose we all share, which is veterans care, the Veterans' Administration, and the veterans medical system.

I think that the Senator had made a very useful contribution here.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may modify the pending amendment by striking in line 3 the figure "$2,722,165,063" and inserting in lieu thereof "$2,706,805,063."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for

the yeas and nays be vacated on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment, as modified, of the Senator from California (putting the question).

The amendment, as modified, was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk amendments which I ask unanimous consent to have considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

In title II, under "CONSTRUCTION, MAJOR PROJECTS", strike out "$61,299,000" and insert in lieu thereof "$70,435,000" each time it appears, and insert the following list on page 19 after "Total, improvements to outpatient clincs":

"Airconditioning projects:

"Gulfport, Mississippi	$81,000
"Huntington, West Virginia	1,388,000
"Kerrville, Texas	985,000
"Poplar Bluff, Missouri	1,007,000
"Salisbury, North Carolina	5,575,000
"Wichita, Kansas	100,000
"Total, airconditioning projects	9,136,000"

In title II, under the heading "CONSTRUCTION, MINOR PROJECTS", strike out "$38,701,000" and insert in lieu thereof "$39,703,000, of which $1,002,000 is for air conditioning projects as approved for two Veterans Administration hospitals", and at the end of such item before the period, insert a colon and "*Provided further*, That funds appropriated in this or any other Act shall not be used in connection with the expense of air conditioning or cooling any building to which the employees of the Office of Management and Budget or of the Executive Office of the President are assigned until such time as the $1,002,000 included in this item and the $9,136,000 included in this Act under the heading 'CONSTRUCTION, MAJOR PROJECTS' for air conditioning projects are made available for obligation in full".

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the amendments will be considered en bloc.

Mr. CRANSTON. I am delighted with the "warm" reception for this very "cool" amendment and to be joined by the same 12 cosponsors who cosponsored my last amendment: Senators HARTKE, STAFFORD, RANDOLPH, MONDALE, HUMPHREY, JAVITS, TUNNEY, BIDEN, HANSEN, BROCK, BYRD of West Virginia, and DOLE.

Mr. President, these amendments together would add to the VA construction item $10,138,000 to carry out air-conditioning projects at eight VA hospitals which were scheduled by the VA but cut out by OMB.

Although the VA has between 30 and 35 hospitals—VA data appears unclear as to the precise number—that have been determined to be in need of air-conditioning, the fiscal year 1974 construction budget contains no funds to be able to continue the significant progress made over the past several years—under congressional prodding—to reduce this "swelter gap." This is because OMB cut out $10,138,000 for eight projects for fiscal year 1974 in some of the hottest areas of the country.

These hospitals with the following average maximum July temperatures are at: Popular Bluff, Mo., 91.9; Huntington, W. Va., 86; Kerrville, Tex., 93.6; Waco, Tex., 96; Salisbury, N.C., 90.8; Gulfport, Miss., 89.3; Wichita, Kans., 92.4; and San Juan, P.R., 87.1. The projects at Waco, and San Juan, are less than $1,000,000 and hence are included under the minor construction item. The average maximum July temperature and average July humidity for all these eight places is 89.6° and 61.4 percent, respectively.

Mr. President, since we find OMB's action in this particular instance lacking even a scintilla of justification and especially inhumane, our amendment is designed to administer to OMB a taste of its own prescription for ill veterans. Until OMB releases the funds we propose to add for these eight air conditioning projects, our amendment would turn off the air conditioning at OMB.

If wounded and disabled veterans are going to swelter, let OMB try a little of the same.

Mr. President, I ask unanimous consent to add the name of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) to the list of cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. DOLE. Mr. President, I am particularly interested in the air-conditioning at the Wichita, Kans., veteran facilities. The responses I have had from the Veterans' Administration in the last several years have not been satisfactory.

I know that my senior colleague from Kansas has worked for the same project.

I think that it might be a good suggestion to turn off the air-conditioning in the VA here and even ours if necessary. I believe that the places mentioned deserve immediate action and immediate consideration.

Mr. CRANSTON. Mr. President, I thank the Senator very much. Let us say that I do not propose to cut off the air-conditioning in the Veterans' Administration, because they proposed that these facilities be air-conditioned. They know how desperately it is needed. However, the Office of Management and Budget does not know the facts and does not know the need of these veterans—or it does not care. Therefore, I suggest that if they are willing to let these sick and wounded veterans swelter, we should let them know how it feels when one is healthy in such circumstances, let alone unhealthy.

Mr. PROXMIRE. Mr. President, the Senator from California has made a convincing case for this amendment. We discussed it before with the understanding that when we take the amendments to conference I certainly intend to do all I can in conference to persuade the House conferees to accept the amendments. As the Senators have pointed out, if the Senate and the House can live in comfortable quarters with air-conditioning, we should certainly provide as well for the veterans who are sick, and sometimes at the point of death, this minimum comfort so commonplace in our modern civilized society.

I accept the amendments. However, we must point out that another $9 million has been added to the budget because of this, and it will be a burden for us to carry into conference.

Mr. MATHIAS. Mr. President, I think the Senator from California has done a service in bringing this information to the Senate. I have had some personal experience. I visited military hospitals where there was no air conditioning facilities. I have seen the kind of conditions that creates for patients, particularly those who were wounded in Vietnam and have resulting injuries to their spinal columns, and are sometimes unable to move themselves and suffer intense discomfort because of the heat.

I tried to make a personal crusade in individual cases. Bethesda Naval Hospital was one instance.

This measure addresses something that the officials of the VA hospitals understand. Therefore, I can and will support the amendment.

Mr. CRANSTON. Mr. President, I thank the Senators who are handling the bill. I want to express my gratitude for the strong support they have extended in this matter.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments en bloc of the Senator from California (putting the question).

The amendments were agreed to en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CRANSTON. Mr. President, I do not have any further amendments, but I do have a bit of legislative history I wish to go through.

Mr. President, in our recommendations to the appropriations subcommittee, we set forth a number of areas which we believed needed to be addressed by the committee in its report.

The PRESIDING OFFICER. Will the Senator suspend? Who yields time?

Mr. PROXMIRE. Mr. President, I yield the Senator from California such time as he may require on the bill.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the summary of those recommendations and the detailed narrative regarding them be printed in the RECORD at this point.

There being no objection, the sum-

mary was ordered to be printed in the RECORD, as follows:

SUMMARY OF RECOMMENDATIONS

PROPOSED REPORT LANGUAGE

A. Medical care item

1. A discussion of the ADPC history and the need for the Office of Management and Budget to refrain from arbitrary reducing it in the face of a demonstrated demand for hospital care. (See pages 22–24 of House Report No. 93–296 under "MEDICAL CARE.")

2. An expression of the Committee's understanding with respect to the non-absorption of the January 1, 1973 pay raise by the Veteran's Administration from existing appropriation items (Medical Care, MAMOE, Construction, and Research).

3. A direction to O.M.B. to provide the VA with all necessary personnel ceiling positions to permit addition of the staffing required to implement funding recommendations.

4. Acknowledgement that the Committee will consider at the time of the First Supplemental Appropriation bill the need for additional Medical Care funding to carry out the new statutory authorities to be added with enactment of S. 59—annual estimate $103.85 million.

B. Medical and prosthetic research

(None).

C. Construction of hospital and domiciliary facilities

1. Incorporation of language to ensure that there will be no takeover by the VA of the St. Albans Naval Hospital in lieu of construction of a new Bronx VA Hospital at the present site until appropriate demographic and transportation studies have been completed and submitted to the approriate Congressional committees.

2. Incorporation of language to require the VA to submit a detailed demographic study prior to the approval of the reduction of 100 beds proposed in the budget with respect to the new Loma Linda Hospital (California) and of the reduction of the overall hospital cost by $7.4 million as suggested by the Administration proposal.

3. Incorporation of language to indicate that the Committee fully understands that the piece-meal funding of construction projects is not a true estimate of the total cost and that in approving any such funding the Committee in no way approves a slow down in implementation of approved projects; rather it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years.

DETAILED JUSTIFICATION

PROPOSED REPORT LANGUAGE

A. Medical care

1. Hospital Census Situation

We have covered this matter in our discussion of item A. 1., above.

2. Personnel Ceiling for Funded Staffing Additions

Under items A. 1. and A. 2. above, we have stressed the importance of directing that personnel position ceilings be provided by O.M.B. in connection with the addition of any funds provided for in staffing. This applies to virtually every one of our recommendations.

3. Pay Raise Cost

We continue to be concerned by the omission in the Veterans Administration budget of a request to cover the costs of the pay raise which went into effect in January of 1973. The cost of this pay raise in fiscal year 1973 for the Medical Care appropriation is $35,790,000 and for fiscal year 1974 will be $75,198,000.

The OMB has imposed very rigid employment ceilings, as well as a reduction in the average grade level. These arbitrary controls already have restricted the VA's ability to provide adequate care to eligible veterans. With the increased emphasis on outpatient care "to obviate" the need for hospitalization where feasible, a move we have long urged, as proposed in S. 59, we have grave concerns lest sufficient leeway not be provided to support the increased staff to enable VA outpatient services to expand their programs, particularly if any part of the $76.37 million pay raise cost (including $1.17 million for Research salaries) is squeezed out of the VA's FY 1974 appropriations rather than fully provided for in a supplemental appropriation bill.

We wish to stress that this is the position which VA officials took during the Subcommittee on Health and Hospitals oversight hearings on April 18, 1973. They testified that the pay increase of January, 1973, in connection with the hospital and medical items would not have to be absorbed under the present budget request, but would be taken care of by transfer of sums from unearmarked funds contained for this purpose in the President's FY 1974 budget.

The history of recent pay raises, however, has been to the contrary. When such pay raises were granted in the past, funds specifically earmarked for *additional* staffing were used to pay for the pay raise. This occurred in both FY 1972 and 1973 with respect to $45,790,000 and $42,270,000, respectively, the full costs of the pay raises in those years. This resulted in a lessening of the VA's capability to provide quality care. We believe this should not happen again.

We thus believe it is imperative that this Committee make it very clear that *the January 1973, pay increase, and any further pay raise which may take place in FY 1974, will not be absorbed from any other VA hospital and medical budget item, nor provided for by transfer of vital medical care funds or any other budget category funds within the VA requested appropriation.*

4. Costs To Implement Senate-Passed S. 59

We would also like to bring to your attention the likelihood that S. 59, the Veterans Health Care Expansion Act of 1973, which passed the Senate on March 6, will become law in July. Final negotiations are underway to avoid a second veto of this vital legislation, and House Committee action is scheduled for this week.

This Act will improve the ability of the Veterans Administration to deliver quality medical care to its beneficiaries by removing certain legislative restrictions on the scope of treatment, particularly for ambulatory and nursing home care, and by expanding the coverage for eligible veterans and including as VA beneficiaries, for the first time, the very small number of dependents and survivors of totally and permanently disabled service connected veterans who are not covered by other Federal health benefit programs. The Act also makes a number of important improvements in the training and the personnel system of the Department of Medicine and Surgery as well as authorizing premium and differential pay for nurses.

The VA's estimates of the cost of these new authorities is $103.85 million for fiscal year 1974. Attached in the Appendix is a chart showing the breakdown of this amount for your information. We plan to follow up on enactment of S. 59 by urging the inclusion in the First Supplemental Appropriations Act for FY 1974 of the appropriate portion of this $104 million and *ask that you acknowledge in your Committee report now that the Committee will look at the need for funding of new statutory authorities at this later date.*

B. Research

(None.)

C. Construction of hospital and domiciliary facilities

1. New Bronx VA Hospital

On page 25 of House Report No. 93–296, which accompanies H.R. 8825, under "Construction, Major Projects", the second sentence of the first paragraph directs the Veterans' Administration to "carefully reexamine the possibility and feasibility . . ." of the VA's taking over the St. Albans Naval Hospital, scheduled to be closed by the Department of Navy, as an alternative to proceeding with the scheduled and partially funded $86 million construction of a replacement Bronx VA Hospital at the present Bronx site. Although we agree that this alternative might be economical and less disruptive to patient care, there are several other aspects of this situation that the Committee should also consider. Concerns about demography and lack of public low-cost transportation have been raised by veterans and veterans' groups in the New York area. These concerns, as well as those of economy and appropriate patient care, must be met.

The VA study must take fully into account patient distribution and the accessibility of alternative sites to public transportation. It is unclear, for example, that a VA Hospital at the St. Albans site, located in the Borough of Queens, New York, could serve the same population of veterans now utilizing the Bronx hospital, as well as other veterans for whom such a new location in Queens would result in improved access to VA services.

We thus urge that the Committee incorporate in its report a requirement *that the VA in its study make a detailed comparative demographic study for the two sites and also assure that proper public transportation (or some kind of VA shuttle service) to and from St. Albans would be available to veterans and their families.*

2. Loma Linda Hospital Bed Reducation

The VA budget shows a reduction in the new hospital at Loma Linda, California, from 700 to 600 beds and a deletion of $7.4 million for construction of this facility. It is not clear exactly what portion of those funds relate to the 100-bed reduction. It is very clear, however, that this reduction was purely the result of an O.M.B. dollars and cents decision and was proposed without any demographic study of the veterans who would be served in the San Bernardino/Riverside, California area.

At our April 18 hearing, the VA agreed to undertake such a study in cooperation with the GAO.

Without an adequate survey of the veteran population and their need for VA medical care, it is inconceivable that OMB or the VA could have the slightest idea as to whether even the 700 beds originally proposed would be sufficient to meet the need. Certainly any decision to reduce bed capacity without benefit of such a study can only be viewed as totally arbitrary and capricious.

We, therefore, urge the Committee to *instruct the VA very closely that no reduction in the beds proposed for Loma India is to be approved until such time as a full demographic study is submitted to the appropriate Committees of Congress to assure that the medical needs of the veteran population will be well served by the bed capacity, and ask that the cost of any bed reduction then proposed be fully explained.*

3. Reduced FY 1974 Funding of Construction Projects

In the budget request, O.M.B. deleted very substantial funds (approximately $65 million) for six major replacement and modernization projects (Bronx, N.Y.—$15.9 million; Columbia, S.C.—$5.2 million; Denver, Colo.—$11.7 million; Hines, Ill.—$3.76 million; Loma Linda, Calif.—$7.4 million; and W. Roxbury, Mass.—$21.7 million) and two major improvement projects (Brooklyn, N.Y.—$1.9 million; and Wichita, Kans.—$1.4 million).

The VA explained these cuts at our April 18 hearing as attributable to a very careful assessment of exactly the amount of money which could actually be spent in FY 1974 and to a decision to hold down appropriations by funding construction projects only

in appropriate spendable portions of the total cost. This may well be a valid explanation. We do not necessarily quarrel with the concept on its face. We do note, however, that there have already been enormous delays in getting underway at the Wadsworth West Los Angeles replacement hospital and feel strongly that this method of funding must not be used as a basis for foot-dragging or for an outright slowdown of the construction schedule for such urgently needed replacement facilities.

We, therefore, urge that you include in your report appropriate language to *indicate that the Committee fully understands that the piece-meal funding of construction projects is not a true estimate the total cost and that in approving any such funding the Committee in no way approves a slow down in implementation of approved projects, rather it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years.*

Mr. CRANSTON. Mr. President, I would like to briefly run down the areas we raised which were not addressed in the committee report and ask the distinguished floor manager what the view and intention of the committee is as to each.

Is it the committee's understanding, as it has been represented to us by the VA at our oversight hearings, that the VA will not be forced to absorb the January 1, 1973, pay raise from the amounts in the medical appropriation items for medical care, MAMOE, construction, and research, as they are finally included in this bill?

Mr. PROXMIRE. The Senator is correct.

Mr. CRANSTON. I thank the Senator.

Is it the committee's intention that OMB provide the VA with all necessary personnel ceiling positions to permit addition of the staffing required to implement the purposes of funds added over the budget in this bill?

Mr. PROXMIRE. Absolutely.

Mr. CRANSTON. I thank the Senator.

S. 59, the Veterans Health Care Expansion Act of 1973—passed by the Senate on March 6—has been ordered reported by the House Committee in a form acceptable to the administration. So, it should be enacted in July. My question is: Will the committee give sympathetic consideration at the time of the first supplemental appropriation bill to the need for additional medical care funding to carry out the new statutory authorities to be added with enactment of S. 59, for which the annual estimate is $103.85 million?

Mr. PROXMIRE. Well, certainly this Senate will give sympathetic consideration to it, speaking as the chairman of the subcommittee, and I would expect that the committee as a whole would also. I can speak for no one but myself, of course.

Mr. CRANSTON. I thank the Senator from Wisconsin. With that understanding, we are not seeking these funds now. I am very grateful.

Mr. President, language in the House Committee Report proposed that the VA consider taking over the St. Albans Naval Hospital in Queens, N.Y., rather than proceeding with construction of the $86 million replacement hospital at Bronx, N.Y. Does the Senate committee agree with us that there will be no such takeover by the VA until appropriate demographic and transportation studies as to St. Alban's ability to serve the appropriate veteran population have been completed and submitted to the appropriate congressional committees?

Mr. PROXMIRE. Yes, I agree.

Mr. CRANSTON. I thank the Senator. I have two final brief points, Mr. President.

The budget proposes that the new Loma Linda Hospital to be built in California be reduced by 100 beds and that the overall hospital cost be reduced by $7.4 million. Yet no demographic study of patient demand has even been conducted to justify these reductions. We ask that your committee not approve this reduction until justified by such demographic study. Will the Senator agree to this?

Mr. PROXMIRE. If the reprograming action comes to us, we will certainly look into it and give it sympathetic consideration. I cannot tell the Senator exactly what our conclusion will be, but we will look at the facts when the request comes before us.

Mr. CRANSTON. I will say to the Senator that our hearing with the VA revealed no demographic justification whatsoever for this reduction.

With respect to the piece-meal funding of construction projects, does the committee understand that this is not a true estimate of the total cost, and that in approving any such funding the committee in no way approves a slow down in implementation of approved projects; rather that it expects that all projects begun will be completed as scheduled and that all appropriate funds to accomplish that result will be made available in subsequent budget requests for subsequent fiscal years?

Mr. PROXMIRE. We agree 100 percent with the Senator's last statement.

Mr. CRANSTON. I thank the Senator, and in yielding the floor, I want to thank all Senators for their support, particularly the Senator from Indiana (Mr. HARTKE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Vermont (Mr. STAFFORD) and the ranking minority member of the Veterans' Affairs Committee (Mr. HANSEN), and many others, including especially the two Senators handling the legislation on the floor, the distinguished Senator from Wisconsin (Mr. PROXMIRE) and the distinguished Senator from Maryland (Mr. MATHIAS).

Mr. BEALL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL's amendment is as follows:

On page 6, line 16, delete the period and substitute therefor a "comma" and add the following new language: "and that not to exceed $1,000,000 shall be available for a study, in cooperation with the National Transportation Safety Board and other appropriate Departments or agencies, of the growing problem of natural gas explosions in residential areas."

Mr. BEALL. Mr. President, this amendment would add language on page 6, line 16, that would earmark $1 million for a study by HUD in cooperation with the National Transportation Safety Board the Department of Transportation and other appropriate departments or agencies, of the growing problem of natural gas explosions in residential areas.

Mr. President, this problem was once again underscored recently by a tragic event that occurred in Bowie, Md., last Saturday night, when three people were killed as a result of a gas explosion. This is not the first time that this tragedy has struck this area. It happened in Annandale, Va., last year, when three people were killed there.

We note that there were 62 deaths in 1972, a 32 percent increase over the previous year, as a result of explosions caused by escaping natural gas. The calamity of a natural gas explosion can strike as swiftly and unexpectedly as a bolt of lighting. If we are to prevent this kind of disaster from repeating itself over and over, we must make certain that adequate safeguards and standards are provided and adhered to in the design, construction and maintenance of our pipelines and gas hookups in residential areas.

In addition, it is critical that public education on the danger signs be increased. It seems to me that the magnitude of this problem and its continued potential for catastrophe make it imperative that we step-up our effort in this area. This amendment contemplates an accelerated, coordinated examination of this serious problem which affects citizens' lives, safety, and property all over the country. It is hoped the study will be completed as soon as possible.

It is interesting to note, with regard to the occurrence in Bowie, Md., last Saturday night, that firemen who made an examination of the situation after the explosion occurred found that a 4- to 15-percent gas mixture in the air was present in the house at the time of the explosion; but more importantly, perhaps, that a similar mixture was present in other nearby houses. It was only a matter of luck that the same tragedy did not strike in the other houses. As bad as the tragedy was, it could have been worse.

Last night a similar gas explosion occurred in the suburban area of Columbia, Md. Fortunately, the owners of the house were on vacation at the time of the explosion.

An article in this morning's Washington Post points out that the last Bowie explosion was the third in this area in the last 15 months, and that the preliminary report indicates that the explosion was caused by gas that leaked from a crack in a one-half inch plastic gas service line located 75 feet from the house.

Obviously we must be concerned with the increasing frequency with which these types of events are happening. For

that reason, I hope the committee will accept the amendment and see if we cannot get an accelerated and coordinated effort to find this problem of utmost priority and urgent national concern.

I ask unanimous consent that the name of my distinguished Senate colleague from Maryland (Mr. MATHIAS) be added as a cosponsor of the amendment. In addition, I ask unanimous consent that articles from today's Washington Post on the Bowie and Columbia explosions be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

BOWIE BLAST VICTIMS LIVED MONTHS IN A DANGER-FILLED HOME

(By Philip A. McCombs)

The lighting of a cigarette at the wrong moment could have meant instant death.

For months, possibly since January, the unsuspecting John M. DeLa family in Bowie may have been living in a world enveloped by volatile natural gas seeping into their house from a leak in an underground pipe. Odorless, tasteless, not harmful if breathed—they didn't even know the gas was there.

Then early last Saturday morning, Thelma DeLa, the mother, lit a cigarette in bed at a time when the gas hovering and swirling in the air around her filled between 4 and 15 per cent of the room's volume—the critical combustion range for a mixture of air and natural gas. The very atmosphere around her ignited and Thelma DeLa, her husband and daughter were fatally burned in the conflagration that gutted their one-story brick rambler. Their son James survived. He is now recovering from his injuries in a hospital.

This is the picture that emerges from the conclusions of a preliminary report on the disaster issued yesterday by Prince George's County fire prevention chief M. H. Estepp. Estepp said that the report's conclusions are tentative. The cigarette lighting theory is speculation based on Mrs. DeLa's smoking habits and other evidence, he said.

In the report and in an interview yesterday, Estepp said that an "even greater disaster" might have occurred Saturday morning. He said firemen found the same critical 4 to 15 per cent gas mixture in six other houses near-by when they entered the houses and placed their gas measuring devices near gas pipes and floor heating vents.

"Had not the local residents promptly evacuated when told to do so and the utilities promptly shut off service, we might have had an even greater disaster," the report said.

Both Estepp and a spokesman for the Washington Gas Light Co. said yesterday that checks are being made in the Bowie area to insure that no other dangerous leaks exist.

Gas company spokesman Charles Krautler said that by the middle of next week, workmen expect to have finished checks throughout the entire Bowie area, where more than 9,000 houses are located.

Systematic checks of individual homes are not planned, but both Estepp and Krautler said home owners may obtain such checks by calling the fire department or the gas company.

Estepp said checks of individual homes are not needed unless home owners find indications of the presence of gas—such as discoloration of grass (browning and dying) near the points where gas pipes and water lines enter houses.

"We don't want to unduly panic people," Estepp said. "The percentage (of gas explosions) is actually very low, a hell of a lot lower than traffic accidents."

Last Saturday's gas explosion was the third in a private home in the area to cause death or serious injury in the past 15 months.

Yesterday's preliminary report comes the closest yet to a certain finding that the explosion was caused by gas that leaked from a crack in a one-half-inch plastic gas service line located under a street intersection 75 feet from the DeLa house.

"We have no reason to dispute his findings though they are preliminary," said gas spokesman Krautler yesterday.

A spokesman for the National Transportation Safety Board, which has hired a private consultant to investigate the explosion, said that the board's report cannot be expected for another month.

Estepp reported that laboratory analysis of soil samples and flammable vapor readings taken in the neighborhood and underneath the DeLa house indicate that most of the gas traveled through the soil, apparently along the underground water service line, and into the house.

Laboratory analysis also indicated the leak in the gas line was probably caused by bending—but neither Estepp nor the gas company has yet determined what might have caused the bend in the pipe in the form of a "dent." They said the dent could have been caused by a rock.

Gas Company spokesman Krautler explained that gas travels a line of least resistance through the porous soil. Thus gas tends to follow water and other utility lines because in digging up the soil to lay the lines the soil is loosened and made more porous than surrounding soil.

Estepp's report noted that the only survivor of the fire, James DeLa, 17, had not smelled the familiar odor of gas before the fire and explosion.

The odor is produced by a chemical called mercapton, which is added to the otherwise odorless and tasteless natural gas in a gas plant at Rockville, according to Krautler. He said the mercapton should be noticeable when gas fills one-tenth of 1 per cent of the volume of a room.

But Estepp's report said that his investigators believe the odorant "may have been filtered away as the gas passed through the soil."

Krautler said this was "possible." He said that sometimes when gas is sent through new pipes, some of the mercapton is lost because it is absorbed into the material of the pipes.

The Estepp report said gas had probably collected within the walls and general interior of the house. Krautler said that gas is lighter than air and would tend to go up through the house and collect near the ceiling.

GAS BLAST DESTROYS A HOUSE

An explosion apparently caused by a natural gas leak destroyed a home in the Oakland Mills section of Columbia, Md., last night, Howard County police reported. No injuries were reported.

Residents of a home adjacent to the site blast in the 6100 block of Babylon Crest Rd. were evacuated early today as police, firemen and workmen for the Baltimore Gas and Electric Co. sought to pinpoint the origin of gas lingering in the residential area, police said.

Other homes in the eastern Columbia neighborhood were being inspected as a precautionary measure police said.

The residents of the home where the 10:17 p.m. blast occurred apparently were away on vacation, according to fire officials.

A police spokesman said firemen had extinguished several "little spot fires" ignited in the ruins of the house after the explosion. There was no damage reported to other homes, police said.

Mr. PROXMIRE. Mr. President, this is a very welcome amendment, for the reason that it adds not 1 penny to the bill. It does provide that of the amount in the bill, no more than $1 million shall be used for this study; is that correct?

Mr. BEALL. That is correct.

Mr. PROXMIRE. It is a worthy purpose. I agree to take it to conference and do my best to see that it survives the conference.

Mr. MATHIAS. Mr. President, I am happy to support and cosponsor the amendment, and would observe that it is the kind of response that my colleague from Maryland exhibits in meeting problems as they arise. It is a kind of response which is important not only in the case she has cited, but to every American who may have some stake in the efficient handling of natural gas.

The PRESIDING OFFICER (Mr. HOLLINGS). Do Senators yield back the remainder of their time?

Mr. BEALL. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland (Mr. BEALL).

The amendment was agreed to.

AMENDMENT NO. 300

Mr. HANSEN. Mr. President, I call up my Amendment No. 300, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

On page 18, line 6, insert the following: strike out "$300,000,000" and insert in lieu thereof "$315,000,000".

Mr. HANSEN. Mr. President, the purpose of this amendment is to fund the administration of the Veterans' Administration so as to make possible its carrying out of the functions that Congress asked it to do.

Following an incident earlier this year, when it was learned that a change in veterans disability benefits qualifications was discussed, a number of bills were introduced in the Senate and House requiring maintenance of service to veterans, and requiring that the agency seek permission from Congress before curtailing any functions or service.

This amendment would restore $15 million to the original $315 million request that was made by the Veterans' Administration and I would hope that it might be accepted by the distinguished manager of the bill.

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from Wyoming that I must oppose the amendment very strongly and I must oppose it for a number of reasons. In my view, the Appropriations Committee struck a real blow for economy and efficiency in government when it reduced the allowance for general operating expenses of the Veterans' Administration by $15 million. When the committee made this reduction, it was not its intent that personnel in the Department of Veterans' Benefits or personnel in the regional offices throughout the country should be reduced. It was the committee's intent that the considerable amount of "fat" in

the Washington office be cut back. It was the committee's intent that the Administrator tighten up the expenditures for travel. It was the committee's intent that under the object class "other costs," which aggregated $17 million in fiscal 1972, which was increased to $25 million in fiscal 1974, be reduced.

This, Mr. President, is where the fat is. This is what the committee wished to cut out. Mr. President, there is no doubt in my mind that if management efficiencies were brought into effect, the Administrator of the Veterans' Administration could easily save this $15 million.

This general operating expense budget is so overloaded with fat that the Administrator saw fit during the past year to enter into 7 consultant contracts on a negotiated basis rather than a competitive-bid basis. All of these contracts were entered into for the purpose of improving management efficiency. Notwithstanding the fact that they were negotiated contracts, I am sure these consultants have given a spate of advice to the Administrator which should help him tremendously in being able to live with this $15 million cut.

Mr. President, just take a look at the general overhead operating expenses, and their increase in the past 2 years alone. Under travel of persons, it went from $4½ million to more than $5 million. Under transport of things, from $1½ million to more than $3 million—a 100 percent increase. On rents and utilities, from $16 million to $21 million. This is between 1972 and the coming year 1974. Under the catchall "other services"—$17 million—which, as I say, has gone up to $25 million.

Mr. President, may I say one more thing before I yield to the Senator from Wyoming. The reason I feel especially strongly about the amendment is that if we are going to have any negotiating room at all in conference, and be able to fight for the amendments of the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from California (Mr. CRANSTON), we need to have the ability to negotiate. We need to be under the House figures in some respects. This amendment would not provide any more care for veterans nor any assistance in prosthetic research and in other worthy areas where the Veterans' Administration is at work. This is a modest cut of 5 percent which has been made in the overhead costs of administrative personnel, in an area of spending that has grown very rapidly.

I would hope that we could prevail on the distinguished Senator from Wyoming either to withdraw his amendment or to take the heroic action of voting "No" on it. [Laughter.]

Mr. HANSEN. Mr. President, may I say that while the distinguished manager of the bill was speaking, he spoke about a number of items in the budget which would total far in excess of the $15 million.

I agree generally with his philosophy that we do need to make cuts. My record will bear rather close scrutiny attesting to my conviction in that respect.

All I say is that I would hope we do not assume that we can increase the activities in the Veterans' Administration as we have proposed to do through a series of amendments this morning, and then cut back on the administrative functions of that agency.

I would also hope that the distinguished manager of the bill, as he has indicated he will refuse to go along with the amendment, might have in mind when he goes to conference my keen desire that we see that proper administrative funds are provided so as to make certain the best use will be made of all the moneys.

Mr. PROXMIRE. The Senator from Wyoming makes a very good point. If his amendment is not pressed, we still will have this in conference, because the House did go to $315 million. In 1969, the amount for the expenses of administration was $207 million; in 1970, $241 million; in 1971, $258 million; and in 1972, $256 million. And now, to $315 million, we propose a modest 5 percent cut.

Mr. HARTKE. Mr. President, what the distinguished Senator from Wyoming (Mr. HANSEN) is trying to do here is to prevent cutbacks in personnel in the Veterans' Administration which may be inefficient in many aspects. I do not think it takes an expert in public relations to understand that, because any Senator who will examine his mail will find that the caseload in the veterans area these days is getting heavier and heavier.

There may be some inefficiency in the Veterans' Administration, but what I think is important is that they cannot get their pension checks out on time to the veterans. So I would hope we would at least provide them with the opportunity for enough personnel to get that job done.

If I were convinced that we could have cuts made in places where I should like to have them made, I would be more than delighted to agree with the Senator from Wisconsin. But that is not the way we will get the job done. The cut, as made, will be made in places where we already have shortages of personnel.

Unfortunately, while the efficiency of the Veterans' Administration may not be there all the time, or as it should be, I certainly agree with the Senator from Wisconsin that the studies made by the consulting firms are either worthless or they should be implemented; but my judgment is that the amendment of the Senator from Wyoming (Mr. HANSEN) should be amended and I would hope that the Senate will do so.

Mr. HANSEN. Mr. President, I ask unanimous consent that the names of the Senator from Indiana (Mr. HARTKE) and the Senator from California (Mr. CRANSTON) may be added as cosponsors of this amendment.

The PRESIDING OFFICER (Mr. HOLLINGS). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from Indiana (Mr. HARTKE) that it is not my intention that personnel in the veterans benefit section be reduced. The Senator is right, it is very important that veterans get their pension checks on time. That must be done. Personnel should not be cut. I have indicated many areas where reductions can be made. We have had this tremendous 50 percent increase in overhead since 1969 and there is no reason why that should have expanded that fast.

Finally, the one way this "board of directors", the Senate and Congress, can have an effect in mandating efficiency is to reduce the amount of funds available. There is no other way. We cannot get into the nitty-gritty of the specific or precise area and tell them exactly how to do their job; but we can cut down moderately on the funds available for overhead costs, and then they will find a way to do the job more efficiently and with less personnel.

Mr. HARTKE. I understand that. I do not disagree with the Senator on the philosophy he has espoused. The problem is that unless we use a scalpel we do not get to the problem we are attempting to solve now.

Mr. HANSEN. Mr. President, in light of the colloquy on the floor here just now, and the convictions expressed by the distinguished manager of the bill, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. PROXMIRE. Mr. President, I thank the Senator from Wyoming very much.

Does the Senator from New Mexico wish to go ahead?

Mr. DOMENICI. Yes.

Would the chairman and ranking member turn to pages 12 and 13 of the report on the bill? While they are doing that, I should like to discuss the Better Communities Act and reference to it in this bill and the treatment for community development in the bill—that is, model cities, urban renewal, neighborhood development, and so forth.

First, let me say that I generally support the concepts of the Better Communities Act, so I am not here questioning the concept of consolidation of the grant-in-aid programs as an approach to aiding our cities. But I am concerned when I find language that seems to indicate that there is, indeed, right around the corner a very precise Better Communities Act, and we even use capital letters to describe the act.

We see, for example, on page 13, the third full paragraph:

> Within the funds made available, each city will be encouraged to work out the method of transition to Better Communities Act funding that is most suitable to that city.

Would both Senators discuss with me what we have in mind there? What if we do not have a Better Communities Act and let HUD use this to indicate to our cities that, indeed, there already is one? Will this be misconstrued, that in an appropriation bill we are changing the substantive law of this country?

I do not want to say that the Better Communities Act never will become law, but I have serious doubts whether it will, in the form presented. I am an advocate of its concept, but most certainly in the capital letters Better Communities Act, I oppose it.

So I wish the Senators would share with me what they really mean when they continually refer in this section of the bill to the Better Communities Act and what they intend that HUD and

the cities that relate to HUD gather from this.

Mr. PROXMIRE. Let me read the section, and I will comment. The Senator is referring to the part of the report on page 13 where we say:

The committee was told—

It is important that the Senator understands that the committee was told.

That the specific amounts for each city will depend on the following factors:

The number of months from the start of a city's next program or action year to July 1, 1974.

The amount of funds that the city is expected to carry over into its next action year from its present one; and

The performance of each city in its present as well as past action years.

Within the funds made available, each city will be encouraged to work out the method of transition to Better Communities Act funding that is most suitable to that city. At the time the new program is implemented a city can then decide whether to maintain its model cities program with such special revenue sharing funds. The funds requested would give all cities in the program a comparable option on that decision.

I say to the Senator that this is what the committee was told. This is what Secretary Lynn told us. This is the intention of the administration. We are not imposing our view or the view of the Appropriations Committee. We are simply acting as a vehicle for reporting to Congress what Secretary Lynn, acting for the administration, said is their intention.

Mr. DOMENICI. I take it that the distinguished chairman is saying that he did not intend to say to the Secretary of HUD that they can do whatever they want with the urban renewal of this land or the model cities or the neighborhood development program.

Mr. PROXMIRE. No. We are saying what their intention is, without indicating what our view is, in this section of the report.

Mr. DOMENICI. Would the Senator from Maryland care to comment with reference to that?

Mr. MATHIAS. The Senator understands exactly what our problem is, and I think he has expressed it very well in his question.

We have ongoing programs which are not perfect. They have many flaws. We would like them made better. That, of course, is the purpose of the administration's proposal for the Better Communities Act. I am sure the Senator will join me and the other Members of the Senate in trying to shape a better housing and urban development program for this country.

We told the Secretary of HUD, at the appropriations hearings, that the committee did not want to see the ongoing programs, as flawed as they may be, just simply stopped in midstream and have the cities floundering around, not knowing where they were going. I think the Secretary understands that. If there was any doubt about that, the adoption by the Senate today of the anti-impoundment amendments would underscore that point.

So there can be no doubt in anyone's mind that Congress intends that whatever is available under existing programs shall continue to be available until something better is provided.

Mr. PROXMIRE. I am happy that the Senator from New Mexico raised this point, because it is confusing in the report. He does help us clarify that matter.

I want to make it clear that it is my expectation, on the basis of the expressions on both sides of the aisle, that Congress will write its own Better Communities Act. We may call it something else, but we will write our own. This is not intended to be what the Appropriations Committee or the subcommittee or any Senator construes it should be. It is simply Secretary Lynn's intention.

Mr. DOMENICI. So if the Secretary were to say to a city in this transitional period, "We want you to make certain transition adjustments," we certainly do not have in mind that the Secretary would be able to say, "You adjust so as to get ready for the Better Communities Act which is presently introduced before the U.S. Senate, the one in capital letters." That is not the intention of the Senators.

Mr. PROXMIRE. Absolutely not, because the Better Communities Act is not law. The Secretary can say whatever he wishes, of course, and he may be convinced that he can persuade Congress to adopt it. I am very skeptical that he can. We will write our own legislation.

Mr. DOMENICI. I thank the Senator.

On one other subject the Senator has brought before the Senate today, I compliment him on the concern and consideration he has given to matters scientific and technological as he presented this appropriation bill.

Mr. PROXMIRE. We are happy to do it. The Senator has a superlative project in New Mexico. It is one that has great support among the scientists. The House left it out, unfortunately. We hope we can hold it in conference.

Mr. DOMENICI. The scientists selected a very large site in a rural area of my State, and I am pleased that the Senator listened to the scientists, who said it was a tremendously important project to get started for the technological and scientific advancement of our country.

Mr. HARTKE. Mr. President, the Senator from Minnesota has an amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, with the time to come out of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 18, line 6, insert the following after "300,000,000":

"*Provided*, That no funds available pursuant to this item or any other item in this Act may be expended to effectuate the involuntary transfer or reassignment of the present incumbent of the position of Director of the Veterans' Administration Regional Offices in St. Paul, Minnesota, Boston, Massachusetts, or Detroit, Michigan."

Mr. MONDALE. Mr. President, this amendment is a minor amendment to deal with what I think is a gross but temporary injustice that is being visited upon the regional director of the Veterans' Administration in our region and in two other regions.

In a moment, I will yield to the distinguished chairman of the Veterans' Affairs Committee, who is quite aware of the problem.

This amendment relates to the period of the appropriation bill and in the case of the region in which I am located, it is designed to protect against the transfer of the Director of the Veterans' Administration located in St. Paul, Mr. John Murphy. Mr. Murphy, by everyone's account, is one of the ablest and most experienced men in the Veterans' Administration.

He is completing his 20th year in the service and has only 6 months to go before retirement. The Veterans' Administration ordered him transferred, I believe, to Detroit. It is a totally unjustifiable and, I think, cruel transfer. It is going to cost thousands of dollars to train a new person, and there will be all the dislocations that occur. As I said, he has only 6 months before retiring.

We have been trying to get the Veterans' Administration, or the White House, or someone to tell us the justification for the transfer. I am told there are two almost identical instances around the country.

Mr. President, this amendment would rectify a totally unfair situation for the dedicated career VA employees involved.

I have been attempting to deal with the situation in Minnesota, along with my colleague (Mr. HUMPHREY), and I know that with respect to the Boston situation the Senators from Massachusetts have been similarly involved with the same lack of success I have had.

Mr. President, I ask unanimous consent that there be set forth in the RECORD at this point various items of correspondence to and from my office regarding the proposed unjustified transfer of Mr. John R. Murphy from the St. Paul office.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 22, 1973.

Mr. WILLIAM E. TIMMONS,
Asst. to The President for Legislative Affairs, Washington, D.C.:

Absolutely appalled to learn that present administrator of the Veterans Administration whose departure I understand is imminent, proposes to transfer John Murphy, Manager of VA Center in St. Paul. Most strongly protest this arbitrary and capricious action and respectfully request that final action be delayed until the matter can be

reviewed by the new administrator, whom we trust will exercise better judgment.

WALTER F. MONDALE,
U.S. Senator.

VETERANS' ADMINISTRATION,
Washington, D.C., June 19, 1973.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: The Administrator has asked me to respond to your inquiry of June 8, 1973, concerning the transfer of Mr. John R. Murphy from St. Paul to Detroit.

It is our belief that for the maximum utilization of Mr. Murphy, it is necessary to expand his capabilities. The Veterans Administration does not rotate for the sake of rotation. At some point a Station and a Director reach a plateau in performance. It is our belief that Mr. Murphy will do an exceedingly fine job in using new procedures and techniques in day to day management of his respective station. We want to offer new goals and challenges, and the reassignments we have made can accomplish this.

To this end, we are certain that this transfer will effect and further the overall quality of service rendered by the Veterans Administration.

Sincerely,

FRANK W. NAYLOR, Jr.,
Executive Assistant.

AMERICAN LEGION,
St. Paul, Minn., June 12, 1973.

Hon. WALTER MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: You have received a letter from our Department Commander, Glenn Nielson, in protest to the transfer of John R. Murphy, Director, Veterans Administration, Fort Snelling, to a similar position in Detroit.

As members of the Rehabilitation Committee, Department of Minnesota, The American Legion, we must add our individual and collective voices in opposition to this injustice. The Veterans Administration is a large and complex organization, and, as such, a change in leadership is often necessary—particularly in problem areas. Such is not the need at Fort Snelling, nor in many of the states affected by this unrealistic change in personnel. The proponents gave no thought to the taxpayer, nor the personal wishes of the individuals. Millions of dollars will be spent on these transfers without a value to anyone in return.

John R. Murphy has been a credit to the Veterans Administration, the veteran and the State of Minnesota. He deserves a greater distinction during the remaining few months of his service.

Sincerely,

GEORGE EVANS,
Chairman, Richfield.
UDO VIERGUTZ,
Redwood Falls.
GEORGE KORBEL,
Breckenridge.
DONALD GRAY,
Winona.
CHARLES HARDING,
St. Paul.

AMERICAN LEGION,
St. Paul, Minn., June 9, 1973.

Hon. WALTER MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am attaching a copy of a letter which has been addressed to Congressman John Zwach because of his position on the Veterans Affairs Committee, House of Representatives.

Your perusal of the attached will reveal that we veterans of Minnesota have a determined interest in retention of John R. Murphy as Director, Veterans Administration Center, Fort Snelling.

I trust that your reaction will be one of favor to our cause and to the best interests of a dedicated resident of the State of Minnesota.

Sincerely,

GLENN R. NIELSON,
Member.

AMERICAN LEGION,
St. Paul, Minn., June 9, 1973.

Hon. JOHN ZWACH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ZWACH: Although I am privileged to serve as Commander, Department of Minnesota, The American Legion, this year, an opportunity is being taken to write you as a member of the National Veterans Affairs and Rehabilitation Commission, The American Legion. We have a problem here in Minnesota affecting the Veterans Administration and the veterans of the state. Perhaps in your capacity as member of the Veterans Affairs Committee, House of Representatives, it may be possible that you can provide an understanding for us as to the basis of the problem.

John R. Murphy, Director, Veterans Administration Center, Fort Snelling, has been ordered to assume a similar responsibility in Detroit as of July 1, 1973. Similar moves will place the Director at Detroit in Boston, and the Boston Director will be assigned to Fort Snelling. We make reference to these three stations because circumstances are so similar. These three Directors carry the same Civil Service Grade, are in the twilight of their careers, and have established permanent homes in the respective states. Most important, all have maintained an excellent rapport within their states so as to bring credit upon the Veterans Administration.

Mr. Murphy has been Director at Fort Snelling for the past twenty years. The various divisions under his supervision have all been cited for outstanding achievement throughout the years. He has been a prime factor in retention of the insurance office here rather than a consolidation with that in Philadelphia. Because of his leadership, morale among employees is as high or higher than any station in the country. He is active in civic affairs and a member of fraternal and service organizations. Through the years that I have served on our Department Rehabilitation Committee, he has been most cooperative to us and exhibited a sincere devotion to the cause of the veteran and his welfare.

In substance, we want John R. Murphy to serve out his distinguished Veterans Administration career at Fort Snelling. Justification for this proposed transfer could not have been predicated upon sound business reasoning, nor consideration have been given the personal wishes of a dedicated civil servant.

Any effort that can be extended on behalf of John R. Murphy will be appreciated by myself and the veterans of Minnesota.

Sincerely,

GLENN R. NIELSON,
Member.

Mr. MONDALE. I yield to the chairman of the Subcommittee on Veterans' Affairs, the Senator from Indiana (Mr. HARTKE).

Mr. HARTKE. Mr. President, I wish to call to the attention of the Senate that these are GS–18 positions. I do not know any of the personnel individually, but I know them by reputation. There have been no accusations made against them that they have not performed their assigned duties.

There is an attempt here to force retirement and they cannot bring charges against the individuals, but by ordering their transfer they place such a hardship on the individual that rather than go ahead and take the assignment they probably would retire.

There are secondary considerations involved. One consideration is the fact that by taking this procedure it has been rumored, and I suppose reliably, that the intention is to transfer the GS–18 slot to the Washington office and reduce the status of the regional director to a lower status, increasing still more the problem that was being presented by the Senator from Wisconsin a few moments ago, by increasing at a high rate of pay the bureaucracy in Washington.

The three directors involved are in St. Paul, Detroit, and Boston.

I would urge the manager of the bill to look favorably upon this amendment by the Senator from Minnesota. I know also that Senator HUMPHREY is very much interested in this matter.

Mr. MONDALE. Very strongly.

Mr. HARTKE. I assure the Senator again there is nothing in the RECORD I know of which justifies this procedure. If it involved disciplinary action or if it would upgrade the service of the VA that would be another thing, but that is not the situation here.

Mr. MATHIAS. Mr. President, I look with sympathy upon situations such as that described by the Senator from Minnesota. I think there are sometimes hardships worked upon civil servants and as a result of arbitrary and bureaucratic decisions that should not be condoned and cannot be justified, men and women who have devoted their lives to Government service, working for the public, are pushed around because of some change in bureaucracy at the level above which they are working. No one could be more upset than I am about that.

One problem about dealing with it legislatively is that we do not know the intimate details of each of these problems and we do not know all the whys and wherefores of each case. There are now millions of Federal employees and it is difficult for a Congressman to deal with equal justice in each of these cases. I do not want to set a precedent here.

Mr. COOK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. COOK. What really bothers me is that there are some 4 million Federal employees. Are we really going to give them the same treatment when any particular employee in my State is about to be transferred, or is transferred from the western part to the eastern part of the State, and as long as that person has a friend in Congress are we going to introduce special legislation, as an act of Congress, that he cannot be transferred? If so, we open up a door to the transfer of conceivably 4 million Federal employees.

Mr. PROXMIRE. Mr. President, may I say to the Senator from Kentucky and the Senator from Maryland, who raises objections to this, that I think in this particular case, and perhaps another case, it may very well be a situation in which a faithful, hard-working employee has been abused, moved in order

to make it possible for the administration of a particular agency to serve its own purpose.

Let me say to the Senator from Kentucky that I think under the circumstances none of us has a chance to go into detail. If we could take this to conference and in the time intervening between, then investigate to find out all the facts and whether the funds to effect the transfer should, indeed, be denied, I think Congress might be well served.

Mr. COOK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. COOK. I was really thinking that we have no testimony or anything in the RECORD to indicate what really occurred. It seems to me this would be the problem. If the manager of the bill is saying he wishes to make that determination between now and the time he goes to conference with the bill, I have no objection, if it accomplishes the same thing.

Mr. PROXMIRE. The Senator is correct. The Senator from California (Mr. CRANSTON) introduced far-reaching amendments that would cost $45 million. We accepted them with the understanding we would study them before we go to conference and we would know then if we would be in a position to sustain them. The same is true of the amendment of the Senator from Minnesota.

Mr. COOK. Mr. President, I hope the manager of the bill will take into consideration the precedent that this would establish in relation to 4 million Federal employees.

Mr. PROXMIRE. That is an important point that the Senator from Maryland and the Senator from Kentucky raise.

Mr. MONDALE. I agree that Congress cannot serve as an appeal board for the 4 million individual complaints of employees of the Federal Government. I accept that, but I believe, and as the chairman of the Committee on Veterans' Affairs has pointed out, this is a unique case. It involves three top regional administrators in the country that are senselessly being moved around.

We have tried to work this out on a responsible basis with the administration. The answer we receive can only be called insulting, they are so completely wide of the mark. I have been unable to get any phone calls returned. Others have had the same experience.

I hope the amendment is agreed to.

Mr. PROXMIRE. Mr. President, I am ready to yield back the remainder of my time.

Mr. MATHIAS. Mr. President, on the basis discussed here I think there could be no objection. I think we have a responsibility for oversight. I have no objection.

Mr. MONDALE. I thank the Senator.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONDALE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. PEARSON. Mr. President, H.R. 8825, appropriating funds for the Department of Housing and Urban Development represents, in my opinion, a realistic attempt to continue Federal programs of housing assistance, urban renewal, and comprehensive planning.

In these three areas congressional action is crucial if past efforts are to continue. New legislation is expected: we are awaiting a housing message from the administration; the Better Communities Act is under consideration in committee; the "Responsive Governments Act" has been promised by the administration. Yet in all of these programs, it is mandatory to continue a sufficient level of financial support. The needs of our communities, both large and small, cannot wait. The needs are too large and the time too short to declare a moratorium on spending. While changes in the substances of these programs may be necessary, let us continue ongoing efforts pending final decisions on the new proposals.

This bill appropriates $600 million for urban renewal. Although this will not permit the initiation of new efforts, it should allow both conventional and neighborhood development projects to continue at their current levels pending a determination of the nature of community development assistance to be provided in 1975. The Better Communities Act, on the other hand, would not be implemented until July 1, 1974. Without this funding, an unacceptable gap will be left in renewal efforts. Although the administration claims that money in the pipeline would be sufficient, most of this has previously been committed.

I particularly want to emphasize the importance of renewal to a State such as Kansas. Granted, many metropolitan areas have rightfully benefited from urban renewal. Some of the most successful efforts, however, have been in small- and medium-sized towns. The creation of downtown malls and other improvements in cities under 50,000 has often meant the economic revitalization of those communities. Drastic reduction in spending would have serious impacts in these areas.

A second aspect of the bill deserves special attention. This is the provision for comprehensive planning assistance. The administration is to be commended for its budget request of $110 million. This represents a modest increase over last year, and would enable the "701" planning program to continue with full support. The budget request was reduced to $25 million in the House, however. By restoring the $110 million, the Senate Appropriations Committee has done a great service to State and local government.

The importance of this assistance cannot be overemphasized. The Federal Government is increasingly asking that local communities bear a great share of the burden for administering governmental functions. General revenue sharing emphasizes this trend. Without adequate resources to meet this challenge, however, we may find that much of this money has been wasted.

I agree that a strong commitment from local government must accompany Federal assistance. Data collection and analysis and plan preparation will not be fruitful unless implemented in an effective and timely manner. This requires zoning ordinances, subdivision regulations, capital improvement programs, and other legal and financial efforts.

A combination of such local efforts with continued Federal efforts can truly lead to revitalized local and State governments.

Mr. President, much remains to be done in our Nation's cities. Many new initiatives will be proposed in the future. Pending action on those programs, however, I feel quite strongly that we must provide our local communities with adequate Federal assistance to continue what has been started. The appropriations contained in this bill for the Department of Housing and Urban Development make an honest effort at doing just that.

SELECTIVE SERVICE: IS AN ACTIVE STANDBY SYSTEM NECESSARY?

Mr. PERCY. Mr. President, I wish to to adddress the following remarks to the portion of this bill which deals with the appropriation for the Selective Service System.

Five years ago, few observers seriously believed that the draft could be ended when Richard Nixon embraced the concept of an all-volunteer Army during the 1968 campaign. But upon taking office, President Nixon set out to achieve this seemingly impossible goal. One of his first acts as President was to establish the Gates Commission to develop a plan for ending the draft. The Commission reported that an end to conscription was both feasible and desirable providing there was an equitable wage scale for those in uniform. The Congress responded to this call for action with considerable pay raises beginning in January 1972. Only hours after the Vietnam cease-fire was signed on January 27, 1973, the then-Secretary of Defense Laird announced an immediate halt to the draft. Despite this announcement, the Selective Service continues to use conscription as a punishment for parolees, system violators, and Reservists who are not performing satisfactorily. According to Director Pepitone in testimony before the Senate subcommittee which was considering the appropriations requests, approximately 100 men are still being inducted into the Armed Forces each month. These types of inductions are certainly not consistent with my understanding of the reasoning behind the idea of a volunteer Army.

At this point, it is important to carefully examine the use of conscription in the 20th century. The 1917 Selective Service Act, recognizing the several problems created by the Civil War experience, provided for universal military service with the laws administered through local draft boards. The law forbade substitutes, but did accept the position of those Americans who objected to war, because of religious or other personal reasons. The act was signed by the President on May 18 of that year. A short 17 days later—June

4—the first registration was held, using the election rolls, as the minimum age for induction was 21 years. Although the first inductions did not take place until September 5, 1917, there is considerable evidence that this 10-day delay was caused as much by a lack of military training facilities as by a delay on the part of the Selective Service machinery.

Between the world wars, a small interservice coordinating committee, chaired by the then-Major Lewis Hershey, together with about 100 military Reservists, formed a nucleus which continued to study and update plans for reactivation of the Selective Service System.

Based on the work of this relatively small group, inductions for World War II began in one-half the time that was necessary for World War I. The Selective Training and Service Act of 1940 was passed on September 16 of that year. Exactly 1 month later—October 16—over 16.5 million men were registered, and on November 18, 1940, the first men were inducted. Thus only 63 days had passed before the first inductees were in uniform and ready to begin basic combat training. This was accomplished by the use of a miniscule planning organization and without the maintenance of any standby machinery whatsoever. This historical experience contradicts the assertions that massive conscription in the time of national emergency would be chaotic without the maintenance of an elaborate selective service organization.

From March 1947, until June 24, 1948, on draft was in effect. Critics of draft repeal often point to the 15-month period from March 1947, to June 1948 when no draft law was in effect as proof that a voluntary system will not work. The record indicates, however, that the War Department took several steps which hindered the success of the program. The discharge of 300,000 men 6 months early in late 1946 created a new manpower shortage, while the passing grade for volunteers was raised from 59 to 70. In contrast to the action taken by the 92d Congress in contemplation of the volunteer force, no pay raises for first term enlistees were enacted or even recommended. Even with these obstacles, volunteers were plentiful. On April 7, 1948, the Washington Post reported:

> A sudden spurt in recruiting after the first of the year almost upset the Pentagon's plan to high pressure Congress into a draft act and universal training.

In the face of a pending war with Russia, Congress reenacted the draft. Despite this action, only 30,124 men were drafted during the year following reinstitution of conscription, while the first men were not called until November 2, 1948. Enlistments ran so high that not a single man was drafted between March 1949, and June 1950, even though the conscription law was still in force.

Most crucial in this review of the performance of the Selective Service System is the 1950 experience. At the outbreak of the Korean war in the summer of 1950, the system had been operating on a standby basis for 17 months. During this period, registration, classification, and examinations continued. Although the war began on June 24, the first men were not inducted until August 30—67 days after the war broke out. When one considers that it required 63 days from the time the President signed the draft bill in 1940 until inductions commenced, it is difficult to understand why a longer period of time was necessary to induct men for a war in which American troops were involved from the beginning. Even though they were operating under standby status, with men registered, classified, and examined, the system required more time to prepare itself than in 1940 when only a small group had been preparing for the possibility of a reinstatement of conscription. Today's modernized Defense Department could certainly repeat this 1940 performance without the burden of a costly Selective Service System.

During the next fiscal year, the Selective Service System plans to operate 925 local boards, 56 State and 1 national headquarters. To register and classify approximately 2 million men, they propose 4,340 paid and 34,483 unpaid employees. No examinations are planned, although my reading of section 4 (a) of the Military Service Act indicates that each registrant is required to be immediately classified and examined. Yet, the Director has asked for $55 million to operate the system, even though no examinations will be made. It is interesting to note that the appropriations for fiscal year 1967, when 288,000 men were inducted, was only $59 million.

The $47.5 million appropriated by the House, and the $35 million recommended by the Senate Appropriations Committee do not tell the entire story. The General Services Administration provides an additional $15 million to pay the rent of the Selective Service buildings, while an estimated $30 million per year is spent by various law enforcement programs to deal with violations of the act. This includes pursuit, prosecution, public defender fees, and prison and parole costs. The largest single category of Federal crimes—21 percent—are violators of the Selective Service Act. During the first quarter of calendar year 1973, the Government concluded 971 draft cases. Sixty-seven percent of these cases were dropped, while convictions totaled only 28 percent of the cases. All act violations are felonies punishable by a 5-year prison sentence, a $10,000 fine, or both.

In his testimony before the Senate Appropriations Subcommittee in May of this year, Selective Service Director Pepitone stated that he would need $8 million to close out his agency. He later revised this estimate to $28 million. Now the Director has settled on a figure of $31 necessary to operate a system which serves no purpose. Whichever figure is correct, I trust that the system can use the sum to prepare for a period during which names are compiled and stored in a large computer bank.

I am fully aware that section 3 of the Military Service Act of 1971, as amended, outlines procedures for registration of all eligible males. I believe that since this act is clearly designed to facilitate drafting, the burden of proof for the necessity of maintaining a national registration system is clearly on those who propose to continue the policy. No clear instructions can be found in the act for the operation of a peacetime, nondrafting Selective Service System.

Senator SAXBE, the author of section 10(h) of the act, which is cited by the committee report as authority for the maintenance of an active standby Selective Service System, made this quite clear during the debate on this floor on June 17, 1971. As I recall, the primary purpose of the amendment—now section 10(h—was to assure that military reservists will continue to be trained as Selective Service specialists. This is to insure a sufficient supply of knowledgeable personnel if the reactivization of the system becomes necessary in a national emergency. In response to an inquiry regarding the necessity of a registration, the Senator from Ohio answered that the registration of potential inductees was established by language from the 1967 act and this point should be decided when we change to a volunteer Army.

We have now reached the time when we must decide whether mandatory registration is necessary. I personally believe that the history of the Selective Service System indicates that this is not necessary. However, there are several indications that the beginning of the volunteer Army has not been as successful as we had hoped. Thus, I urge all of us to take a good look at the volunteer Army program for fiscal year 1974, including recruiting techniques, mandatory force levels, pay, and benefits, to determine its success. I believe our expectations will be realized if the Department of Defense continues to accept and work toward a successful implementation of the volunteer force. The Assistant Secretary of Defense, Roger Kelley, told the Senate Armed Services Committee last year:

> An organization composed of volunteers, having survived the test of free competition, tends to be more efficient than one that relies on forced entry.
>
> The alleged pitfalls of the voluntary military organization—that it will be dominated by mercenaries, who will take over our Nation, or be all black—are gratuitous and false claims, totally unsupported by the makeup of that portion of the military organization that is volunteer.
>
> Once the transition to an All-Volunteer Force has been accomplished, the military organization will be totally more effective and will consist of many fewer people than its conscripted counterpart.

I believe that these comments are still applicable, but a year of close monitoring and careful study may be necessary to insure the success that we all expect.

Currently, the President is the Commander in Chief of an active Armed Force of over 2½ million men. There are 2½ million ready reservists, 500,000 standby reservists, and 600,000 retirees, all available for duty. This Nation has available nearly 5½ million trained and experienced men who would be ready in the case of an emergency. The draftee provides no contribution until he has been thoroughly trained and outfitted. Thus, the continuation of registration and classification would be of little help in the event of a national emergency.

I have dwelled on these points today, because I sincerely believe that this Nation is wasting its money by perpetuating a system which will, in all likelihood, never be used. Additionally, the draft is a dangerous insult to the personal liberties of equal protection and the right to choose one's own destiny—two principles guaranteed by the Constitution. The Selective Service System maintains a computerized data bank with information on registrants which provides far more than a mere listing of names and addresses. Several Selective Service forms which, if not completed, make the violator subject to criminal sanctions, require names of employers, statements of physical condition, listing of friends, marital status, criminal records, and religious and/or ethnic background. Conscription, then, seriously tests the freedoms guaranteed by the Constitution, represents an undue expansion of Executive power, and contains inherently discriminatory features.

I ask unanimous consent, at this point, to append my remarks to include a paper entitled, "The Case for Repeal of the Selective Service Act," written by Dr. Robert K. Musil.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE CASE FOR REPEAL OF THE MILITARY SELECTIVE SERVICE ACT

(By Robert K. Musil, Ph. D.)

I. INTRODUCTION

Few subjects in recent years have been as exhaustively studied or debated as has this nation's use of military conscription. Volumes upon volumes emanating from scholars, journalists, Congressional hearings, Presidential Advisory Panels and Commissions make up a vast shelf of draft literature. Every conceivable viewpoint has been heard. Every conceivable question has been answered. Except one: Why has not the Congress of the United States, in the face of overwhelming evidence against the desirability of conscription, moved to repeal the entire Selective Service law?

The reasons are varied, but now, in the spring of 1973, none of them is valid. Proponents of abolition of the Military Selective Service Act and of manning United States Armed Forces solely with volunteers have answered every reasonable doubt, met every practical test, granted every delay. After twenty-five years—an entire generation—of peacetime conscription, the burden of proof has shifted to those who would continue conscription—and away from those who would return this nation and its Armed Forces to the historic stance of individual freedom, voluntary sacrifice, and healthy distrust of rapidly expandable Executive and military power.

Rather than duplicate here the sea of scholarship and concerned opinion concerning the draft, we will instead briefly review the best that has been learned from years of study and practical knowledge; argue the salient points that demand an end to conscription; and focus specifically on the needless waste, inefficiency, and danger of maintaining a "stand-by" draft system at a time when one is not needed.

In brief, we shall argue that military conscription is and always has been unconstitutional; that it represents an undue and dangerous expansion of Executive power at the expense of Legislative power; that it is a system that is inherently and irrevocably inequitable; and that it is administratively unworkable, costly, and discriminatory.

Further, we shall argue from a military standpoint that the draft retards the implementation of needed reforms, destroys the incentive for building a modern and democratic Armed Force, and weakens the image and esteem of the Armed Forces—thereby undermining the very military strength it would preserve.

Turning to the maintenance of the Selective Service machinery, the so-called "standby" draft, we shall show that it is unnecessary either for the procurement of adequate military personnel, or for extreme emergencies or contingencies in the future. In addition, we shall show that it represents a continuing and severe threat to civil liberties. Thus, with an all-volunteer force at hand, inductions halted, and a wide variety of individuals and groups—from conservative through liberal and radical—opposed to the draft, we shall conclude as we began:

With every conceivable argument answered, every test met, why has not the Congress of the United States repealed the Military Selective Service Act—that onerous, oppressive and outmoded institution known to a generation of Americans simply as "the draft"?

SECOND. ARGUMENTS AGAINST CONSCRIPTION

A. The Draft is Unconstitutional:

The Supreme Court of the United States considered the constitutionality of the power to conscript for the first time in 1918 in the *Selective Draft Law Cases*, 245 U.S. 366 (1918), which, since that time, has been cited as determiant on the question. Unfortunately for those who support conscription, this precedent-setting decision has since been authoritatively shown to be in error. In an exhaustive and compelling discussion of these cases and the constitutionality of the draft, Leon Friedman has written: "(O)nly three pages of the Government's brief and one paragraph of the defendants' briefs were devoted to the framers' intention, as shown at the Philadelphia and state conventions. The decision ignored and overlooked crucial historical evidence showing conclusively that the framers of the Convention did not intend to give Congress the power to conscript directly. The Court also misstated or misinterpreted the sketchy historical materials it did rely on." ["Conscription and the Constitution: The Original Understanding," 67 Michigan Law Review 1493 (1969)]

Not only did the Court misread history at that time, but additionally its arguments in large part were based on the Congressional power to conscript in time of war. As Mr. Justice William O. Douglas has written, "(T)his Court has never ruled on the question of (peacetime conscription). It is time that we made a ruling." *United States* v. *O'Brien*, 391 U.S. 367, 389–90 (1968) (dissent).

Thus, the Supreme Court has never ruled on peace time conscription, the issue at hand, and the arguments used since 1918 neglect evidence that indicates that direct conscription in time of war is also unconstitutional. As every pupil knows, the Founding Fathers were deeply skeptical of military power, opposed to standing armies, and considered the abuse of war powers as one of the most egregious of abuses of King George III.

Given such historical and legitimate fears, the Continental Army never relied on a draft during the American Revolution. George Washington suggested a draft system in 1777, 1778, and 1780, but, as Professor Russell Weigly has written in *History of the United States Army:*

"Congress did not dare invoke that instrument during any year of the war . . . Washington . . . had to recognize that compulsory service for the length of the war imposed on an unlucky portion of the national manpower was a policy the country was not likely to accept."

This distaste for standing armies and for drafts continued at the Philadelphia Constitutional Convention, where Governor Edmund Randolph summed up the prevailing feeling when he said, "Draughts stretch the strings of government too violently to be adopted."

After much debate over the necessity of some sort of limited Federal military power, Congress decided to raise an army through enlistments and to review military spending every two years. At no time was conscription considered as a legitimate means of "raising armies." The framers of the Constitution drew a sharp and clear distinction between *armies*—consisting of paid volunteers for regular service—and *militia*—free citizens who served as part-time soldiers under local authority.

This distinction was made eminently clear and stated memorably by Alexander Hamilton in *The Federalist*, No. 24:

"The militia would not long, if at all, submit to be dragged from their occupations and families to perform that most disagreeable duty (of permanent service) in times of profound peace. And if they would be prevailed on or compelled to do it, the increased expense . . . and the loss of labor and disconcertation of the industrious pursuits of individuals, would form conclusive objections to the scheme. It would be as burdensome and injurious to the public as ruinous to private citizens."

It should be clear from the original debate over the power to raise armies, and the careful distinctions made by the Constitution between militia and armies, that it never was the intent of the framers of the Constitution to authorize Federal military conscription. These and other historic facts were ignored by Chief Justice White in his ruling in the *Selective Draft Law Cases*. The inadequacy of his ruling can be seen in his interpretation of Constitutional language without regard for the clear meaning attached by the Founding Fathers. "As the mind cannot conceive an army without the men to compose it, on the face of the Constitution the objection that it does not give the power to provide for such men would seem to be too frivolous for further notice."

It is indeed unfortunate that the concerns of Jefferson, Madison, Hamilton, Randolph, and others for the liberties of Americans have been seen in the twentieth century as "too frivolous to notice." Perhaps other contradictions between conscription and the Constitution are "frivolous" also, but it should be noted that the inalienable rights so cherished in our Declaration of Independence were given added protection by the adoption of the Thirteenth Amendment to the Constitution, which, of course, states, "Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

No meaning could be clearer, especially to the young Americans who have been forced, under penalty of five years' imprisonment and $10,000 fine, to serve in jobs that they have not freely chosen.

Similarly, conscription, which is of necessity limited to a small portion of the youthful male population, runs counter to the meaning and intent of the Fourteenth Amendment, which provides that no person shall be denied "the equal protection of the laws." Surely the elaborate classification, exemptions, and qualifications utilized by the Selective Service law—classifications which choose who shall live and who shall die on the basis of height, weight, vision, occupation, sex, ability to prove conscience, etc.—do not provide equal protection for all citizens. The Congress has had ample testimony over the years indicating that the draft and its administration

are *by their very nature* inequitable and discriminatory. Indeed, President Nixon spoke plainly and accurately as long ago as 1968. He recognized the draft for what it is—an infringment on liberty:

"Today all across our country we face a crisis of confidence. Nowhere is it more acute than among our young people. They recognize the draft as an infringement on their liberty, which it is. To them it represents a government insensitive to their rights, a government callous to their status as free men. They ask for justice, and they deserve it."

Thus, to paraphrase Justice White, on the face of the Constitution alone, conscription violates both the letter and the spirit of that document. Daniel Webster put it eloquently when he said:

"Where is it written in the Constitution, in what article or section is it contained, that you make take children from their parents, and parents from their children, and compel them to fight the battles of any war, in which the folly or the wickedness of Government may engage it?"

Indeed, for many young people, the use of compulsion in order to provide for the common defense points boldly to a decline in the vitality and viability of the United States, its ideals, and the delicate bonds of consensus upon which all laws rest. As Kenneth Boulding has pointed out:

"The draft may well be regarded as a symbol of a slow decline in the legitimacy of the national state . . . that slow decline which may presage the approach of collapse. In the rise and fall of legitimacy . . . we find first a period in which sacrifices are made, voluntarily and gladly, in the interests of the legitimate institution. . . . As the institution becomes more and more pressing in its demands, however, voluntary sacrifices become replaced with forced sacrifices. The tithe becomes a tax, religious enthusiasm degenerates into compulsory chapel, and voluntary enlistment in the threatened system of the state becomes a compulsory draft."

B. Conscription Expands Executive Power at the Expense of Legislative Power:

As all Americans seek to analyze the lessons and meaning of our recent experience in Indochina, and as Congress discusses and debates in various measures ways to reassert its traditional role as a co-equal branch of government, it seems especially pertinent to point out once again the dangers of expanded Executive power and war-making initiative through conscription.

Sen. John A. Stennis, Chairman of the Senate Committee on Armed Services, has made this need for Congressional approval before making war abundantly clear:

"Only by a decisive vote in the Congress which represents the people can there be a real test of the sentiment of the country for supporting any war and mobilizing all our resources.

"I readily recall the gradual escalation under which the highest officials of our country testified that with an additional 50 or 100 thousand troops and passage of another year, the Vietnam problem would be solved. This process was repeated year after year. . . . Let me emphasize that I believe that Congress should exercise its Constitutional role in a more vigorous fashion. I totally reject the concept advocated from time to time that the President has certain inherent powers as Commander-in-Chief which enable him to extensively commit major forces without Congressional consent.

The "major forces" to which the Chairman refers are most readily supplied by conscription should an Executive wish to avoid careful scrutiny of his commitments. Once troops are committed to battle, it is a rare legislator who will turn off the faucet of supply and reinforcement. The answer is to put a limit on the reservoir. Many commentators believe that the seemingly inexhaustible supply of manpower through the draft helped the United States proceed on its reckless course in Vietnam.

With only the Gulf of Tonkin resolution, a document that the Congress never intended as "a functional equivalent of a declaration of war, as a basis, the Executive branch was able to draft large numbers of men, increase the size of the Armed Forces, and commit us deeply to a war policy before adequate Congressional debate on conscription and its uses occurred in 1967.

Since that time, the Congress has wisely discussed and implemented various measures to restrict unlimited Presidential war making. There are now annual hearings on authorized force levels, as well as the usual ones on appropriations. There are bills proposed that would further restrict the President's ability to plunge the nation into war without the full approval of the nation. Certainly, an end to the Military Selective Service Act would serve clear notice that the Congress expects the fullest, most searching and deliberate debate possible before the country's young men are called to war.

We must never forget that once American blood has been spilled, honor and commitments invoked, it is difficult to turn back. All of the safeguards on spending, force levels, and so on, rapidly dissolve once the battle is joined. The time to assert the historic Congressional role is *before* a war.

Even the President's Commission on an All-Volunteer Force expressed the merits of Congressional approval before conscription could begin again:

"If Congressional approval is made a prerequisite to the use of conscription, the necessity for the legislative action will guarantee public discussion of the propriety of whatever action is under consideration."

These remarks were made, of course, in reference to the reintroduction of induction authority under a standby draft system. However, under current provisions, inductions could be resumed after a request from the President and a simple Joint Resolution of Congress. In addition, the President still has the power, should he so choose, under the Military Selection Service Act, section 17(c), to resume inductions from all those men previously deferred. Selective Service estimates that there are over five million men in this deferred pool. As the law now reads, without obtaining Congressional approval, the President may continue to draft men for the next ten or fifteen years despite the warnings of the Commission.

The Founding Fathers were wise in the ways of human nature and the exercise of power. They did not put their trust in the simple goodness of the Executive. Certainly they did not expect George Washington or his successors to ape George III. Yet they carefully restricted the powers of the Executive—especially in the area of war powers—as best they could.

The present Congress would be wise to follow the ways of its illustrious predecessors and leave nothing to chance. If the end of induction authority would require a Joint Resolution for reinstatement, certainly it would be even wiser to eliminate the law altogether, thus requiring a full and searching debate on the merits of conscription and a particular war when the need arises.

With Selective Service machinery, personnel, and budget intact, it will be all too tempting to request a return to conscription (of course, on a small scale for a short time, we will be told) at the slightest difficulty. We need only recall the "emergency" institution of peacetime conscription in 1948 during the Truman Administration to see how tempting it is to make emergency measures permanent when they are readily available.

Leaving such machinery available rather explicitly tells any Executive that the Congress *intends it to be used*. Why else maintain it? Is this the kind of assertion of legislative power and criticism we need to balance once again our traditional form of government? Certainly not. And how seriously can young Americans take promises of "a generation of peace" and "no more Vietnams" as they carry deadly cards in their wallets—set to explode at the whim of any Executive?

Of course, many have wondered what would happen if the nation were faced with a true emergency, an imminent invasion or war? Might not the deliberations and debates of Congress prove too great a price to pay? Although one must respect fears for the safety of the country, it must be pointed out that the Congress represents the people of the United States. Can we seriously suppose that members of Congress would not speedily respond to a true emergency? And if they did not, what one man can say that his judgment alone is worthy of plunging the nation into war?

Fears of Congressional reaction are groundless; they betray a distrust of representative government—and a propensity for authoritarian rule. If the Congress is to reestablish its role as the representative of the people and a check on Executive power, it must begin now. And one excellent place to begin is by repealing the laws that permit conscription. Surely if military conscription is ever contemplated again, it should at best be seen as a dire and difficult remedy for pressing threats to the nation's survival—a remedy that is worthy of the fullest and most intense debate by the elected representatives of the citizens of the United States.

C. The Present Draft Law Is Inequitable:

Such a full discussion and debate by the entire Congress would not only be in the best tradition of our representative democracy, but would also be more realistic than relying on a Military Selective Service Act which is still riddled with inadequacies and inequities, and may well be seriously outmoded should there ever be a future emergency requiring conscription.

Again, there has been voluminous testimony and general agreement to the proposition that conscription is inherently inequitable—unless, of course, every man, woman, and child is mobilized in the defense of the nation. The Marshall Commission captured this dilemma graphically in the title of its report: *Who Serves When Not All Serve?* Since that time, various proposals for reform of the draft have been explored, debated, and finally implemented. Yet the basic dilemma remains. At a time when approximately 2,000,000 young men turn 18 each year and only around one third of a million new accessions are needed each year to maintain current strength levels, how can conscription ever be equitable? The situation would be further complicated should the Equal Rights Amendment someday be passed and 2,000,000 women added to those eligible to choose from.

Our best minds have wrestled with this problem, but it is essentially insoluble. Unless we are willing to conscript those who are mentally, physically, or morally unfit for military service, unless we are willing to draft those whose families would suffer severe hardships, and those who are conscientiously opposed to military service, some system of deferments and exemptions will always be needed.

It is through these systems of deferments and exemptions that the inequities of forced military service in an era of limited warfare are compounded. Not only are few called to serve, but of those who are called to serve, those who are best educated, most articulate, those who have adequate legal assistance or

political clout, are most likely to avoid induction.

As David Caplan, an attorney who is experienced in Selective Service Law cases, testified before the Congress in 1971 about the inherent inequities in facing such a complex system:

"Even in criminal procedings the accused is innocent until proven guilty by the evidence beyond a reasonable doubt. Moreover, Selective Service regulations show that the burden of proof is on the registrant to show that he is entitled to a classification other than I-A and sets down rules and procedures for appeal. The non-legally trained averagely intelligent registrant cannot be reasonably expected to interpret the maze of rules, regulations and directives and reply correctly and adequately."

Mr. Caplan went on to quote from the Washintgon Post a graphic example of the result of this process:

"Georgetown and upper Northwest (Boards 1 and 2), the white, affluent areas, have 13 percent of the Selective Service registrants in the District of Columbia, yet supplied only 6 percent of the men in 1969. Those boards have 35 percent of Reserve and National Guard assignments, 33.5 of college student deferments, and 100 percent of Conscientious Objector deferments."

These are not simply extreme or isolated observations. There has been extensive analysis, for instance, on the disproportionate numbers of young Black men who qualify medically for service at their induction physicals, despite generally poorer physical health and medical care conditions in the Black community. Throughout the Vietnam years, white males were medically disqualified at about twice the rate of Black males. Unless one wishes to propose a biological theory of white inferiority, the conclusion is obvious. Medical disqualification depends upon adequate, substantial, and convincing documentation produced at the examining station. Those persons who, because of racial or economic characteristics, have less access to proper medical treatment, and less knowledge of the necessity of such documentation, will be more likely to be accepted and inducted. Similar patterns hold true for other disqualifications and exemptions. These inequities cannot be wished or legislated away so long as we have conscription and a system of medical and other disqualifications for military service.

The percentage of Blacks among draftees has always been substantially higher than the percentage among enlistees. In Fiscal 1969, for example, 14.9% of draftees were black, while only 12.2% of enlistees were; for Fiscal 1970, the figures, respectively, were 15.1% and 12.3%; for Fiscal 1971, 15.9% and 13.9%; for Fiscal 1972, 18.1% and 15.9%. It is interesting to note that as draft calls have fallen and sophistication about the draft risen, the number of black draftees has not fallen proportionately. And in all years, the number of blacks drafted was out of all proportion to the percentage of blacks in the general population, which is roughly 11%.

No area of the draft law is as fraught with frustration, difficulties, inequities, and inadequacies as the provisions for conscientious objectors. Recognizing the honored tradition of religious liberty in this nation, embodied in the First Amendment, the Congress has made provisions for those persons who cannot conscientiously participate in war. No principle is as essential a foundation of individual liberty, no principle has been as difficult to legislate or administer, although the Courts in *United States v. Seeger* (1965) and *Welsh v. United States* (1970) have steadily moved to recognize the broadened range of moral, cultural, and religious beliefs in this great pluralistic nation, several obstacles to complete freedom of conscience remain. First, the tradition of objection to a particular war as unjust—the tradition held by most of the religious bodies in the United States—has yet to be recognized. And second, the burden of proof of sincerity still falls on the individual registrant. The first difficulty is relatively simple to legislate. The addition of the words "or any particular war" to the phrase "war in any form" in the law would provide for recognition of objections to unjust wars. Similarly, the addition of the words "or a personal moral code" would eliminate the invidious distinctions between kinds of conscientious and religious beliefs.

However, even with selective objection assured by law, the problem of establishing sincerity would remain. It is in this area that the ability to write, speak, and provide supporting documentation in a manner that is acceptable to local boards becomes paramount. Those who, for whatever reason, displease or do not convince the local board of their sincerity—that is, those who *fail the test*—suffer the most extreme consequences. Those who are bound to fail such tests are those who fail tests in general in our society—the least privileged, least educated, and least articulate.

The solution to these inequities does not lie in further refinements, or in a change in the composition of local draft boards, or in more public information. It lies in eliminating conscription itself. Should conscription ever be implemented again, however, by an Act of Congress during some extreme emergency, it should be recognized that inequities will exist. At such a time, it would be the wisest course to redraft legislation that contains the widest possible provisions for elimination of inequities rather than rely on what will be, by then, the long-unused, musty, and demonstrably inequitable Military Selective Service Act.

III. PROBLEMS OF A STANDY DRAFT

A. A Standby Draft Is a Threat to Civil Liberties:

The end of inductions alone—that most serious threat to personal liberty—does not, however, end the threat to civil liberties under a "standby" draft.

In recent years, in an attempt to standardize the operation of Selective Service and reduce the inequities produced by a system of 4,000 local boards of "neighbors," a number of reforms were introduced that were fraught with dangers. Perhaps the most serious of these is the current creation by Selective Service of a computerized Registrant Information Bank. Whatever the merits and demerits of local boards, in a previous era, information about individuals of a private and confidential nature was maintained manually in widely scattered sets of records. Now the information is centrally collected and is available in a moment's time to Federal authorities. Thus, in plain English, all young American males are required by law to report directly to the Federal Government, under penalty of imprisonment, information concerning their health, marital status, occupation, sexual behavior, place of residence, or *any other* information that may have a bearing on their draft status. The forms require it. The opportunities for abuse of this kind of readily available information are legion and obvious. They lead directly to State control over the individual—a concept absolutely alien to American democratic ideals.

These are not idle fears. In recent years, we have witnessed increasing Government interest in all areas of life. Our experience with the abuses of military intelligence used domestically against civilians engaged in legitimate political activity, our experience of tampering with the election process itself by the Watergate conspirators, our experience with the use of FBI files for political purposes—all these should warn us of the dangers of more dossier keeping by the government.

Again, it is wise to recall the Founding Fathers and their concept of "inalienable rights." One of the most precious in their minds, and now undergoing increasing abuse, was the right to privacy, the right to be left alone. All of the careful protections against unreasonable searches and seizures, all the provision for due process of law, were designed to prevent arbitrary control over citizens' lives. As Justice William O. Douglas put it:

"These are the rights that distinguish us from all totalitarian regimes. The real enemies of freedom are not confined to any nation or any country. They are everywhere. They flourish where injustice, discrimination, ignorance, superstition, intolerance and arbitrary power exist. We cannot afford to inveigh against them abroad, unless we are alert to guard against them at home. Yet in recent years as we have denounced the loss of liberty abroad we have witnessed its decline here. We have indeed, been retreating from our democratic ideals at home. We have compromised them for security."

The threat to civil liberties in a "standby" draft extends beyond the computerized collection of information as well. As we enter a "generation of peace," a period when there will be no induction authority, the incidence of failure to register, or to notify of changes of address, is bound to increase. Already, many young Americans believe that the draft is "over"—that Selective Service has been dismantled and that they have no further obligations under the law. It is certainly within the realm of common sense, without a war, and without inductions, to suppose that no one need register or carry a draft card any longer.

The answer, many would claim, lies in more public information and more prosecution. And it is in the area of prosecution for non-registration that abuse will be found. Selective enforcement is a particularly tempting tactic in this regard. Dr. Curtis Tarr, former Director of Selective Service and, others have admitted before the Congress that they cannot even provide a reasonable estimate of non-registration. Yet men are prosecuted every year for this offense. The implication is clear. Only those non-registrants who are stumbled upon in the course of other routine law enforcement, or those individuals whom the government may wish to jail for other reasons for which there is insufficient evidence, need fear prosecution.

In short, the enforcement of a standby draft is doomed to be haphazard, inequitable, and at times repressive. It is bound to continue to foster feelings of contempt for the fairness and equity of American law that are already widespread amongst youth as a result of conscription and an unpopular war. Such feelings can only undermine the legitimacy, and hence the security, of the nation that the Congress would protect.

B. A Standby Draft Will Retard Military Reforms:

Perhaps the most beneficial effect of the elimination of the Military Selective Service Act would be the impetus given to the Armed Forces to improve living and working conditions in the military. The Congress has noted in recent hearings that for many years the availability of a generous flow of draftees and of draft-induced volunteers allowed the Armed Forces to neglect necessary changes in housing, pay, training, efficient utilization of personnel and other conditions of military life that would have been necessary to obtain volunteers in lieu of a draft.

Assistant Secretary of Defense Roger T. Kelley has illustrated the problem in discussing the failure of the Armed Forces to give sufficient attention to enlistments because of the draft:

"As long as you have something like the

draft that you can always use, it is easy to go to the well and make up your deficiencies. . . . An involuntary organization has a very high tolerance for waste in the human area. . . . The ability to reach into the draft well and pick out whatever numbers you need can cover a lot of sins of underutilization of manpower, of misuse of manpower, or poor management."

There has been widespread agreement in draft discussions that the use or availability of conscription has encouraged inefficiency and retarded improvements and reforms in the Armed Services. In contrast, the Gates Commission noted that the British experience of a volunteer force showed more efficient use of personnel, higher motivation and performance. "British officials have said that the fully volunteer force is more productive than a mixed force because of lower turnover and the superior performances of more experienced servicemen."

In recent years, as draft calls fell and finally reached zero, a number of reforms, especially in the area of sufficient pay for low-ranking service personnel, have been enacted. However, it seems unfortunately to be the case that humans like to grasp at easy solutions. It is not difficult to imagine a situation where the Armed Forces might feel the need to request draftees, not because any real military necessity required them, but because it would be an easy solution to some problem in obtaining or retaining personnel.

No one would contend that the Armed Forces are free of problems. The Department of Defense itself is aware of areas where further reform would be beneficial—military justice, racial equity, proper personnel utilization, and so on. But will the incentive to work harder to solve internal problems remain at a high level, if at the first sign of difficulty, one can turn back to replacing dissatisfied personnel with draftees? It is outside the scope of this paper, but might not the Armed Forces be run more efficiently, if, as in any other business, its employees were allowed to quit upon reasonable notice? Both the Gates Commission and Sen. Goldwater have advocated this basic right. Draftees are not the only involuntary soldiers in uniform. Many young persons sign lengthy contracts for military service at age seventeen or eighteen only to discover that at a later date they wish to return to civilian life. Certainly this problem is underscored by the desertion rates for the Army and Marine Corps in Fiscal Year 1972, when, with their combat roles greatly reduced, these two services saw over 6% of their personnel desert and even larger numbers go AWOL for short periods of time.

National security, military discipline, and the draft have long been excuses to cover up basic inadequacies in military life. We applaud recent reforms and look forward to more. And we believe that the removal of even the possibility of easily returning to conscription will hasten such improvements.

If the Armed Forces can look to a standby draft waiting in the wings to rush on stage and save them in their first hour of personnel distress, will we see an end to waste and inefficiency? How long will it be before we see an end to the use of American servicemen and valets and chauffeurs? Will we see an end to goldbricking and featherbedding, to "Mickey Mouse" and makework? What employer in the civilian world would ever improve working conditions if he could simply draft new employees to replace those who quit in disgust?

Corallary to the temptation to avoid difficult solutions to personnel problems by resorting to the draft is the problem of dignity and morale, *esprit de corps* and efficiency in the Armed Forces. One of the great ironies of the draft has always been that in the name of service to country it degrades the service of those who freely give it. What person can completely believe that his is an honorable, satisfying and necessary occupation when his fellow citizens must be compelled by law to do it?

With the total elimination of conscription and the temptation to return to it implicit in retaining the Military Selective Service Act, the Armed Forces and their members can begin to regain some of the esteem in which they were held after World War II and prior to the widespread use of conscripts to fight the Indochina War. What would follow, then, from the elimination of conscription, the improvement of life in the Armed Forces, and an increase in the esteem of their members, would be a more effective military force. The Gates Commission and others have agreed that an all-volunteer force will be more effective than one mixed with conscripts. What remains to be decided is whether or not a standby draft system is necessary and desirable for the defense needs of the nation.

C. A Standby Draft is Unnecessary for Defense and a Needless Expense:

Those who favor a continuance of the Military Selective Act argue that even with an all-volunteer force the nation should be prepared for any manpower contingency. They claim that by continuing to register and classify young men as eligible for service, the Armed Forces can be rapidly expanded to meet the emergency of invasion or full-scale war. Having the draft on standby, they assert, provides "flexibility" and a necessary insurance policy.

First, it must be repeated that the "flexibility" offered by the draft, or by the resumption of the power to induct through a simple Joint Resolution of Congress, is the kind of flexibility that can and has led to escalation of minor engagements into actual war without adequate Congressional debate or consensus of the citizens of the United States.

Further, it should be noted that in this age of sophisticated photoreconnaissance by satellite, not to mention traditional intelligence gathering techniques, it is impossible for any nation to mobilize undetected for the kind of full-scale war that would require a massive increase in the numbers of this country's Armed Forces.

Just as importantly, one must ask if it can be believed—after all of the pay raises, after all of the recruitment and special bonuses, after all of the improvements in military life—that the United States does not now have a sufficiently flexible and strong defense capability to meet any realistic threat. Have the taxpayers been deluded? Are their hard-earned dollars going to maintain Armed Forces that are inadequate to defend the country? We need not remind anyone that the budget for the Department of Defense for the coming Fiscal Year is in excess of $80 billion. What are those dollars, those missiles and submarines, and bombers and 2.3 million active duty forces and nearly three million Reservists for?

Surely no one would contend that the Congress of the United States and the Department of Defense have not provided adequate defense for all but the most dire contingencies. The Secretary of Defense has told the public repeatedly that the Reserve forces will be used as the first line of defense after our formidable active forces.

We have already indicated that the presence of a draft system retards improvement and reform of the active services. The same holds true of the nation's Reserve forces. If they are to be truly combat-ready and effective as the first line of defense after active forces, Reserve forces must also be improved, strengthn levels met, readiness maintained.

The Reserve forces have already made significant advances in meeting these goals, but it would be a mistake to assume that the draft should be available to help induce Reserve participation should it fall, or, as some have hinted, to actually draft men directly into the Reserves. Inducting men into the active service to induce Reserve participation is not the way to increase effectiveness. Either Reserve participation is sufficiently attractive to young Americans or it is not. Maintaining a large Reserve of draft-induced "volunteers" has been, and will always prove to be, merely the illusion of security.

Drafting directly into the Reserves would present similar problems of providing only unmotivated and unwilling servicemen, but it would add even more severe difficulties in trying to achieve equity. To illustrate the problem quickly, suppose Reserve units in New York are full, but those in California are below strength. Since Reservists are part-time citizen-soldiers who serve in units near their homes, shall Californians be subject to draft while New Yorkers are not? This is lack of equal protection of the law with a vengeance.

The only possible justification, then, for maintaining a standby draft is to provide additional manpower should the active and Reserve forces together prove insufficient.

This argument, a sort of defense insurance policy, seems extremely reasonable and responsible at first glance. On closer examination, however, it becomes clear that at a minimum it takes four to six months to process, train, and equip a draftee for combat. Indeed, the Selective Service Law forbids sending any draftee into combat before he has received at least four months training. The services themselves have further requirements for performing with weapons, etc. How, then, can a standby draft be justified for emergency uses?

Similarly, it takes an even longer time to increase training, support, and logistics facilities to handle a vast expansion in the size of the Armed Forces. There is no way to instantly procure and place additional millions of soldiers into combat. Only forces at hand can be relied upon to meet emergencies. And, as in previous wars, upon the outbreak of serious hostilities that truly threaten the national security, large numbers of volunteers can be depended upon. As Sen. Mark O. Hatfield pointed out in introducing S.J. Res. 54 to repeal the draft:

"I cannot see any way in which this [a standby draft] will help our defenses. . . . In the remote chance that the nation decides a draft is needed some time in the future we can certainly set up a conscription system, register men, give physical examinations, train and transport them in virtually the same time as it would take if we continued limited registration. We were able to do so in 1917. Surely now, with our advanced technology, we could do so just as easily."

The maintenance of any draft apparatus is not insurance against aggression. Indeed, the present proposals for a standby draft do not include provisions for physical examination of registrants. Thus, even if draftees could go miraculously from the reception station to the front lines, their classifications would be hopelssly inadequate and outdated. Why must we continue to register and classify young men, when even if inductions were to be reinstituted in the future, new classifications and new examinations would be required?

The maintenance of a standby draft system not only does nothing to provide for the nation's emergency defense needs, but it also requires needless ongoing expense and bureaucratic waste. The immediate and apparent costs are listed in the $55,000,000 provided for Selective Service in the current Administration budget request. This *budgetary* cost does not include, however, such additional costs as $15 million for rental of facilities, later retirement and other benefits for Selective Service personnel. Nor does

it count the tremendous costs of enforcement of the law, by the FBI, prosecution by U.S. Attorneys, or the cost of litigation, probation officers, and confinement of violators. Regardless of the level of inductions, there have always been individuals who, either out of deeply held conviction, out of ignorance, or out of simple evasion, fail to register with the Selective Service System, or to meet with other requirements of the law.

It is impossible to give an accurate estimate of the true costs involved, but at a conservative minimum, one hundred million dollars would be required to maintain such a system and compliance with it *at a time when there is no need for inductions.* These millions will be spent at a time when the President, the Congress, and the people are deeply concerned with holding down spending, halting ruinous inflation, and meeting other pressing needs in our society. It is inconceivable that given such pressing needs, the Congress can easily agree to squander millions in the name of providing an immediate influx of draftees into the Armed Forces for combat in an emergency, when such a feat is literally impossible.

An end to the entire draft system would result in additional savings and social benefits even more difficult to measure, but just as real. In the area of crime prevention alone, for instance, vast resources would be released to fight more serious and more violent crimes than draft evasion. Representative William Steiger has written:

"In FY 72, for example, when only 25,000 men were actually drafted into the Armed Forces, Justice Department and U.S. Attorneys handled 10,444 draft cases—fully 11.81% of their entire criminal case load! During the same period, the FBI investigated 17,353 draft cases and 26,491 desertions—15% of their criminal investigations and a startling ⅔ of their total apprehensions!"

Other areas of social savings would include the return of persons who are now engaged in various draft matters—counseling, Selective Service law, draft repeal—to other pursuits; a general rise in respect for law and a lessening of alienation amongst youth; and a rise in self-esteem and professionalism, in the best sense, in the nation's Armed Forces.

IV. CONCLUSION

A few final words need to be said about an all-volunteer force. Throughout CY 1972, only 50,000 men were inducted. Since then, no one has been. The former Secretary of Defense has announced that "use of inductions has ended." Secretary Richardson has announced that the Administration will not request a renewal of the induction authority. In short, a volunteer army is at hand.

And yet, none of the fears of critics of a volunteer force has been even vaguely realized. We do not have an Armed Forces that is mainly Black and mainly poor. Civilian influence in and over the military has not weakened, and the costs have not been excessive. These fears, perhaps once legitimate when a volunteer force was first proposed so long ago, are no longer valid. We hope that those who have opposed an end to conscription, to the Military Selective Service Act, will look candidly at the facts and give credit where it is due. We are sure that they will recognize that at long last we can do away with the draft in all its aspects.

No one has ever loved the draft. It has always been reluctantly justified as an onerous necessity. Now that that necessity is no longer evident, let us all join together to restore the full range of individual freedoms to our citizens.

As President Nixon has stated, "With an end to the draft, we will demonstrate to the world the responsiveness of our system of government, and we will also demonstrate our continuing commitment to the principle of insuring the individual the greatest possible freedom."

Certainly no demonstration could be clearer to the world and to our young people than complete repeal of the Military Selective Service Act. Surely, if we intend a generation of peace, and if we do not intend to draft our young men, there is no further need to compel them to register, carry identity cards, and report regularly to the government vital information about their personal lives—all at the risk of five years' imprisonment and $10,000 fine for failure to do so.

Americans of all walks of life and of all political persuasions wish to restore individual freedom and responsibility. Most now recognize the wisdom of the words of the late Sen. Robert A. Taft:

"Military conscription is far more typical of totalitarian nations than of democratic nations. It is absolutely opposed to the principles of individual liberty, which have always been considered part of American democracy."

We believe that Americans will welcome a return to a society totally free from the burdens of a system of conscription. We believe they will applaud the total repeal of the Military Selective Service Act as a wise, generous, and responsible action.

So we conclude as we began. Every conceivable question has been answered, every condition has been met. The burden of proof has shifted to those who would spend $55,000,000 and more, subject our young men to needless government control and senseless prosecution; who believe that this nation cannot maintain a strong defense except by compulsion; and who would have us believe that our military cannot be controlled by the President, and by the Congress of the United States, but only by the presence of a few thousands of men in the lowest enlisted ranks forced to be in the military against their wills.

We submit that proof of any need to maintain the Selective Service System is not available. We urge complete repeal of the Military Selective Service Act. Careful examination of the facts, not to mention the nation's historic and legitimate distrust of conscription and undue Executive and military power, demands no less.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is on passage of the bill.

Do Senators yield back their time?

Mr. MATHIAS. Mr. President, I yield back my time.

Mr. PROXMIRE. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the bill is yielded back. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from North Carolina (Mr. ERVIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Iowa (Mr. CLARK), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Massachusetts (Mr. BROOKE), the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from Pennsylvania (Mr. SCOTT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

If present and voting, the Senator from Vermont (Mr. AIKEN), the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 73, nays 1, as follows:

[No. 266 Leg.]

YEAS—73

Allen	Fannin	Mondale
Baker	Fulbright	Montoya
Bartlett	Gravel	Moss
Bayh	Gurney	Muskie
Beall	Hart	Nelson
Bennett	Hartke	Nunn
Bible	Haskell	Packwood
Brock	Hatfield	Pastore
Buckley	Hathaway	Pearson
Burdick	Helms	Pell
Byrd, Harry F., Jr.	Hollings	Percy
	Hruska	Randolph
Byrd, Robert C.	Huddleston	Ribicoff
Cannon	Hughes	Saxbe
Case	Humphrey	Schweiker
Chiles	Inouye	Scott, Va.
Church	Jackson	Stafford
Cook	Johnston	Stevens
Cranston	Long	Stevenson
Curtis	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClellan	Tower
Dominick	McGovern	Tunney
Eagleton	McIntyre	Young
Eastland	Metcalf	

NAYS—1

Proxmire

NOT VOTING—26

Abourezk	Fong	Roth
Aiken	Goldwater	Scott, Pa.
Bellmon	Griffin	Sparkman
Bentsen	Hansen	Stennis
Biden	Javits	Symington
Brooke	Kennedy	Thurmond
Clark	Magnuson	Weicker
Cotton	McClure	Williams
Ervin	McGee	

So the bill (H.R. 8825) was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. HUGHES) appointed Mr. PROXMIRE, Mr. MCCLELLAN, Mr. PASTORE, Mr. BAYH, Mr. CHILES, Mr. MOSS, Mr. MATHIAS, Mr. YOUNG, Mr. CASE, and Mr. FONG conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on The Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first nomination.

CIVIL SERVICE COMMISSION

The legislative clerk read the nomination of Robert E. Hampton, of Maryland, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1979.

The PRESIDING OFFICER (Mr. HUGHES). Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of John Hugh Crimmins, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The legislative clerk proceeded to read the nominations in the U.S. Arms Control and Disarmament Agency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. The nominations are considered en bloc and confirmed en bloc.

BUREAU OF THE CENSUS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nomination in the Bureau of the Census go over.

The PRESIDING OFFICER. Without objection, the nomination will go over.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The legislative clerk read the nomination of Sheldon B. Lubar, of Wisconsin, to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL DEPOSIT INSURANCE CORPORATION

The legislative clerk read the nomination of George A. LeMaistre, of Alabama, to be a member of the Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMUNITY DEVELOPMENT CORPORATION

The legislative clerk read the nomination of Alberto Faustino Trevino, Jr., of California, to be a member of the Board of Directors of the Community Development Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

EXPORT-IMPORT BANK OF THE UNITED STATES

The legislative clerk read the nomination of Mitchell Kobelinski, of Illinois, to be a member of the Board of Directors of the Export-Import Bank of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of any previous nominations which have been confirmed, but as to which he has not been notified, and that he also be notified of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be so notified.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. MANSFIELD. Mr. President, I understand there is another nomination at the desk which has been cleared.

The legislative clerk read the nomination of Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF CERTAIN BILLS ON CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 258, 265, and 267.

The PRESIDING OFFICER. Without objection, it is so ordered.

OCEAN TRANSPORTATION IN NONCONTIGUOUS STATES AND TERRITORIES

The bill (S. 902) to amend section 607(k)(8) of the Merchant Marine Act, of 1936, as amended was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguish Senator from Washington (Mr. MAGNUSON) in support of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MAGNUSON

The passage of S. 902 will clarify the definition of noncontiguous trade in section 607(k) (8) of the Merchant Marine Act, 1936 to allow vessels built with funds deposited in capital construction accounts by eligible vessel operators to engage in trade within Alaska, Hawaii, or any one of the insular territories or possessions of the United States.

Thus, vessels operating in a trade between Seattle and Anchorage may also call at any other port within the State of Alaska, to either discharge or take on cargo.

The Merchant Marine Act of 1970 included intra-Hawaiian trade within the definition of noncontiguous trade, but failed to include intra-Alaska, or trade within points in U.S. territories and possessions.

The following example will illustrate the situation in Alaska under the present definition. A few carriers—mostly tug and barge operators—serve the offshore domestic trade between the contiguous 48 States and Alaska. In the course of a coverage between Seattle and Anchorage, cargo may be carried to a number of Alaskan ports. In serving these ports, incidental cargoes may also be carried from one Alaska port to another Alaska port. From the carrier's point of view, the carriage of these incidental intrastate cargoes represents the most efficient use of its equipment. Although these cargoes are minor in volume compared to the major interstate trade, they are also very important to Alaska shippers since there is no regular privately owned service operating solely between ports in Alaska. The interstate movement is clearly within the scope of section 607(k)(8), but the incidental intrastate movement is arguably outside the present definition of "noncontiguous trade."

If this intrastate movement is not considered "noncontiguous trade," a carrier could not in good faith contract with the Secretary of Commerce for the construction of vessels which would be regularly used in such a trade, however incidental the intrastate movement may be.

Without the benefit of this legislation, such carriers could be forced to abandon their intrastate service when vessels built with capital construction funds engage in interstate voyages to Alaska. The abandonment of this service would fall particularly hard on the small scattered communities which dot the Alaska coastal areas. The intrastate shippers dependent on water

transportation would obviously be injured, especially when the present fleets are totally replaced with vessels built with capital construction funds. The residents of the many towns and villages would find themselves with no intrastate water transportation service at all, since water transportation is the only economically and physically feasible method of moving large quantities of goods to and from much of Alaska. Since the carriers would suffer an irreplaceable loss of freight from this movement, the interstate shipper might have to pay increased rates in order to offset the loss of intrastate revenue. The bill would relieve the carrier from having to choose between the benefits of the 1970 Act and the efficient use of its equipment.

Specific inclusion of intra-Alaska, intra-Puerto Rico, intra-Guam, and so forth, trade within capital construction fund provisions is entirely consistent with the recognition in the 1970 Act that Hawaii's dependence on ocean shipping, including intrastate voyages dictated that Hawaiian carriers, shippers, and consumers should benefit from the construction of water transport equipment with tax-deferred capital construction funds.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 607(k)(8) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177(k)(8)), is amended by striking that entire portion of section 607(k)(8) which follows the lower case roman numeral "(ii)", and inserting in lieu thereof "trade from any point in Alaska, Hawaii, Puerto Rico, and such territories and possessions to any other point in Alaska, Hawaii, Puerto Rico, and such territories and possessions."

INCREASED LIMITATION ON EXPENDITURES BY COMMITTEE ON GOVERNMENT OPERATIONS FOR PROCUREMENT OF CONSULTANTS

The resolution (S. Res. 134) increasing the limitation on expenditures by the Committee on Government Operations for the procurement of consultants was considered and agreed to, as follows:

Resolved, That section 5 of S. Res. 46, Ninety-third Congress, agreed to February 26, 1973, is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 38) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat. 204; 8 U.S.C. 1251):

[redacted], Greklek, William.
[redacted], Ying, Ah Sing.
[redacted], Turansky, Yankel Benjamin.
[redacted], Chiang, Yee-Chee.
[redacted], Masip, Joseph Antonio.
[redacted], Yee, Wing.
[redacted], Bakierowska, Kazimiera.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the rest of the calendar be called in sequence.

The PRESIDING OFFICER. Without objection, the clerk will call the calendar beginning with No. 268.

KAMAL ANTOINE CHALABY

The bill (S. 245) for the relief of Kamal Antoine Chalaby was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the periods of time Kamal Antoine Chalaby has resided in the United States since his lawful admission for permanent residence on October 31, 1962, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

SUNG WAN KIM

The Senate proceeded to consider the bill (S. 298) for the relief of Sung Wan Kim which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", strike out "February 1966" and insert "February 5, 1966"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sung Wan Kim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of February 5, 1966.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILHELM J. R. MALY

The Senate proceeded to consider the bill (S. 507) for the relief of Wilhelm J. R. Maly which had been reported from the Committee on the Judiciary with an amendment in line 3, after the word "time", strike out "Mr. Wilhelm J. R. Maly and insert "Wilhelm J. R. Maly"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the periods of time Wilhelm J. R. Maly has resided in the United States since his lawful admission for permanent residence on October 6, 1966, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. TANIOS (TONY) J. MA'LUF

The Senate proceeded to consider the bill (S. 748) for the relief of Doctor Tanios (Tony) J. Ma'luf which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", strike out "June of 1968" and insert "June 27, 1968"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Tanios (Tony) J. Ma'luf shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 27, 1968.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ERNESTO ESPINO

The Senate proceeded to consider the bill (S. 428) for the relief of Ernesto Espino which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Ernest Edward Scofield (Ernesto Espino) shall be held and considered to be the natural-born alien son of Mr. Raymond V. Scofield, a citizen of the United States: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Ernest Edward Scofield (Ernesto Espino)."

JANET LEE DAVIS BRACE AND SCOTT WILLIAM BRACE

The Senate proceeded to consider the bill (S. 489) for the relief of Janet Lee Davis Brace and her son Scott William Brace which had been reported from the Committee on the Judiciary with amendments in line 6, after the word "resided", insert "and to have been physically present"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of section 301(a)(7) of the Immigration and Nationality Act, Janet Lee Davis Brace, a citizen of the United States, shall be considered to have resided and to have been physically present in the United States for five years after attaining the age of fourteen years.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Janet Lee Davis Brace."

JOZEFA SOKOLOWSKI DOMANSKI

The Senate proceeded to consider the bill (S. 816) for the relief of Jozefa Sokolowski Domanski which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Mrs. Jozefa

Sokolowska Domanski shall be held and considered to be within the purview of section 203(a)(2) of that Act and the provisions of section 204 of that Act shall not be applicable in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Mrs. Jozefa Sokolowska Domanski."

AMENDMENT OF THE FEDERAL SALARY ACT OF 1967

The bill (S. 1989) to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries; was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

PROCEDURES FOR CALLING CONSTITUTIONAL CONVENTIONS

The bill (S. 1272) to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AUTHORIZING SUPPLEMENTAL EXPENDITURES, COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 133) authorizing supplemental expenditures by the Committee on the Judiciary for an inquiry and investigation relating to patents, trademarks, and copyrights was considered, and agreed to, as follows:

Resolved, That S. Res. 56, Ninety-third Congress, agreed to February 27, 1973, as amended, is further amended as follows:

(1) In section 2, strike out "$4,067,600" and insert in lieu thereof "$4,093,600".

(2) In section 13, strike out "$143,000" and insert in lieu thereof "$169,000".

OCEAN POLICY STATEMENT

The resolution (S. Res. 82) endorsing the objectives of the President's ocean policy statement was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1973

The bill (S. 2120) to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Federal Railroad Safety Authorization Act of 1973".

SEC. 2. Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"There is authorized to be appropriated to carry out the provisions of this title not to exceed $19,440,000 for the fiscal year ending June 30, 1974.".

SEC. 3. Section 303 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 1762) is amended to read as follows:

"There is authorized to be appropriated to carry out the provisions of this title not to exceed $1,200,000 for the fiscal year ending June 30, 1974.".

Mr. MANSFIELD. Mr. President, that concludes the call of the unobjected to items on the legislative calendar for the time being.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the act for 2 years; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Mills, Mr. Ullman, Mr. Burke of Massachusetts, Mrs. Griffiths, Mr. Schneebeli, Mr. Collier, and Mr. Broyhill of Virginia were appointed managers on the part of the House at the conference.

RETIREMENT OF FRANK E. BATTAGLIA

Mr. MANSFIELD. Mr. President, I would like at this time to express my regret at the retirement of Frank E. Battaglia, the dean of the Official Reporters of the House of Representatives.

Mr. Battaglia came to the House in my second year over there, I believe, in 1944.

He has been an excellent official of the Congress. His work is outstanding. He is one of the truly great reporters with whom I have had any contact—a man who has dignity, understanding, and a sense of humor, and a man who excels in perfection so far as his work is concerned.

I know that the House of Representatives will miss him, but I, too, will miss him, because of the many contributions and the outstanding service he has rendered to the Congress and in the Congress over the past 30 years.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, with a time limitation on statements therein of 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on the Judiciary, with amendments:

S. 782. A bill to amend the antitrust laws of the United States, and for other purposes (Rept. No. 93-298).

By Mr. EAGLETON, from the Committee on Labor and Public Welfare, with amendments:

S. 775. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging (Rept. No. 93-299).

EXECUTIVE REPORTS OF COMMITTEES

As in execution session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MONTOYA:

S. 2121. A bill to authorize the Secretary of the Interior to carry out a program to provide road systems within Indian reservations or provide access to an Indian reservation or Indian trust lands or restricted trust lands, for health, education, and the development of industry. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 2122. A bill to amend the Higher Education Act of 1965 with respect to developing institutions. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 2123. A bill to increase the rates of duty on prepared and preserved pineapple and concentrated pineapple juice. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONTOYA:

S. 2121. A bill to authorize the Secretary of the Interior to carry out a program to provide road systems within Indian reservations or provide access to an Indian reservation or Indian trust lands or restricted trust lands, for health, education, and the development of industry.

Referred to the Committee on Interior and Insular Affairs.

Mr. MONTOYA. Mr. President, I am introducing a bill today which will begin a program which is long overdue: an accelerated road program on Indian reservations.

It is fashionable today to plan programs which will help solve the economic or social problems of American Indians. Often these plans are grandiose and expensive, and result in very little real value to the Indian peoples.

However, the bill I am introducing today is a very simple solution to a long-standing problem, and one on which there cannot be much controversy. This legislation will improve the transportation systems on Indian lands, which is an essential first ingredient for many other developmental programs.

Especially in the West, where the large size of many reservations keeps the Indian peoples isolated, the construction of a modern road system will put job opportunities, medical and social services, school programs and other needed services within reach of Indians who have had to live every day with the inconvenience, frustration and danger of that isolation.

My legislation authorizes the appropriation of $75 million this fiscal year and for each of the next 2 fiscal years. This is extremely low in cost when related to the economic benefits which will result.

By Mr. MONTOYA:

S. 2122. A bill to amend the Higher Education Act of 1965 with respect to developing institutions. Referred to the Committee on Labor and Public Welfare.

Mr. MONTOYA. Mr. President, I am introducing a bill today to correct an inequity in the Higher Education Act of 1965 with respect to allocation of funds under title III—strengthening development institutions and new thrust programs.

The committee has approved increases in the moneys for these programs this year in order to provide the needed seed money assistance to developing colleges and junior colleges which serve substantial numbers of disadvantaged and minority students.

One of the minority groups most severely handicapped in the past has been that of Spanish-speaking students. These students are only now beginning to enter colleges in numbers approaching their percentage in the population. The educational handicaps of this particular minority have historically been the result of language barriers, economic factors, and geographic and population dispersion factors. This has been especially a problem for the Southwest and my State of New Mexico.

Today, however, there are large numbers of Spanish-speaking students enrolling in new and viable community and junior colleges with programs aimed at preparing them for careers and professional opportunities. It is encouraging to me to see this increase in students who want to continue their educations. There is also an increase in the numbers of new colleges with innovative programs aimed at helping minority students. That process must be encouraged to continue. According to a recent Carnegie Commission report, 4.8 million students will be enrolled in junior colleges by 1980. This will require the creation of 280 campuses. Hopefully many of these new colleges are even now in the process of developing and planning to focus on effective educational programs for minority and disadvantaged students. In the Southwest 35 percent of the students entering junior colleges today are Spanish-speaking minority students.

I believe that it is important for us to encourage the creation of new schools and new programs to help those students find their best potential.

The legislation my bill attempts to correct has created an unequal application of the funds provided to encourage developing institutions, however. As now written this legislation requires 5 years in operation before a college is eligible for consideration. Mr. President, in today's rapidly moving education climate that limitation is unrealistic and unnecessarily restrictive. Without lowering this restriction the program would continue to further strengthen those institutions which have received title III moneys in the past, and would be forced to neglect new community colleges and junior colleges as they develop in parts of the country where the need is greatest and the growth is most rapid. By reducing the years in operation requirement from 5 to 3 we will be able to provide assistance and encouragement to the many new colleges in areas where educational facilities have not been available in the past.

I urge my colleagues' support for this bill so that we may more effectively encourage the development of new and flexible education programs and more equitably serve the education needs of all minorities, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302(a)(1)(C) of the Higher Education Act of 1965 is amended by striking out "five" and inserting in lieu thereof "three".

By Mr. INOUYE:

S. 2123. A bill to increase the rates of duty on prepared and preserved pineapple and concentrated pineapple juice. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, I introduce legislation which would raise the tariff rates on pineapple to that comparable to its chief competitors—pears, peaches, and fruitcup.

The heritage of the pineapple industry is truly a rich one and is consistently intertwined throughout that of the growth of my State for the past 70 years. Pineapple is the second most important agricultural product produced in Hawaii. In 1972, it accounted for about a third of the income generated by Hawaiian agriculture.

However, pineapple has fallen on bad times. The number of firms producing canned pineapple and pineapple juice has declined by half since 1955 and within the past year, three of the four remaining companies have announced, by successive independent actions, closing and cutbacks that will reduce Hawaii's pineapple production by one-third within the next 3 years.

At the same time, the recent U.S. Tariff Commission's report on the pineapple industry indicates that "the ad valorem equivalent of the duty—incidence of protection—was 83-percent less in 1972 than in 1931." It should be further noted that foreign imports account for approximately 36 to 40 percent of the U.S. consumption of pineapple.

Mr. President, the Hawaii pineapple industry and the citizens of Hawaii cannot afford to have such a state of affairs continue. We depend heavily upon pineapple for both food and jobs, we feel it is only fair that the tariff for pineapple be set at a rate similar to that for other comparable fruit crops. Adoption of the legislation which I introduce today will achieve a measure of equity and relief for the people of my State engaged in this most vital industry.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 557

At the request of Mr. SCHWEIKER, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 557, to provide that United States Flag Day shall be a legal public holiday.

S. 775

At the request of Mr. EAGLETON, the Senator from Rhode Island (Mr. PELL), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 775, to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging.

S. 1415

At the request of Mr. BUCKLEY, the Senator from New Jersey (Mr. CASE) was added as a cosponsor to S. 1415, a bill to amend the Small Business Act to assist in the financing of small business concerns which are disadvantaged because of certain social or economic considerations not generally applicable to other business enterprises.

S. 1688

At the request of Mr. TOWER, his name was added as a cosponsor of S. 1688, to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional

rights and to prevent unwarranted governmental invasions of their privacy.

S. 1971

At the request of Mr. SCHWEIKER, the distinguished Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1971, to increase certain penalties for offenses involving the unlawful distribution of certain narcotic drugs, and for other purposes.

SENATE CONCURRENT RESOLUTION 39—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO 100TH ANNIVERSARY OF OVERTON, TEX.

(Referred to the Committee on the Judiciary.)

Mr. TOWER. Mr. President, I am pleased today to submit a concurrent resolution to extend the greetings and congratulations of the Congress of the United States to the city of Overton, Tex., on the occasion of the celebration and observance by that city of its centennial anniversary.

Beginning this year, Overton, Tex., launches into its second century on a note I feel is particularly appropriate. It has chosen for its theme "100 More Years of Progress" which provides a particularly accurate reflection of the achievements of the city since its founding in 1873, when a small township sprang up in Rusk County.

Engineers for the International and Great Northern Railroad—now the Missouri Pacific—laid out this small township in 1872, and when the first tracks were laid, business firms in a neighboring settlement joined the new community's residents in building the city which was named in honor of a pioneer doctor, Frank Overton.

Immediately, the city began its industrial development, as well as building churches, homes and schools, including Hubbard College which boarded students from a wide area.

Cotton was the basic industry in those early days of Overton's development, with a huge cotton compress and numerous cotton gins located in the area. Later, a general diversification of crops was made by farmers in the area, as they began growing peanuts, potatoes, peas, and ribbon cane. Livestock production also received more attention, and the lumber industry began to boom. The city of Overton became more and more important as a shipping point for industrial products.

In 1931, a number of Overton citizens combined their financial resources in a search for oil in southern Rusk County. After 4 years of dry holes, the crew finally struck gold in what proved to be the largest oil pool in the world. This oil boom of the 1930's brought prosperity to farmers, ranchers, and businessmen throughout the area, and resulted in fine school systems, churches, road systems and medical facilities.

Through grants from the Bruce McMillan, Jr. Foundation, the Texas A & M University Agricultural Research and Extension Center was established in Overton and the 1970's opened a new era of residential building and business expansion.

Today, Overton, Tex., sets an example in the State of Texas of civic-minded concern and cooperation among its citizens. Through donations of money, time, labor, and materials, countless community projects have been developed and paid for as they were completed.

Mr. President, I am proud to represent the people of Overton, Tex. in the U.S. Senate, and, today, invite my colleagues in the Congress to join me in extending congratulations and best wishes to the citizens of Overton as they celebrate their 100th anniversary this year. Official celebrations are scheduled during the week of August 4 through August 11, and I know my colleagues would want to join me in expressing our recognition of the contributions of that city to both the State of Texas and to the Nation as a whole.

Finally, Mr. President, I ask unanimous consent that the full text of this concurrent resolution be printed at this point in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 39

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States extends its greetings and congratulations to the City of Overton, Texas, on the occasion of the observance and celebration by that City of Overton of its one Hundredth anniversary, and expresses its recognition of the contributions of the City of Overton to the State of Texas and to the nation.

SENATE RESOLUTION 136—SUBMISSION OF A RESOLUTION RELATING TO BROADCASTING AND TELECASTING OF SENATE PROCEEDINGS

(Referred to the Committee on Rules and Administration.)

THE SENATE AND THE ELECTRONIC MEDIA

Mr. ROBERT C. BYRD. Mr. President, I am today submitting a resolution that would authorize the Senate Committee on Rules and Administration to study the possibility of televising and broadcasting sessions of the Senate.

Such activities are currently prohibted under the blanket interpretation of Rule 4 of the Rules for Regulation of the Senate Wing of the U.S. Capitol—section 83 in the Senate Manual—which prohibits the taking of pictures in the Senate Chamber.

Discussions of whether to allow the electronic media into the Chambers of the Senate and House date back to at least 1923, when President Calvin Coolidge's December 4 address to the opening of Congress was broadcast live. His state of the Union message 2 days later became the second broadcast to originate from Congress.

The debate began in earnest, however, in the years just prior to the enactment of the Legislative Reorganization Act of 1946. From 1939 through the first half of the 1940's, the AFL and the CIO spearheaded unsuccessful efforts to permit microphones in the Senate and House Chambers. And Jack H. Pollack's article entitled "Shall We Broadcast Congress," which appeared in the February 17, 1945, issue of Liberty magazine, pointed out the success that New Zealand was having with broadcasts of its partiamentary sessions. Those broadcasts began in 1937 and continue today.

It is noteworthy that although the 1946 act failed to allow radio and the then-embryonic television industry into the the hearings did have some positive spin-off benefits. In 1947, the first televised session of a Senate hearing occurred, when Secretary of State George C. Marshall told the Foreign Relations Committee of his plan to rebuild Europe. And a year after that, a gallery for radio and television reporters was established alongside the press gallery that has been in existence since 1859.

Ever since 1950, when NBC's Robert McCormick conducted the first TV gallery interview with Senator William Langer of North Dakota, the television networks and independent stations have staffed the important proceedings of the Senate—but, along with their radio colleagues, TV newsmen have been barred from using the technology of their industry to bring first-hand reports of the floor debates.

The barring of radio and television coverage of Congress has resulted in an ironic situation—one in which millions of Americans were able to view the return of the POW's, but denied visual access to Senate votes on the Vietnam war; millions watched an American become the first man to walk on the moon, but were unable to witness the Senate Floor debates that preceded funding for the space program.

And in this Congress, where a struggle exists over spending authority, the President can use television to veto a bill in full view of the American population—he can take what conceivably could be a private act, and make it public. The subsequent Senate vote to override or sustain the veto, however, cannot be seen by the general public—only by the 426 persons accommodated by the public gallery.

This is not to say, Mr. President, that the arguments raised in the past against broadcasting and televising Senate sessions were totally without validity. Far from it. They were raised by conscientious lawmakers and observers who pointed out the potentially detrimental effects of allowing microphones and cameras in congressional chambers.

These objections, which have remained essentially the same from the 1940's to today, center in three main areas:

First. The equipment would interfere with the normal legislative process.

Second. The majority of congressional sessions lack drama, and it, therefore, would be commercially infeasible for stations to carry them.

Third. Politicians would become "hams" once the microphones were opened and the kleig lights turned on.

What my resolution seeks to do, Mr. President, is to allow the Rules Committee to determine whether these arguments are still valid—if they ever were—or whether they have been overcome by time.

Technological advances, even over the

past decade, have been significant, making the equipment less cumbersome and bothersome. And with the advent of cable television, the apparent permanence of public television, and the growing interest of citizens in the activities of their Government, the feasibility of such coverage might be increased.

As for politicians storming to the microphones and cameras, there is evidence that such moves would be adversely rewarded. For example, the same argument was used by opponents of New Zealand broadcasts in 1937. Yet, in a report 3 years later in the trade publication Radio Daily, Leon Weaver wrote:

Windbags who took a lot of time to say nothing brilliantly have been defeated, and members who fumbled and stumbled but who did have something to say have been reelected.

In any event, I feel certain that any permission that might possibly be granted to the radio and television industries to cover Congress would be accompanied by strict guidelines. To avoid the possibility of media-provoked theatrics—the focusing of the cameras on the vacant seats of the necessarily absent Senators, for instance—a system could be devised whereby Senate employees would operate the equipment, and the networks and other interested outlets could pick up the audio and visual feeds. This is just one means of overcoming one of the fears that has been expressed previously. Hearings on my resolution could develop additional means of eliminating other obstacles that, in the past, have been placed in the path of our using the electronic media to bring the floor debates of the Senate closer to the people of the United States.

No one, I am sure, wants to see the Senate covered in the same hysterical and frenzied manner that political conventions are handled. And I am equally certain that everyone would agree that not every Senate session is worth beaming live to the American people.

However, I do think that today, when 99.8 percent of all American homes have radios and television sets, the time has come for a new look at the possibility of using the electronic media to bring the Senate and the people closer together.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 136

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study and investigation with respect to the broadcasting and telecasting (including closed circuit telecasting) of proceedings of the Senate.

SEC. 2. The Committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it considers appropriate.

RIGHTS-OF-WAY ACROSS FEDERAL LANDS—AMENDMENT

AMENDMENT NO. 303

(Ordered to be printed, and to lie on the table.)

THE MINERAL FUELS RESERVES DISCLOSURE ACT

Mr. NELSON. Mr. President, I submit an amendment which I intend to propose to S. 1081, the Alaska pipeline bill. The amendment would add as a new title to the bill the "Mineral Fuels Reserves Disclosure Act."

The theory of this amendment is that the giant corporations which hold our energy supplies in the palms of their hands—a very few hands—are deliberately withholding from Congress and the public essential information about those supplies. The purpose of the amendment is to require them to make that vital information available.

For over 6 years now the Senate Small Business Subcommittee on Monopoly, which it is my privilege to chair, has been studying corporate giantism. For the past year and a half, the special focus of that study has been on corporate secrecy. Over the same period of time, and indeed longer, the Senate Judiciary Subcommittee on Antitrust and Monopoly has made several studies and held many hearings involving, among other things, the peculiarly intense forms of corporate secrecy practiced by the oil and gas industry. It should surprise no one, therefore, that the distinguished Chairman of that subcommittee, the Senator from Michigan (Mr. HART), is cosponsoring this amendment. The proposal is a natural outgrowth of the long investigative work of both of our subcommittees.

LIFE-AND-DEATH QUESTION FOR AMERICA

As this Nation approaches its bicentennial, it faces a question the importance of which cannot be overstated: Do we or do we not have the fuel our highly sophisticated industrial society needs to survive? We need more facts and less propaganda from the big oil companies to answer that question.

It is elementary that our entire way of life in this advanced, technological society depends on adequate supplies of mineral fuels. Without sufficient fuel, our whole civilization must make radical changes, or collapse.

The giant oil and gas companies are now saying we don't have enough, that we must cut back, that we are facing an energy crisis. But when we ask a big oil company, any big oil company, "How much crude petroleum in the ground do you control, and where is it?", its management answers, "That is nobody's business but ours." The same is true of gas and other fuel reserves.

It seems almost unbelievable, yet it is true, that even the U.S. Bureau of Mines and the Federal Power Commission cannot tell us with any degree of accuracy what and where our mineral fuels reserves really are, and who owns and controls them.

No information could be more vital yet the oil companies and the other big mineral fuels companies, for years and years, have maintained that we have no right to know. The only fact that is just as unbelievable as that, and just as true, is that the American people and their Government, for years and years, have let the fuel barons get away with it.

It is time and past time to end this intolerable secrecy about our civilization's lifeblood, our natural resources of mineral fuel, and that is the purpose of the Mineral Fuels Reserves Disclosure Act.

SUMMARY OF AMENDMENT

The plan of this amendment is simple and direct. Its main premise is that there is a critical national need for regular, reliable data on the location, quantity, ownership and control of every mineral fuel reserve in the United States and the world. I use the word "critical" with precision. We are, after all, being told we have an energy "crisis." Whether or not the current crisis is temporary, the fact is mineral fuels are being depleted worldwide at an astonishing pace. We do in fact face a long-term crisis, too.

A second premise of the amendment is this: The data that are needed can be obtained, if Congress will simply insist on obtaining them. The problem is not that the data do not exist. The problem is that they are widely dispersed and, to an extent we can no longer tolerate, kept secret by the corporations that possess them.

The amendment addresses this problem directly. It directs the Federal Trade Commission to attack both aspects of the problem—the great dispersion of existing data in the public domain, and the great secrecy of most corporate data on fuels reserves. The FTC is directed to use that potent new tool of data management, the computer, to pull together all the existing public-domain data on mineral fuels reserves into one data library, and to make the electronic tapes and disks and computer printouts that result available to everyone.

Even more essential, the FTC is directed to collect from every substantail fuel company sworn annual reports on their mineral fuels reserves, with precise and full identification and description of each reserves; exact location, type of fuel, quantity proved, quantity probable ownership and control, and state of development. Those reports will also be keypunched into the electronic data bank on mineral fuels reserves, but the new company-supplied data will, initially, be placed in a separate section of the computerized library, to which only government officials and not the public will have access. The premise here is that data which companies have for a long time been permitted to maintain as corporate secrets should not, immediately and without qualification, be made available to everyone. There should be some screening first, and opportunity for discussion and public hearings, in which considerations of both competitive equities and national-security sensitivity can be reviewed. The amendment provides for all this.

But the amendment also provides for an end to secrecy of the data under certain reasonable circumstances and after

certain reasonable periods of time have elapsed.

Specifically, the Mineral Fuels Reserves Disclosure Act provides for prompt transfer from the confidential section of the electronic data base to the public section of certain data provided by a major fuel company in its reports on reserves, in one specified circumstance. When the FTC learns from a company's own reports on its reserves of a particular mineral fuel, and from all the reports on that fuel by all companies under this and other reserves-reporting programs, that a single company controls 5 percent or more of the total national reserves of that fuel, then that company's full, detailed reports on its holdings of reserves of that particular fuel will be made public.

Now it is certain to be argued that it is unfair to make one company tell how much oil it has at the bottom of an expensive hole it has drilled in the ground, when all other companies owning oil wells are not subject to the same requirement. Our answer to that argument is that power begets responsibility, and the holders of great power cannot expect to enjoy the same kind and degree of privacy—and especially not during a "crisis"—that society can safely permit for their powerless competitors.

When the Congress reconvenes after the recess, I shall submit a section-by-section analysis of this amendment and further comment and explanation.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 303

At the end of the bill, add the following new title:

TITLE III—PUBLIC DISCLOSURE OF MINERAL FUELS RESERVES DATA

SHORT TITLE

SEC. 301. This title may be cited as the "Mineral Fuels Reserves Disclosure Act."

PURPOSE

SEC. 302. It is the purpose of this title to provide for the collection and organization in a single electronic data base of the fullest available information on the Nation's reserves of mineral fuels, to provide for the establishment and maintenance of that data base by the Federal Trade Commission, and to provide for the mandatory disclosure to the Commission by substantial fuel companies of information on the quantities and locations of their own mineral fuels reserves.

DEFINITIONS

SEC. 303. As used in this title—

(a) "Mineral fuel reserve" means a deposit or body of identified, unextracted mineral fuel or mineral fuel ore, of either a proved or probable quantity.

(b) "Substantial fuel company" means a corporation which, alone or with its affiliates, in either of its last two full fiscal years, had total annual business sales or receipts of $5,000,000 or more derived from business activity in any of the following lines of commerce:

(1) crude petroleum and natural gas production; (2) mining of uranium-radium-vanadium ores; (3) anthracite mining; or (4) bituminous coal and lignite mining.

(c) "Affiliate" means an individual, partnership or corporation which controls, is controlled by, or is under common control with one or more other individuals, partnerships or corporations.

(d) "Data base" means the library of information on mineral fuels reserves to be established and maintained by the Federal Trade Commission under this title.

(e) "Commission" means the Federal Trade Commission.

(f) "Commerce" and "Corporation" have the meanings set forth in section 4 of the Federal Trade Commission Act (15 U.S.C. 44).

(g) "Establishment" and "Standard Industrial Classification" have the same meanings as in the "Standard Industrial Classification Manual 1972," prepared by the Statistical Policy Division, Office of Management and Budget, Executive Office of the President.

MINERAL FUELS RESERVES DATA BASE

SEC. 304. (a) Immediately upon enactment of this Act, the Commission shall collect and organize data for, and establish and maintain a complete and current data base on the mineral fuels industries and, in particular, on mineral fuels reserves.

(b) The data base shall—

(1) Contain all available information on the location, quantity, ownership, control, and state of development of every mineral fuel reserve within and without the United States.

(2) Be organized, indexed and cross-referenced on the basis of establishments, by company or other affiliation or ownership, by particular location within or without the United States, and by Standard Industrial Classification.

(3) Utilize the best and fastest information storage, retrieval and processing systems and technologies available, including but not limited to microform and electronic data processing and transmission systems.

(4) Be divided into a confidential section and a public section, as provided in section 306 of this title.

MAJOR FUEL COMPANIES TO REPORT MINERAL FUEL RESERVES

SEC. 305. (a) It shall be the duty of every substantial fuel company, foreign and domestic, engaged in commerce to report annually to the Federal Trade Commission full and complete details of all mineral fuel reserves which it, together with its affiliates, owns or controls anywhere in the world. Such reports shall be verified, under penalties of perjury, by the chief executive officer, chief geological officer and chief financial officer of the substantial fuel company and shall describe for each reserve the identity of each establishment having any ownership or control of the reserve; the location, types, and proved and probable quantities (specifying which) of mineral fuels or fuel ores in the reserve; and the state of development of the reserve.

(b) The Commission, by regulation, shall prescribe the form or forms on which the reports required by subsection (a) shall be made. Such form or forms shall be drafted in consultation with the Office of Management and Budget and such other departments and agencies as either that Office or the Commission may deem requisite or desirable. The most expeditious procedures for consideration and clearance of such form or forms under the provisions of chapter 35, title 44, United States Code, shall be employed, and such form or forms shall be cleared and promulgated not later than 60 days after the effective date of this title.

(c) The first reports under this section shall be filed not later than four months after the effective date of this title and shall describe mineral fuel reserves as of a specified date not more than four months earlier than the date of the report. Annual reports thereafter shall be due on or before the first day of May of each year, beginning with the year 1974, and shall describe mineral fuel reserves of each reporting major fuel company as of the preceding first day of January.

DIVISION OF DATA BASE INTO PUBLIC SECTION AND CONFIDENTIAL SECTION

SEC. 306. (a) The Commission shall establish the data base in two sections: a public section and a confidential section. The public shall have unlimited use of and access to the public section, under such regulations and at such reasonable fees as the Commission shall prescribe. Access to the confidential section shall be limited to the Commission and its staff and to officers and employees of the Government of the United States having official use for such data commensurate with the purpose of this title, except that any substantial fuel company providing information for the data base may have access to the data in such section which it provided. Unauthorized disclosure of information in the confidential section shall subject the officer or employee making such disclosure to the provisions and penalties of section 1905 of title 18, United States Code.

(b) The Commission shall place in the public section of the data base all information which it obtains from reports, documents and other sources in the public domain, together with all microform and electronic reproductions, recordings, and tabulations thereof. In addition, the Commission shall place in the public section all data derived from any report or reports of any substantial fuel company, pertaining to a particular mineral fuel, when such report or reports reveal that such company controls five per centum or more of the national total reserves of that fuel. All other data derived from the reports required by section 305 shall be placed in the confidential section of the data base, except that such data may be transferred, in appropriate part, to the public section in aggregate, statistical forms or tabulations which do not disclose the precise identity or ownership of particular reserves. Any data contained in a report required by section 305 may also be placed in the public section of the data base if the Commission ascertains that such data have previously been in the public domain by virtue of another report or public source.

(c) At the request of any substantial fuel company or any department or agency of the Federal Government, the Commission shall place in the confidential section and withhold from the public section of the data base any report or information, upon a showing that the public disclosure thereof would be harmful to the national security of the United States.

(d) Data more than 25 years old shall be placed in or transferred to the public section of the data base, except that, for good cause shown, data up to 50 years old may be placed or held in the confidential section when required by competitive equities, and data up to 75 years old may be placed or held in the confidential section when required by the national security. The Commission, by regulation, shall provide for formal hearings on any question or dispute concerning the entry of data into or removal of data from the confidential section, and such hearings shall be open to the public except that a private formal hearing may be conducted when the Commission determines that competitive equities or the national security so require.

POWERS OF COMMISSION

SEC. 307. All of the powers conferred on the Commission by the Federal Trade Commission Act, including but not limited to the powers to subpena testimony and documents, to inspect and audit books and accounts of corporations, and to issue mandatory orders and orders to cease-and-desist, shall be available to the Commission to carry out its duties and responsibilities under this title. Without regard to the limitations in section 6(b) of the Federal Trade Commission Act, or any similar statutory limitation, the Commission shall have power under this title to receive and require the submission of reports from or about banks and common carriers for inclusion in the data base, in the case of banks and common carriers which are affiliates of a substantial fuel company and which own or control any mineral fuel reserve.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are hereby authorized to be appropriated to the Federal Trade Commission such supplemental and annual funds as may be necessary to carry out the purposes of this title.

EFFECTIVE DATE

SEC. 309. This title shall be effective on the date of enactment of this Act.

ANNOUNCEMENT OF HEARINGS: "BARRIERS TO HEALTH CARE FOR OLDER AMERICANS"

Mr. MUSKIE. Mr. President, I wish to announce that the Subcommittee on Health of the Elderly, U.S. Senate Special Committee on Aging, will continue its inquiry into "Barriers to Health Care for Older Americans" at hearings beginning at 10 a.m. on July 11 and 12 in room 1318, Dirksen Office Building. Our primary topic on those 2 days will be home health care.

ADDITIONAL STATEMENTS

MIKE MANSFIELD IN MONTANA

Mr. MANSFIELD. Mr. President, a week ago I was in Montana for the purpose of finding out what Montanans were talking about and, whenever and wherever possible, to answer questions which were on their minds. The chief topics seemed to be inflation and the high cost of living, Watergate, the lack of rain, Cambodia, unemployment, strip mining, the proposed reorganization of the Forest Service and other matters, both general and personal. A visit home tends to restore one's perspective and also one's faith in the people whom we represent.

Mr. President, I ask unanimous consent to have printed in the RECORD a series of articles based on interviews in Billings, Great Falls, Missoula, and Butte, and published in the following newspapers on June 24, 1973: The Billings Sunday Gazette, the Great Falls Tribune, the Sunday Missoulian, and the Montana Standard.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Billings (Mont.) Gazette, June 24, 1973]

POLITICIANS LOOK GOOD—MANSFIELD

(By Ronald J. Schleyer)

Sen. Mike Mansfield claims the Senate's Watergate investigation "is just getting started" but he refused to speculate on the possibility of President Richard Nixon's impeachment.

Until the Select Committee on Presidential Compaign Activities lays bare all the facts, said the Senate Majority Leader, Nixon should be respected and listened to as "our President under the Constitution."

In a wide-ranging, exclusive interview with The Gazette Friday night Mansfield talked of the benefits to the nation from the lesson of Watergate and of foreign policy, national resources, economics and the balance of government.

One thing that should be clear from the facts so far is that the apparent abuses of authority and power in the scandal of Watergate were conceived not by politicians, but by Nixon appointees who "had no knowledge of politics."

Referring to former top presidential aides and others who built a "Berlin Wall" around Nixon, Mansfield said "They did the President a grave disservice in my opinion."

"But the blame applied to them cannot be applied to the regular Republican political organization," said Mansfield.

Republican candidates and their National Committee were ignored by and kept ignorant of the activities of the Committee to Re-elect the President (CRP) and deserve no blame, he said.

"Politicians look pretty good in comparison with what has happened," Mansfield observed regarding the felonious spying, wiretapping, burglaries and payoffs.

"Politics can be tough but it shouldn't be that dirty," Mansfield said. "This is going too far."

But the senator refused to speculate about the conditions under which he would support impeachment of Nixon, regardless of what the Senate's investigation proves of the President's exact role in CRP's illegal activities and subsequent coverup attempts.

"I still believe in our system of jurisprudence," Mansfield said. "That's why we have grand juries; we've got to have the facts laid out before we decide to impeach."

"Out of Watergate," he said, "will come a stronger nation, a better informed people and a more watchful electorate."

The embarrassment of Watergate came in the nick of time to save the Constitutional balance of power between the Legislative and Executive branches, said Mansfield.

"Three months ago we had our backs to the wall but now that is being balanced to a partnership (with the President) and a degree of equalization."

Nixon and the men he has chosen as top aides to replace the Watergate crowd are beginning to move in concert with the Congress and to relinquish improperly siezed power, he said.

Two matters, impoundment of funds by Presidential fiat and vast claims of immunity from questioning on the basis of executive privilege are being resolved for the betterment of the Republic, Mansfield said.

Mansfield said he hopes Congress can restore exclusive authority to "appropriate and designate where and how funds will be spent" and that Nixon will learn he "is stretching himself too far" to deny that authority.

"As equilibrium returns," he said, "the President will let us use some of" the $12 billion appropriated by Congress for numerous programs but impounded by Nixon.

At the beginning of the Watergate investigation Nixon claimed that executive privilege, the notion that persons in the executive authority could not be forced to answer questions, applied to "all government employes, all 2.8 million of them," said Mansfield.

Confidentiality of discussions with advisers should be "confided in a very few people" and not be allowed to proliferate on a "wholesale scale" in violation of the Constitution, he said.

Senate committees will now continue to insist on a promise from prospective Cabinet officers that if called by Congress, they will testify. Without a promise, appointments are not confirmed, said Mansfield.

"We're going to see a more open Presidency,"—he predicted.

"We (the Senate) don't want to seize power" rightfully belonging to the President, said Mansfield. "We are not against a strong President."

"We'd like to work in partnership with the executive branch on the basis of equality."

On other topics, Mansfield said:

Watergate's main effect on international relations centers on the U.S. dollar.

Apparently, as a result of distrust in the stability of our government, overseas speculators have forced a "gross undervaluation" of the dollar.

"Since August 1971," he said, "the dollar has depreciated in value overseas by around 30 percent. The attacks are continuing."

"One answer would be to get rid of all our gold if possible; sell the gold, use it for commercial purposes, allow Americans to have gold.

"There must be $30 billion worth in Fort Knox," he said.

"The most important question facing this country today is inflation," said Mansfield.

"If the present pattern continues, inflation will be about 8.8 percent for this calendar year. This is just too much, people are unable to keep up with it."

In contrast, "corporate profits in the first quarter of 1973 were 12.8 billion, the highest in the history of the Republic," he said.

"So you've got a very unbalanced economic picture. If Nixon doesn't do something, we face a real danger of a recession."

Mansfield said he approves "of Nixon's economic measures as far as they've gone, but it shouldn't take 60 days to arrive at a Phase 4 policy.

"It would be better to go back to Phase 2 (wage and price controls), it works well and was acceptable to people and accomplished the desired results," he said.

The Senator predicted the beginning of a yearly exchange of visits between leaders of the U.S. and U.S.S.R. because of Nixon's "excellent record of foreign policy relations."

Although the U.S. must "walk a very thin line" between China and Russia, said Mansfield, "anything that will lead to a more peaceful and stable, I'm for."

The United States has the advantage in the three-way superpower structure, he said, because of the "enmity between them and our friendliness with both."

Trade with the People's Republic of China was $55 million last year, and may rise to $300 million or a billion dollars by the end of 1973, he said.

If the House of Representatives agrees, major oil producers will be required to restore gasoline allocations which independent sellers previously had.

"More than 1,200 have been forced out of business already and we think they are entitled to a square deal," Mansfield said.

However, "in the years ahead there will be a grave shortage unless new sources (of crude oil) are found" and measures taken to conserve fuel.

Oil imports may rise from the current 10 per cent to 50 per cent by 1985. "The tens of billions of dollars for these imports will further imbalance our trade," he said.

"We've got to find ways to conserve gasoline and recognize that we will become dependent on more outside sources . . . it enters very strongly in the field of foreign relations."

If the House of Representatives agrees, the Miles City fish hatchery, once slated for abandonment, will receive $60,000 as part of the year's agricultural appropriations budget.

Mansfield and Sen. Lee Metcalf have recommended acceptance of a $119,000 bid from Fergus County for purchase of abandoned Lewistown Air Force Base for use as a post-high school educational facility.

Acceptance of the bid by the General Services Administration is expected within a month, he said.

Mansfield, who will return to Washington on Monday, said he will testify during the week against proposed elimination of U.S. Forest Service Region I headquarters in Missoula.

[From the Great Falls (Mont.) Tribune, June 24, 1973]

MANSFIELD COMMENTS ON INFLATION, WATERGATE; PREDICTS BOMBING'S END

(By Twila Van Leer)

Montana's senior senator, Mike Mansfield, arrived in Great Falls Saturday by the dawn's early light and touched upon a variety of national and international issues as he ate breakfast at the International Airport.

Mansfield flew here from Washington, D.C., and was to visit in Missoula, Butte and Helena before returning to Great Falls to visit with family members. The purpose of the trip, he said, was "to see what the people are thinking."

He is to return to Washington Sunday preparatory to appearing Tuesday before the Senate subcommittee on environment, conservation and forestry in opposition to the reorganization plan which would revise regions of the United States Forest Service.

During a brief early morning interview, the Senate majority leader capsuled his ideas on many of the issues that are in the news today. The topics:

Inflation: "It's the No. 1 problem of the day. I don't think the President has gone far enough. He should have retained the provisions of Phase II and now he should return to those provisions. The rise in living costs is outrageous. Unless there is some drastic action taken within the next 15 to 30 days, I'm sorry to say that I think we must face the possibility of a recession."

Watergate: "The Watergate issue will and should prompt some changes in the American political setup. This was not the usual shenanigans that have at times been charged to both parties but was a grab for power. I think it will lead to a stricter accounting for campaign funds and limiting of contributions to maybe $5,000 to $10,000. Under the present system, rich people are attempting to buy politicians as they used to buy paintings.

"Watergate is apt to influence several things being considered by Congress, among them setting the general election in October instead of November, in order to make the campaign period shorter. Now, it's too repetitive, too dull and too expensive.

"It may even be helpful in advancing my suggestion that the president serve a six-year term with no provision for re-election. This would free the President from the pressures of party politics and allow him to be the President of all the people, not just the members of one party. The legislation has been presented three times and has had some committee hearings. I'm sure eventually it will pass.

"I suggested myself that Watergate hearing be suspended during the visit of Soviet leader Leonid Brezhnev. In a letter to Sen. Samuel J. Ervin Jr., who heads the select committee, I suggested that the best interests of the country would be served by allowing Nixon and Brezhnev the opportunity to talk free of the pressure of the investigations.

"I see no possibility of Nixon testifying before the Senate committee, and I also hope that he will not be forced into resigning or face impeachment because of Watergate. This is not a Republican Party tragedy, it is an American tragedy. We want to put the facts fully before the people, and will, and then prevent it from happening again."

The Nixon-Brezhnev talks: "I believe we can look forward to annual meetings between the President of the United States and the Russian secretary general. They reached some good agreements on space, taxes, agricultural, cultural exchanges and, of course, the final pledge for peace. It's a good thing as long as nations can sit down and discuss matters of difference. If agreements can be reached to reduce armaments, funds can be diverted to the betterment of the people."

Executive-legislative relations: "There has been improvement in the relations between Congress and the President. For the first three months of the session, everything went the President's way, then it finally sunk into the minds of the great majority of congressmen and a move was begun to resume the proper balance in government. I'm sure that the Watergate incident helped in the process. Regarding the differences brought about by the President's drastic cutbacks in some poverty programs, I believe the Congress may support him to some extent. Some programs will be trimmed drastically, especially those that haven't proved their worth. Others could be tightened up, with less money spent for administrative overhead and more getting to the people. Congress may reinstate some other programs Nixon cut."

The 1976 election: "Vice President Agnew is the best possible candidate for the Republicans. The Democrats have three front-line contenders—Gov. Reubin Askew of Florida; Sen. Lloyd M. Bentsen, Texas, and Sen. Walter F. Mondale, Minnesota. I don't think Ted Kennedy is interested or will run. I don't know what Sen. Edmund S. Muskie is planning."

Southeast Asia: "I foresee an end to the Cambodian bombings soon with the return of Prince Norodom Sihanouk to power. At present, Cambodia is governed by a puppet state that is barely surviving and, at that, only on the basis of American bombing. Saturday marked the 107th day of continuous bombing by U.S. planes. More bombs have been dropped in the past five months than in the past three years in Cambodia. In Southeast Asia all told, we dropped more than 6.5 million tons of bombs, compared to 3.3 million tons in World War II—3.2 million tons more. At long last, Congress has learned its lesson. We are prepared to cut off funds, making a stand that is 10 to 12 years overdue. By the first half of the next century, the cost of Vietnam and southeast Asia will amount to more than $350 billion. We have 55,000 dead, 303,000 wounded. It's too high a price to pay. One Vietnam is one too many. I don't want to see the U.S. involved in any such action anywhere else."

The Arab-Israel conflict: We are trying to walk a line between the two. We are selling Phantom jets to Israel and will sell to Saudi Arabia and Kuwait. Generally speaking, I don't approve of selling arms, but we are doing it to maintain a balance in the mid-East. I don't want to see us involved in any open conflict. Now, too, we have to consider our energy resources. Saudi Arabia and Kuwait have the world's largest oil reserves. We will become more dependent on their products and will be paying more for them—if we can get them. It will add to our imbalance of payments. I don't anticipate a severe oil crunch this year, but by next year it will be more apparent."

U.S. troops in Europe: "Two years ago it was costing us $14 billion to keep troops in Europe. With the devaluation of the dollar, the cost is closer to $18 billion. I don't foresee immediate reduction of forces there, but eventually yes."

Strip mining: "Lee Metcalf is chairman of a Senate subcommittee which has been trying to set a meeting, but there has been too much Interior legislation under consideration to date. We hope for a meeting this week. We are recommending the strongest possible controls and hope we have the support to pass them."

[From the Sunday Missoulian, June 24, 1973]

MANSFIELD PRAISES WORK OF WATERGATE COMMITTEE

(By Charles S. Johnson)

Sen Mike Mansfield, home for a short visit after a busy week in Washington, praised the work of members of the special Senate committee investigating the Watergate scandal.

"I'm very pleased," the Montana senator said in an interview with The Missoulian Saturday morning. "I think they have tried to undertake their responsibilities in a responsible and unpartisan mannner."

Senators on the committee, headed by Sam J. Ervin, Jr., D-N.C., are making it clear there is a difference between hearsay and direct evidence during witnesses' testimony, Mansfield said.

The Senate majority leader defended his decision requesting Ervin's committee to postpone the hearings last week because of meetings between President Nixon and Soviet leader Leonid Brezhnev. He insisted that he had not bowed to pressure from Nixon, other White House officials or Republican senators.

"The postponement was purely on my own initiative," Mansfield said. "Brezhnev was here for a week, and it was a matter of highest importance. Nothing was lost, in my opinion."

Former presidential counsel John Dean III was scheduled to offer some potentially explosive testimony last week but instead will appear Monday.

Mansfield said he is "disturbed" at leaks coming from secret committee interviews with Dean and has urged the committee to tighten up its security.

He defended the congressional tradition of interviewing witnesses in secret prior to their public appearance for national security reasons.

A committee investigation is the best way to handle the Watergate affair in Congress, he said.

"You don't hear any talk of resignation or impeachment in the Senate," he said, criticizing some House members. "We voted to have the committee and to let the members carry out their work."

"You know," the 70-year-old Democratic senator said, "there is a model for this committee—the committee that investigated the Teapot Dome scandal in the 1920s." Montana Sen. T. J. Walsh, "one of the greatest senators in the history of the republic," headed that committee, he said.

The Walsh committee uncovered evidence, turned it over to the Justice Department and indictments were returned against several officials.

Turning to the Brezhnev visit, Mansfield termed the talks between the two leaders "successful."

"The important thing is that Brezhnev and Nixon are together," he said. A pattern of annual meetings between the two leaders apparently has been set, a move which Mansfield called "a good omen."

"If these two leaders can get together, maybe we can get away from the Cold War

syndrome which has cost our countries so much in defense appropriations," the Senate leader said.

Mansfield, wearing a blue-striped sports shirt with a Kennedy PT boat tie clasp but no tie, also discussed the battle between the White House and Congress.

"Three months ago, the Congress was on the ropes because of the arrogance of the men around the President," he said. "They were just ramming things down our throats like impounding of funds we had appropriated and by saying that 2.8 million employes of the government—including postmen—were entitled to executive privilege."

Since the Watergate scandal surfaced, Congress has been able to restore some powers that had been usurped by the White House, he said.

"The President has indicated he plans to have more meetings with the congressional leadership," Mansfield said. "As far as the Senate is concerned, we'll go at least halfway and more if we must to work in partnership with the President."

Mansfield, a long-time opponent of American involvement in Southeast Asia, renewed his criticism on American bombing in Cambodia.

"We are bombing a poor, helpless country in support of a puppet government," he said. The only solution Mansfield foresees is the return of ousted Prince Norodom Sihanouk, who is now in Peking.

Saturday was the 107th straight day of American bombing of Cambodia, he said, noting that U.S. aircraft have dropped more tons of bombs on Cambodia the last five months than in the previous three years.

American planes have dropped 6.5 million tons of bombs on Laos, Cambodia and North and South Vietnam the past 10 years, he said. That figure is 3.2 million tons more than U.S. planes dropped on the European and Pacific theaters during all of World War II, according to Mansfield.

"And it's still going on," he said, shaking his head in disgust. Mansfield said reports estimate that the total U.S. costs of the war will run from $300 billion to $350 billion and Americans probably will be paying the bills until the year 2050.

Mansfield also discussed these topics:

Economy. The Democratic leader said he favored the retail price freeze announced by Nixon June 13 but added: "He hasn't gone far enough. It was too little and too late."

Mansfield called for a return to Phase 2, which he said worked well.

"If we don't do something and do it soon, I fear we may be in for a recession," he said, pledging cooperation from Congress.

U.S. Forest Service. He promised "to pull out every stop" to block the proposed reorganization of the Forest Service, which would close the regional offices in Missoula and transfer workers to Denver. Mansfield, scheduled to be the lead-off witness when the Senate Agriculture Committee opens two days of hearings on the plan Tuesday, called the proposal "outrageous."

"All they want to do is build a top-heavy bureaucracy in Denver," he said. "They ought to cut the top-heavy bureaucracy in Washington and add people at the local levels."

Revenue sharing. Noting that he voted against the bill signed into law by President Nixon last year, Mansfield said he is not against the concept if Congress has some knowledge of how the money is to be spent. States and cities will receive $32.5 billion over a five-year period under the plan.

Some of the money is being wasted, Mansfield said, citing the Connecticut town using revenue-sharing funds to build bridal paths.

"As far as I know, there has been no hanky-panky in Montana," he said. "But I think it's time we took another look at revenue sharing and New Federalism and get down to brass tacks in its application."

Strip mining. Action on a federal bill regulating coal strip mining is expected some time this year, according to the Montana senator.

He praised the efforts of colleagues Sen. Lee Metcalf, D-Mont., and Rep. John Melcher, D-Mont., who are leaders in the fight for a "strict, strong bill."

Election reform. Reaction to Watergate should spur Congress to pass major reforms in election laws, Mansfield said.

Mansfield, a congressman and senator for 31 years, said he favors moving the federal election day up to October to shorten campaigns, shifting party conventions from July to August or September and limiting contributions to candidates.

"Unfortunately some rich people have turned from buying paintings to contributing huge sums to candidates," he said. "I'm not saying they're trying to buy us, but the implication is there. We're not paintings to be bought."

Serious consideration should be given to federal financing, at least in part, of campaigns for federal office, according to Mansfield.

The senator was not optimistic about prospects of passage of a constitutional amendment he and Sen. George D. Aiken R-Vt., introduced. The measure would limit a president to one six-year term.

"Frankly, we don't expect to get very far, but we're going to keep trying," he said. "It may not be the best answer but it's the best I can think of."

Politics. The Democratic leader said he thinks his party's candidates should benefit from public reaction to the Watergate disclosures in the 1974 elections.

But he was careful to add that he does not believe the Republican National Committee and Republican candidates were involved in the scandal.

Republicans such as Sens. Barry Goldwater, Arizona; Lowell P. Weicker, Connecticut, and Hugh Scott, Pennsylvania, "have been at the forefront demanding that all the facts be laid out," Mansfield said, "and emphasizing at the same time that the Republican National Committee and Republicans had nothing to do with what these plumbers and highwaymen were up to."

In fact, the senator said, voters may turn against incumbents of both parties as a reaction.

His future. Mansfield, whose term expires in 1976, would not discuss his plans. Although expected by some to retire after this term, Mansfield smiled and said:

"I never make decisions until the month of March of an election year."

With that, he gathered up a stack of large envelopes containing notes and reprints from the Congressional Record and left. He had flown into Billings Friday night and already had been to Great Falls. Other stops were scheduled in Butte and Helena before he catches a flight back to Washington on Sunday.

[From the Montana Standard, June 24, 1973]

MANSFIELD SEES ENERGY CRISIS SOLUTIONS

(By Rick Foote)

Predicting the U.S. will need more than 50 per cent of its oil supply from the Middle East by 1985, Sen. Mike Mansfield Saturday outlined four alternatives to alleviate this nation's energy crisis.

The senator visited The Montana Standard Saturday and spent about an hour and a half chatting with reporters.

The senator said Senate hearings are scheduled to delve into the possibility that major oil companies are intentionally creating a fuel shortage in the country. But he said that while the shortage will not be acute this year, major problems could develop by next summer.

Mansfield said hearings will begin this week to determine if the controversial Alaska pipeline should be handed federal approval. He said the opening of the pipeline might prove to be one way of providing needed energy sources.

He further said research is needed to see if massive shale deposits in Colorado can be tapped for oil. The senator called for an increase in Atomic Energy Commission research to develop increased energy from atomic sources and said the country must seriously consider shifting private transportation from large to small cars.

Mansfield commented that, presently, the Middle East countries provide 10 per cent of this country's oil. But he said the political situation in the Middle East is not expected to stabilize and that "this country is walking a line between Israel and the other Middle East states."

The senator said he does not approve of U.S. arms sales to foreign powers but commented, "We are supplying jets to Israel then to Saudi Arabia and Kuwait and I suppose that is a political necessity. Saudi Arabia and Kuwait are friendly to this country and we need their oil reserves."

Mansfield commented, "Saudi Arabia is the richest oil country in the world with 136 billion tons of oil in reserve and Kuwait has between 10 and 12 billion tons of reserve oil."

While Mansfield praised the current visit of Russian Secretary General Leonid I. Brezhnev, he said Russian fuel supplies probably will not have the effect of minimizing the energy crisis here because the Russians do not have oil to export.

But, according to Mansfield, Armand Hanner, chairman of Occidental Petroleum, has just concluded negotiations with Russia to import six billion tons of liquified natural gas.

Hammer had to pay a high price for the gas, Mansfield says, and he, in turn, will sell it for prices well above gas prices in the U.S.

Speaking of Brezhnev's visit, Mansfield believes the accords reached with President Nixon on such matters as cultural exchange, trade and the personal agreement to end the risk of nuclear war, are to the benefit of the world's people.

The Senator said Brezhnev has invited Nixon to visit Russia next year and Nixon has accepted. "I hope this can lead to annual exchange visits by the leaders of the two countries."

Mansfield also addressed himself to the Watergate scandal.

He said he does not believe the President will be or should be impeached nor will he resign.

"As far as any citizen in this country is concerned, whether he is the President or someone on relief, he should be treated the same under the law," Mansfield said. "Before being declared guilty he should be proven guilty. The Senate committee, grand juries and the courts are trying to determine the facts."

Mansfield praised the work of Sen. Sam Ervin's select Watergate committee and said, "Ervin is following in the footsteps of Sen. Thomas Walsh, one of Montana's finest senators, who investigated the Teapot Dome Scandal which resulted in Secretary of the Interior Albert Fall being sent to jail."

Mansfield said the Ervin committee has acted with restraint and he stressed that the committee is constantly separating the real evidence about the Watergate from hearsay statements.

Mansfield said that, as a senator and individual, he does not believe Nixon knew of the Watergate plan or the coverup attempt until March of this year.

The senator placed the blame for the

Watergate on Nixon's assistants, whom he called "amateurs, not knowledgeable about politics."

Mansfield said the Republican National Party did not know of Watergate or it would "have been nipped in the bud."

He said Nixon's aides were not acting out of greed, as the principals in the Teapot Dome Scandal were, but were acting out of loyalty to the president and for protection of their jobs.

The senator said he was disturbed during the first three months of 1973 because the administration "had the Congress on the ropes." He referred to the presidential impoundment of Congressionally appropriated funds and the attitude professed by administration officials that all 2.8 million people employed by the federal government are entitled to executive privilege.

But with the uncovering of Watergate, which the Senator called "the tip of the iceberg," he said Congress began to act responsibly and began to assert its constitutional power.

Mansfield said that administration attempts at dominance over the legislative branch were contrary to the basic principals of the constitution and said Watergate may provide a solid footing for the country to return to the constitutional separation of powers government.

Mansfield praised Judge John Sirica for his handling of the Watergate trial, praised the press for digging to uncover the scandal and said James McCord's decision to "sing" was quite instrumental in bringing the affair to public light.

Mansfield promised "a full public disclosure of the facts" by the Ervin committee and said those facts would come before the public even if it means that some indictments might be lost because of publicity.

"You have a choice," the senator said. "We can air the matter before the committee and have the facts public or we can let the courts handle it and run the risk of the public not knowing."

With regard to President Nixon, Mansfield said he believes the President is acting "illegally and unconstitutionally" in continuing the Indo China war. Mansfield quoted statistics about the bombing of Cambodia and said the U.S. support of Lon Nol as a puppet ruler is wrong.

"Nothing will be accomplished in Cambodia until we stop support of Lon Nol and Prince Norodom Sihanouk is returned from Peking to rule."

Mansfield said the Cambodia bombing was in its 10th day Saturday and that, as of June 22, more bombs had been dropped there than in the past three years.

During the past five months, 200,000 tons of bombs have been rained on that country, he said, while for the past three years before that 175,000 tons of bombs were dropped.

Mansfield said that in all of Southeast Asia 6.5 million tons of bombs have been dropped since 1963–64 and that during all of World War II only 3.3 million tons of bombs were dropped.

Mansfield predicted that the Senate and House will be able to agree on a joint resolution to stop funds for the Southeast Asia War and said that, if the President doesn't heed the Congress, a full constitutional crisis will develop.

THE PRESIDENT'S ENERGY MESSAGE

Mr. COOK. Mr. President, yesterday the President released his second energy message of the year. I am encouraged by his decision to create an energy policy office in the Executive Office. I have long been concerned with the lack of a national energy policy. I believe it is imperative that we make full use of our natural resources before turning to foreign imports to meet our energy requirements.

In a letter to the President on December 6, 1972, I urged that action be taken to create an office to establish this centralized control and I offered my support. I repeat my offer of support today, and I ask unanimous consent that a copy of my letter be printed in the RECORD.

In a statement I made in this Chamber immediately following the receipt of the President's April 18, 1973, energy message, I was critical of the President in that he failed to provide adequate Federal funds for research and development. I stated that it was unfortunate that the President had left to the Congress the responsibility of providing the funds required to support an adequate program.

I am pleased to note that the President has now concluded that Federal funding for energy R. & D. should be $10 billion over the next 5 years. I note with interest that this $10 billion is the same as was recommended in the Jackson bill, which I was pleased to cosponsor earlier this year.

On March 6, 1972, in a letter to the President's counsel on energy matters, which I would like to place in the RECORD, I expressed my belief that since coal is the only fossil fuel we have in sufficient volume to meet our energy requirements, we must devote every effort to making full use of this domestic natural resource. I again pledged my support to all-out research and development efforts in this area. I was therefore very pleased with the President's decision to increase the fiscal year 1974 coal R. & D. funds by $50 million. I applaud the decision to accelerate R. & D. programs designed to provide clean liquids from coal, improve mining techniques to increase safety and production, gasification and desulphurization.

Although I reserve comment on the other proposals by the President which would create a new department of energy and natural resources, an energy research and development administration, and the nuclear energy commission. I intend to study them very carefully.

Mr. President, last year I dubbed the 92d Congress as the "energy awareness Congress," and it is my sincere hope that history will remember the 93d Congress for the action it took to solve these energy problems.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DECEMBER 6, 1972.

The PRESIDENT,
The White House
Washington, D.C.

MY DEAR MR. PRESIDENT: I have received reports from Edward David and Bill Ruckelshaus that there is no technology available which will permit the utilities of this nation to burn high sulphur coal and meet the emission standards established by the Environmental Protection Agency. I regret this condition very much as it is now beginning to impact very adversely on the consumption of this abundant domestic natural resource.

I believe that it is imperative that we make full use of our natural resources before turning to foreign imports to meet our energy requirements. I am equally dedicated to retaining the ultimate goal of ensuring that the citizens of this nation breathe the cleanest air possible. There is, however, a question of priorities between the consumption of domestic fuel, importation of foreign fuels, and environmental considerations.

It is my understanding that consideration is being given to the creation of a National Committee on Energy Policy with the mission of insuring that there is sufficient energy to meet our requirements without burdening the nation with an intolerable balance of trade deficit, while at the same time reconciling the demands for this energy with the pressing demands for the protection of the environment.

All efforts to create such a committee have my complete support, and if I can assist in any way, I would be very happy to do so.

With best personal regards,

Sincerely,

MARLOW W. COOK,
U.S. Senator.

MARCH 6, 1973.

Mr. CHARLES J. DIBONA,
Counsel for the Special Committee on Energy Matters, The White House, Washington, D.C.

DEAR MR. DIBONA: On March 1, 1973, I made a statement on the floor of the Senate wherein I presented my views of the energy crisis and recommended certain action. I am enclosing a copy for your information.

In essence, I believe that we must devote every effort to making full use of our domestic natural resources as to do otherwise would cripple our economy, weaken our national defense, and destroy our domestic coal industry.

The only fossil fuel we have in volume is coal. In 1975, when clean air standards become effective, we may be denied the use of this vital energy source.

As you are aware there is some effort being devoted to gasification of this coal. However, this program will not reach fruition before 1980. Desulphurization systems are being researched but again we are told that we must wait until 1980 to have a commercial system available.

As one Senator, I stand ready to support all out research efforts dedicated to developing the technology required to permit us to burn the abundant natural resource. The paucity of effort devoted to this target in the past has resulted in negligible results with an unacceptable time table.

Now that the President has established the Special Committee on Energy Matters, I would appreciate very much having its views concerning the initiation of a dynamic research program dedicated to the development of an effective commercially tested coal desulphurization system for use by the utilities at the earliest practicable date.

Sincerely,

MARLOW W. COOK,
U.S. Senator.

RETIREMENT OF KENNETH E. BELIEU AS UNDER SECRETARY OF THE ARMY

Mr. HOLLINGS. Mr. President, yesterday, Kenneth E. BeLieu resigned as Under Secretary of the Army, and last evening, a review and reception were held in his honor at Fort Myer. It was my intention, along with a number of my colleagues, to attend that event, but as we all know, the press of Senate business held us here until late in the evening.

Ken BeLieu has been an outstanding public official. He has served in many capacities, first in the Army where he compiled a distinguished military record,

later as staff member of the U.S. Senate on the Armed Services Committee, the Committee on Aeronautical and Space Sciences, and the Democratic Policy Committee. In a sense, he was a protege of then Majority Leader Lyndon Johnson, as well as the great Senator Richard B. Russell. When John Kennedy was elected to the Presidency, Ken BeLieu was asked to be an Assistant Secretary of the Navy for Installations, and later Under Secretary of the Navy.

It is a mark of distinction that after having successfully served a Democratic administration, in the Congress and with the executive branch, he was later to be chosen by President Nixon to represent a Republican administration as liaison between the White House and the Senate. There are few people who are considered so dependable, loyal, and competent that they can satisfy the politics of the two major parties. Ken BeLieu proved that he could do this in an outstanding manner. Senators of both parties knew they could trust him, and the Presidents knew he was loyal to their respective administrations.

While he was Under Secretary of the Army, I had the occasion to work closely with him on matters within my State and some of worldwide military significance. I found him to be honest, candid, and completely fair. He represented the Army with great dignity and with a professional approach. I came to trust his advice and counsel and am sure I will seek his advice in the years ahead.

I feel this administration has lost one of its finest public servants. In my opinion, he should have been promoted to be Secretary of one of the military departments. His abilities are sorely needed during this critical period of readjustment following a long and divisive Vietnam conflict.

I wish him well in the days ahead.

ALASKA PIPELINE ISSUE

Mr. STEVENS. Mr. President, on May 25 an organization called the Alaska Public Interest Coalition published an information document titled "Fact Sheet—Alaska Pipeline Issue." I was informed this document was delivered to each Member of Congress. In it the coalition has raised questions and provided its answers indicating why the coalition believes the trans-Alaska pipeline should not be built.

I think it is only fair that you hear both sides of the issue. I have taken each of the coalition's questions and have answered it with information to demonstrate why I believe it is in the best interests of the Nation to build the trans-Alaska pipeline as soon as possible.

Because of the energy problem facing the United States, it is obvious that Alaska oil must be brought to market. The route is of national importance. I am hopeful that the following information will be helpful to other Members of Congress in making this decision.

I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

THE ALASKA PIPELINE ISSUE

1. Would a trans-Canada pipeline take longer to build?

The Alaska Public Interest Coalition says not necessarily. Let me say that one of the most important considerations in the determination of the merits of the Alaska route for the pipeline as compared to the Canadian route is time. To say that it will not necessarily take longer to build the Canadian line is completely unjustified. I recently attended a meeting with Canadian officials, and it is clear that these officials agree with Secretary Morton that it will take 3 to 5 years longer to construct an oil pipeline through Canada than it will through Alaska. This conclusion is inescapable from a minimum timetable the Canadian officials outlined for the oil pipeline.

Not only will it take longer to construct the pipeline, but all of the reviews and analyses that have *already* been completed for the trans-Alaska route will have to be done for a trans-Canada route. For instance,

a. The corporate entity must be formed and the proper documents and agreements negotiated.

b. Canadian Native claims must be resolved

c. The proper route must be determined and analyzed, a government and environmental impact statement must be drafted, hearings held and the Canadian executive agencies must comment.

2. Does the trans-Alaska pipeline face further court delay?

It is true that the courts have not yet resolved the NEPA issues in the environmentalist suit that has blocked the trans-Alaskan pipeline project. However, I believe this issue will soon be resolved. On the other hand, what assurances do we have that Canadian environmentalist groups will not battle against a Canadian pipeline causing court suits and delays in that country? In addition, a Canadian pipeline would undoubtedly engender a new series of legal problems in the United States. Significantly, few if any of these anticipated problems lend themselves to resolution by the affected governments until the enterprises that would own and operate a trans-Canadian pipeline have come into being and the details of the project have crystallized.

3. Isn't building the trans-Alaska pipeline essential for national security?

The Alaska Public Interest Coalition thinks not and the reason given is that the trans-Alaska system would serve the west coast and that section of the country does not need the oil. That, of course, is wrong. In 1972, demand in that area was 2.3 million barrels per day of which 1.5 million barrels was obtained from domestic sources and 0.8 barrels was imported. The best available projections show that by 1980, and for subsequent years, the west coast demand will exceed domestic production in that area by at least the capacity of the trans-Alaska pipeline.

Regarding the Coalition statement that the areas in the lower 48, other than the west coast, would be seriously jeopardized by a cutoff of oil from the Mideast, it is shortsighted to consider the cut-off of mideastern oil as a sectional problem. Certainly the nation as a whole would be affected and Alaskan oil could be shipped wherever it would be needed to assist in alleviating the crisis.

I can understand the desire of the Midwest to have a secure supply of Alaskan oil. However, *where* Alaska oil would be used in the lower 48 is not the basic issue. The issue is that a line built on American soil guarantees that the oil will continuously flow to the lower 48 states. This is an inescapable fact against which there is no valid argument regardless of our continuous friendly relations with Canada.

4. Would Canada pre-empt part of a trans-Canada pipeline's capacity and thus reduce the quantity of Alaskan oil carried to the lower U.S.? Also what about the recent Canadian decision to impose oil export controls? Wouldn't that hurt us if switching to a trans-Canada pipeline delayed delivery of Alaska oil?

The Coalition attempts to assure us that neither of these two events are likely to take place. However, let us look at the facts. The Secretary of Interior, after many meetings with Canadian officials, has stated that at least 50 percent of the capacity of a trans-Canadian line would have to be reserved for the transportation of Canadian-owned oil, with the primary objective being to carry Canadian oil to Canadian—not United States—markets. Further, recent estimates by the Canadian Energy Board show that Canada's demand for oil from her western provinces will soon equal or exceed production; and unless major new sources are discovered, the eventual result will be cessation of Canadian exports of oil to the United States.

Just recently, on June 14, Canada announced that it was imposing export controls on gasoline and heating oil to stem the country's rapid fuel drain, especially to the United States. In announcing the move in the House of Commons, Energy Minister Donald McDonald said the controls would be "temporary", but added that they would apply until there were adequate supplies and refinery capacity in Canada.

We cannot rely on Canada, as is stated by the Coalition, to provide increased oil to our nation to offset delayed delivery of Alaskan oil if a trans-Canada pipeline were built. Only a trans-Alaskan pipeline can assure Alaska oil will quickly and continuously reach U.S. markets.

5. What is the Canadian government's receptiveness toward a trans-Canada routing?

I can answer this from first hand information gathered during my recent visit to Canada. It is apparent that the Canadian Government would not permit an oil pipeline and a gas pipeline to be constructed simultaneously through Canada to transport Alaskan oil and gas to U.S. markets, primarily because of economical and political considerations. It is also apparent that a gas pipeline has top priority because the Canadian needs for the gas pipeline are great.

6. Would a trans-Canada pipeline favor the Midwest and East at the expense of west coast consumers?

The Coalition says no, because existing pipelines can be used to ship oil from Edmonton, Alberta to the Pacific Coast by existing pipeline systems. The question of which sections of our country would benefit from the trans-Alaska pipeline has been overplayed. It is shortsighted to look at the energy crisis as a problem of this section of the country or that section of the country. It is a national problem and the best way to solve that national problem is to quickly get Alaskan oil to the lower 48. If the Alaskan oil is used on the West Coast that will free other oil for use in other parts of the country.

I would also like to comment on the Coalition's statement that, without construction of costly new connecting pipelines or long-distance tanker shipment, the trans-Alaska pipeline could supply only the west coast. It is apparent to me even if Alaska oil were delivered via a trans-Canada pipeline, costly new connecting pipelines and long-distance tanker shipments will be needed in most parts of our nation to handle increased shipments of foreign oil.

7. Would a trans-Canada pipeline cost more to build than the trans-Alaska pipeline system?

According to the Coalition the trans-Canada pipeline could be cheaper than a trans-Alaska pipeline. However, a study recently completed by the Pipeline Coordinating Committee, State of Alaska, concludes that the trans-Alaska line will cost $3.5 billion and a trans-Canadian line from the North Slope to

Edmonton will cost approximately $6.6 billion. I recognize that the validity of the many Canadian pipeline cost estimates that are bandied about can be challenged because they are indeed only *estimates* based on certain unproven assumptions. However, common sense dictates that a trans-Canadian pipeline 1,738 miles in length would cost substantially more than a trans-Alaskan line 789 miles in length.

Insofar as tanker costs are concerned on the trans-Alaska route, it is true that they have not been included in the $3.5 billion cost estimate. However, translating the tanker costs into tariff per barrel of oil and the Edmonton to Chicago pipeline into tariff per barrel of oil shows that they will both be about 40 cents. Thus, I believe it to be justifiable not to include tanker costs as part of the cost to build the trans-Alaska pipeline.

8. If Canada required majority Canadian ownership of a trans-Canada oil pipeline, could the necessary capital be raised?

Information gathered from my recent trip to Canada casts serious doubt on Canada's ability to finance an oil pipeline. In fact, there is doubt that Canada can finance a gas pipeline which it is now considering. According to a recent article in the Toronto Globe and Mail, a confidential intragovernment report prepared by the Economic Impact Committee of the Task Force on Northern Oil Development states:

"The financing of the $4.5 billion Canadian portion of the pipeline, especially if it coincides with other large resource projects in Canada and abroad, will inevitably put some strain on Canadian and world financial markets. The increased demand for investment funds could push up interest rates in Canada—particularly if one of the conditions imposed by the government on the pipeline is majority Canadian ownership."

Canada is trying to proceed with other public works projects, such as the James Bay hydroelectric project which will require $6 billion in financing and 6,500 workers per year for 12 years. It is not possible for Canada to finance projects such as James Bay hydro and both pipelines in the decade ahead.

9. Is it valid to argue that Alaskan oil should be transported only over U.S. soil and in U.S. tankers rather than through Canada?

It is not necessary that Alaska oil be transported *only* over U.S. soil and in U.S. tankers. However, it is necessary, in order to insure a steady supply of oil from Alaska, that at least one pipeline be built that will not be under the control of another nation. It would be against the national interest to do otherwise despite our friendly relationship with Canada.

10. Would the trans-Alaska pipeline avert a gasoline shortage, provide independent dealers with gas and supply farmers with fuel to harvest their crops?

Certainly the trans-Alaska pipeline is not the single answer to the nation's energy crisis. What the trans-Alaska pipeline represents is the quickest and best means of getting Alaskan oil and gas to U.S. markets. We will still have to rely on foreign imported crude, but to a lesser extent than we otherwise would. One important point here is that the trans-Alaska pipeline would bring Alaskan oil to market at least 3 to 5 years sooner than would the trans-Canada line and would assist in solving our critical balance-of-payment problem.

This timing is critical when you consider that imported oil will represent about 35 percent of the oil American industry and consumers need this year. It is anticipated that in 1975 we will be importing and obtaining from other sources the equivalent of more than 7 million barrels per day. The Alaskan pipeline, when in full production, will be able to provide about 2 million barrels per day. This influx of oil is bound to assist in easing shortages by freeing other oil which would have gone to the West Coast.

11. Does it make any difference to our balance-of-payments which route is chosen?

The Coalition agrees that a Canadian route is going to increase dollar outflows to Canada. There will be substantial benefits in employment and investment opportunities created by a trans-Alaska route that will be totally lost in a trans-Canada route. Twenty-two thousand jobs will be created in Alaska in connection with pipeline construction and a gross payroll of $800 million will be generated. Expenditures for materials, supplies, and transportation will total $1.5 billion, a major portion of which will be distributed throughout the lower 48 states.

In addition, 27 tankers will be built for oil transport which will cost about $1.6 billion. This will generate 73,480 man years of shipyard employment in addition to 3,800 permanent jobs for operation and maintenance of the tanker fleet.

12. Does the trans-Alaska route have any major problems not shared by a Canadian alternative?

The Coalition mentions earthquakes and marine oil spills. These two potential problems have received a great deal of attention in the planning and design of the trans-Alaskan pipeline. A combination of excellent pipe characteristics and sophisticated welding inspection techniques provides a high degree of assurance that an earthquake, should one occur, will not rupture the pipe. The amount of attention given to seismic design and welding performance on the pipeline greatly exceeds the attention which these factors have received in the construction of any other pipeline.

The Canadian route is not seismically inactive. Any crossing from Alaska to Canada must pass through a wide belt classified as seismic zone 3, the highest such classification, where earthquakes of 6 magnitude on the Richter scale are likely. In any case, modern pipeline technology is equal to earthquakes, as demonstrated in the San Fernando earthquake of 1971, where there was no damage to modern electrically welded pipeline even in areas of maximum ground displacement.

Regarding marine oil spills, careful study has been given to this and I am convinced that stringent requirements for deballasting ships at Valdez, new ships built with the latest structural design, and stringent operational procedures to avoid collisions and groundings will all contribute to virtually eliminating oil losses at sea.

While on this subject, it is important that all of us recognize that the proposed trans-Canadian line also has some problems. The Canadian route would cross more major rivers and create more drainage diversion than the Alaskan route.

In addition, the Canadian route would require about four times as much land and gravel as the Alaskan route.

I might also add that environmental and technical stipulations in the U.S. permit will guard against risks on the trans-Alaskan route; but the U.S. cannot control and supervise construction in Canada.

13. Why not build the trans-Alaska pipeline now and a trans-Canada line later?

The Coalition says this is not necessary and again its short-sighted first point is that the greater oil need is east of the Rockies. On the other hand there are 8 basic arguments for going ahead with the trans-Alaska pipeline now.

a. The Alaskan pipeline can be built at least 3 to 5 years sooner than a trans-Canada pipeline and the trans-Alaska pipeline will carry all United States owned oil while the trans-Canada pipeline might carry as much as 50 percent Canadian owned oil, some of which might go to Canadian markets.

b. Building the line in Alaska will create many American jobs, not only on the pipeline but also for the construction and maintenance of tankers.

c. A delay in the trans-Alaska route will economically damage the state of Alaska and the Alaskan Natives.

d. No corporate entity has applied for a trans-Canada pipeline route.

e. Canada has not completed the necessary preparations and studies for a trans-Canada route. The Canadian government has not indicated it would give permission to the United States to participate in a trans-Canada pipeline. It is unlikely because of the opposition of many environmental, economic and Native groups in Canada and that the Canadian government could give such permission in the immediate future.

f. The Canadians would require majority equity ownership and Canadian management of any oil or gas pipeline crossing Canada. It would be extremely difficult to obtain Canadian capital to meet Canadian requirements.

g. Natural gas companies serving the Midwest have strongly supported an Alaska route because this will facilitate the early construction of a trans-Canada gasline to the Midwest. It will be impossible to get gas to the Midwest from the North Slope via Canada until the oil is flowing. The quickest route for the oil is through Alaska. Therefore, the quickest way to get North Slope gas across Canada to the Midwest is by shipping the oil out via a trans-Alaska pipeline.

h. The trans-Alaska pipeline will be designed and built with great environmental safety, and there is no way to guarantee at this time what kind of environmental stipulations would apply to a permit for an oil line through Canada.

FRANCIS OLMSTED GRUBBS

Mr. RIBICOFF. Mr. President, Francis Olmsted Grubbs is doubtlessly one of Connecticut's finest educators, a man whose dedication and innovation at the Loomis-Chaffee School has broadened and enriched the lives of hundreds who have passed through that institution.

Mr. Grubbs is retiring after 43 years of guiding and building Loomis into one of the foremost schools in the Nation.

I join with Mr. Grubbs' friends in wishing him and his wife the very best in years to come.

I ask unanimous consent that the editorial appearing in the Hartford Courant, June 26, 1973, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE COMPLEAT SCHOLEMASTER RETIRES AT LOOMIS

It was the poet and divine, John Donne, who would convince us that "No man is an Iland, intire of it selfe."

But in the community of the Loomis-Chaffee School, where the word Island is synonymous with that institution, there may well be an open challenge to such contention.

Faculty and students, trustees and alumni will point to Francis Olmsted Grubbs who retires as President of the school June 29 after 43 years association, first with Loomis Institute and more recently with the Loomis-Chaffee educational enterprise.

During these near-four-and-a-half decades, Mr. Grubbs has served in every schoolmasterly capacity—teacher, coach, counselor, housemaster, administrator, headmaster, and finally, President.

Summing up this distinguished record in broader terms, Frederick G. Torrey, who will

become chief executive of Loomis-Chaffee, writes that:

"As headmaster, (Mr. Grubbs) stabilized the school in the traumatic period following the retirement of the founding headmaster (Nathaniel Batchelder), capitalized on the admissions pressure of the Fifties, encouraged the expansion of Chaffee, and guided the two schools toward closer coordination in the early turbulence of the Sixties.

"As President he led the school through the formation of a long-range development plan, two phases of an eminently successful capital fund campaign, the merger of the boys' and girls' schools, and the construction of five major buildings. In a sense he gently but firmly refounded The Institute as the Loomis-Chaffee School."

No man may be an island entire of itself, but Mr. Grubbs' boys and girls, young and older—and indeed his colleagues in the whole field of private school education where he has also been prominently active—have good reason to think of him as "Mr. Loomis" complete of himself.

Mr. Grubbs, a "gentle gentleman," will hardly accept this accolade. He will point to those others who have helped in his day and before to make Loomis and Loomis-Chaffee one of the most distinguished independent private schools in the country. But they in return will speak of his dedication, energy, discipline, his enthusiasm, his brilliant wit, pungent intelligence, and attitude of genuine concern and gentle humanity.

Thus the ball of accolade is back in his court again, and there it should stay. Since Mr. Grubbs will continue as President emeritus and honorary trustee, Loomis-Chaffee will not entirely be bereft of his continuing counsel and aid—nor that of Frances Grubbs, his wife, and partner, in his career. One may wish him well in as much retirement as he allows himself, and so to all his colleagues who now will carry on like runners in a race.

FHA HOUSING

Mr. STEVENSON. Mr. President, authority for the Federal Housing Administration's mortgage insurance programs expires at midnight tonight. On June 20 the Bank, Housing and Urban Affairs Committee ordered reported a 1-year extension of FHA's authorization (H.J. Res. 512).

That bill contained an amendment which required the Secretary of Housing and Urban Development to end the withholding of funds for various housing programs. It contained another amendment, which I proposed, extending the reimbursement provisions of section 518(b) to benefit the purchasers of existing housing under sections 203(b) and 221 (d) (2). If structural defects were present in housing at the time of its purchase and were not disclosed to the buyer by FHA after the appraisal and inspection required by law, the buyer would be entitled to reimbursement for the cost of the necessary repairs. Without such reimbursement, innocent buyers are misled by an agency of their own government, caused unexpected expense and frequently the mortgages then go into default to the expense of the taxpayer.

House Joint Resolution 512 was reported from committee on June 25 and has been on the Senate calendar since then. HUD opposes both these amendments—and for all I can tell, opposes any extension of the FHA housing program.

Certain Senators have let it be known that at this late hour before adjournment they will filibuster House Joint Resolution 512 should it come up for consideration. In short, the administration and certain of its allies have made it clear they are willing to let all FHA housing programs cease tonight.

I offered a 20-day extension of the FHA programs, and the offer was rejected. That would have given the Senate a chance to consider this legislation upon its return from the 4th of July recess. But the Senator from Texas, Mr. TOWER, insisted upon a 30-day extension which would put the Senate in the same bind as now, just before the August recess. I can only conclude that the administration is quite willing to let housing programs for the poor and those of average wealth die. I regret the inaction of the Congress. It is no comfort to know that the responsibility rests on the other side. If nothing can be worked out between now and adjournment, I hope the Congress will act promptly to extend the FHA programs upon the terms of House Joint Resolution 512 promptly after its return from the 4th of July recess.

THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, I have recently received an important telegram from Mr. A. W. (Bud) Body, executive director of the Alaska Wildlife Federation and Sportsman's Council. This telegram reflects the views of a large number of Alaska conservation groups. It favors the building of a trans-Alaska pipeline, realizing that the pipeline can be built in an ecologically safe manner. I request unanimous consent that the telegram be printed in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNEAU, ALASKA,
June 6, 1973.

Senator TED STEVENS,
Old Senate Office Bldg.,
Washington, D.C.:

We appreciate your statements regarding importance of construction of the oil pipeline from Prudhoe Bay to Valdez, Alaska. Urge your support of legislation to authorize Secretary of the Interior to issue a right of way permit throughout the jurisdiction of the United States greater than prescribed by 1920 Mineral Leasing Act. Again we appreciate your interest and concern. We are sending this telegram in behalf of the Alaska Wildlife Federation and Sportsman Council with membership approximately 3,800 in Alaska. We are also an affiliate of the National Wildlife Federation.

Mr. A. W. (BUD) BODY,
Executive Director.

CBS REPORTS: "YOU'LL GET YOURS WHEN YOU'RE 65"

Mr. CHURCH. Mr. President, the CBS Television Network has produced a documentary report, "You'll Get Yours When You're 65." It was to be shown nationally at 9 p.m., Thursday, June 28.

I am asking unanimous consent to have the transcript of that report printed in the RECORD because of the excellence of the report and because its contents bear directly upon the actions taken on Wednesday by the Senate to make medicare and social security more useful to older Americans than they now are.

As the leader of the Senate effort that led to passage of last year's 20-percent social security increase—and as chairman of the Senate Special Committee on Aging—I am keenly aware of strides made forward within recent years to improve retirement economic security. But I am also aware of the great problems faced by older Americans who still find social security income to be desperately inadequate in the face of rising prices, inadequacies of medicare coverage, and high property taxes and rents.

The CBS report tells, in very down-to-earth terms, what it means to try to live on social security income and very little else. We hear directly from one retired couple who debate whether they should buy a newspaper every day or just 2 or 3 days a week. We find that even with the 20-percent increase they hesitate to buy new living room furniture because:

Papa thought it was better to be able to pay your bills if you had to go to the hospital. Of course, that runs into money and I think that's at the back of his mind.

We hear, too, from older Americans who tell us about the health care problems they have even with medicare's essential—but inadequate—coverage. One woman with arthritis of the spine cannot afford to pay for pills toward the end of the month and so she must live in pain for those days. A patient in a hospital cannot understand why medicare won't pay for more treatment and why he must go on welfare to get care at a nursing home. A couple's bank savings slip from $12,000 to less than $1,200 within a matter of months because of nursing home bills.

Mr. President, the transcript speaks for itself; and I wish, to congratulate CBS Reporter Hughes Rudd, Producer Gene DePoris, and Executive Producer Burton Benjamin for their high standards of reporting and compassion.

The CBS report is valuable, too, for the strong arguments it makes for early House approval of several actions taken by the Senate when the debt ceiling bill was considered on Wednesday.

The Senate, for one thing, adopted my amendment instructing the administration to withdraw its proposal to increase coinsurance and deductibles under medicare. Furthermore, the resolution called for the administration to offer recommendations intended to strengthen medicare, rather than impose higher costs upon medicare participants.

The CBS report, I might add, includes testimony taken before the Subcommittee on Health of the Elderly of the Senate Committee on Aging in regard to the administration medicare proposal. In my view, Health, Education, and Welfare Secretary Caspar Weinberger's arguments were effectively rebutted at the hearing and in the excerpt shown in the documentary.

The Senate also voted on Wednesday to adopt a Senate Finance Committee amendment—which I cosponsored and strongly endorse—to provide a 5.6 per-

cent cost-of-living increase in social security benefits, effective next January.

Furthermore, the Senate adopted an amendment to increase the earnings limitation, or retirement test, from $2,100 to $3,000.

The need for such actions, as well as others, is strongly supported by the overall contents of the CBS report. I commend all concerned for issuing such an effective documentary in such timely fashion.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

YOU'LL GET YOURS WHEN YOU'RE 65

(As broadcast over the CBS Television Network, June 28, 1973)

RUDD. (VO) This is what's behind those nine-digit Social Security numbers we're all supposed to memorize: Social Security checks from Uncle Sam. Around four and a half billion dollars worth go out every month to 28 million persons: the aged; the disabled; widows; dependent children. Most of it goes in payments to the 21 million men and women who have reached the golden years. If you have a number and if you live long enough, eventually a check with your name and number on it will wind up in your mailbox on the 3rd of every month.

MAILMAN. Mail's done. Come and get it.

RUDD. (VO) And then, as a Broadway show tune put it, the fun begins:

SONG

Guaranteed income
House with a view
Doctors and nurses
Surgery, too
Everything paid for
And it comes true
When we're sixty-five

WOMAN. Do you think you could live on seventy-five dollars a month?

MAN. If they're going to refuse to pay me Medicare—the seventy-six and a quarter, I'm out that.

GIBSON. Emma, I don't know how long Medicare will pay for you in the nursing home.

EMMA. Yes, but I got no money. What can I do?

MAN. With my expenses, with the two checks, it's impossible to eat for two people.

ANNOUNCER. CBS Reports: You'll Get Yours When You're Sixty-Five. With CBS News Correspondent Hughes Rudd.

SONG

Ten—twenty—thirty—then we're forty,
Wait till we're sixty-five.
No need to hurry—not a worry left but to keep alive.
Not another premium to pay.
All we have to do now is play and play.
Six years or seven—then to heaven—
Me first the records show,
You get the pension, not to mention Blue Cross until you go.
If you ever thought you had fun—at 21,
Wait till we're sixty-five.

RUDD. (VO) Wait til we're 65. Well, Mary Baum and her husband Ben reached 65 eight years ago. They moved to Florida where Mr. Baum retired from his job as a salesman and bought this house for 9,950 dollars cash. That left them with 20,000 dollars in savings. Last year when we visited the Baums, their combined Social Security income was $236 per month. Mr. Baum, at 73, worked at odd jobs.

Mr. BAUM. My need for odd jobs is caused by the fact that I am on Social Security and Social Security is not quite enough to take care of necessities. I've been taking jobs, taking care of elderly and sickly men. Another job that I have right now is delivering magazines to doctors' offices for a local business concern in which they have merchandise advertised.

Mrs. BAUM. The money that he earns goes into our regular fund for buying groceries and paying bills and if it amounts to very much, well then maybe we put some of it in the bank to write checks against. But otherwise we keep it to pay for our daily expenses. We usually buy about $15 worth at a time when we go shopping for food and then Ben picks up different things at other places. We go to the day old bread place for bread, which is very good. We freeze it and it's just like fresh when we use it and we watch the sales in the papers and do the best we can on food. However, we—we can't afford the best steaks or anything like that. We live conservatively and we find that chicken is one of the cheaper better things and we enjoy chicken, so we have chicken a great deal.

Mr. BAUM. We buy milk in gallon quantities because it's much cheaper that way. I use the full milk you know, but my wife buys instant non-fat dry milk and this—this size makes 20 quarts. We sort of offset the situation of low Social Security payments and high prices for various items, especially, the necessities, by staying home at night. For instance instead of going to a movie we have gone to—we've been here over 14 years and we've gone to one movie since we've been here. If we are not working at church deals and if we are not singing in the choir we are at home reading the paper, reading magazines, watching TV, and playing scrabble or cribbage . . . and we buy about two papers a week. The—on—on Wednesday and Sunday. And if it was up to me, we would have no phone. But my wife—you know, women like to talk over the telephone and I keep telling my wife when she does call, never mind asking the questions. Ask the questions in a letter . . . because in our circumstances, it's one item that we could do without.

Mrs. BAUM. I think a telephone is very necessary.

Mr. BAUM. Now, if we knew when we were going to die, then we wouldn't be too concerned about whether the money that you have is gonna run out or not.

RUDD. (VO) We went back to see the Baums this year and asked them how they're getting along.

Mr. BAUM. Well, the first thing I can think of is that we received a 20% raise in Social Security payments. We received $236 between us before the raise and then it went to $285.

RUDD. Do you find that your—your grocery shopping, your eating habits, have changed much?

Mr. BAUM. Not too much. Because there isn't enough, there isn't a sufficient raise to allow that.

RUDD. What about your health. Is it been all right? Have you had any problems?

Mrs. BAUM. No, we're both pretty good.

Mr. BAUM. I feel real good now, but my dear wife forgets that about five months ago I had a triple operation, double hernia and . . .

Mrs. BAUM. Appendix.

Mr. BAUM. . . . . appendix. I was in the hospital three days and. . .

RUDD. . . . Did those operations cost you anything?

Mr. BAUM. Yes. It cost me $233.

RUDD. Of your own money?

Mr. BAUM. Of my own money.

RUDD. And how much did Medicare pay?

Mr. BAUM. Well, Medicare paid 80% of the—of the total amount of the hospital and doctor's bill.

RUDD. Have you been doing any—anymore odd jobs. I remember you were delivering magazines to doctors' offices, I think.

Mr. BAUM. That's true. In fact, that's the way we keep above water, so to speak.

RUDD. Weren't you all fussing with one another—over whether or not to keep the telephone or get rid of it? How'd you finally resolve that?

Mrs. BAUM. Well, my telephone is very important to me, and one thing—since we have the raise in Social Security, I call my family up north.

Mr. BAUM. Occasionally.

Mrs. BAUM. Well, oftener. You don't fuss about it like you used to. He thinks that's kind of an extravagance, but really I think it's worth every cent it costs. It really is to me.

RUDD. Are you still taking the paper only twice a week?

Mr. BAUM. Well, she made me take the paper every day since we received the raise. I mean that's one of her failings—she loves to read.

RUDD. Well, what would you like to buy if you could afford it?

Mrs. BAUM. Oh, I would get all new living-room furniture. That's what I would like.

RUDD. Why don't you get it?

Mrs. BAUM. Because Papa thought it was better to be able to pay your bills if you had to go to the hospital. Of course, that runs into money and I think that's at the back of his mind.

RUDD. (VO) The Baums, of course, are by no means an average retired couple. Not everybody on Social Security owns his own home outright and has 20,000 dollars in savings. The fact is some five million of our old folks are forced to live almost entirely on their Social Security checks. And despite increases amounting to 52% in the last three years, those checks today average only $273 a month for a couple; $164 for an individual. It's no wonder, that according to government estimates, well over a million of our elderly married have incomes of $50 a week or less and 4 million more of our old people have incomes of $40 a week or less.

MAN. I cannot meet my home expenses on these two checks. The only thing I have got. I pay rent. Sixty-five dollars rent. I pay for my electric . . .

RUDD. (VO) There's nothing the social security people can do about the size of the pensioner's check; that's up to Congress. But the local Social Security office is handy; Congress is not.

WOMAN. How much did you say you were getting before this?

MAN. I was—my check was $97, and my wife was ninety-something was before her check was raised. With my expenses, with my two checks, it's impossible to eat for two people.

RUDD. (VO) While people don't find much security in Social Security, others do.

MAN. I'm 78 and I'm retired 14 years and I think it is wonderful. Social Security that we fought as young people so hard to establish that in America is now a reality and it helps very, very much.

WOMAN. No matter how little you get or how much you get, I think we should be very grateful. However, we did donate to it, but it was compulsory, otherwise if it was voluntary, I don't think any of us would have been able to achieve what we're going to get and I think at this point with Medicare, it has given us the opportunity to live longer and healthier and less worry to our family and children and I think most of us have more peace of mind now than we ever thought we would have as we grew up all these years.

RUDD. Well, do most of you find that you can live on the checks you get from Social Security?

WOMAN. I didn't depend on it, actually, and so I prepared myself and cushioned myself against adversity and with me it's just a windfall.

MAN. Not many people can get by on Social Security alone. And those of us who have a little savings can get by alright on the normal things of life. But the bad thing is when we need teeth or eyeglasses.

WOMAN. This pair of glasses cost $80—plain glasses. Twenty dollars doctor's prescription and examination and $60, at Webb's Optical, and all I get $105.90 a month Social Security.

WOMAN. All I can add is that Social Security is a disgrace to America. I think it is, to the—we poor people that need it most and I earned it, the little bit I have.

RUDD. Why do you say that? Because you can't live on it or what?

WOMAN. Do you think you could live on $75 a month and buy drugs and just manage to get around?

WOMAN. Eight . . . ninety-five. That's eighty-eighty . . . Four-ten.

RUDD. It's one of lifes many little ironies that when we reach the age when we most need prescription drugs, eyeglasses and teeth, we can least afford them. The elderly, who constitute 10% of our population, buy almost 25% of the medical drugs sold in this country and they pay for most of them out of their own pockets.

Does this—having to pay for the medicine, does that wreck your budget pretty much?

WOMAN. I gets 93 cents Social—$93. Social Security. So, you know, it keeps you busy figuring how to get along.

RUDD. What is the medicine for? What is it?

WOMAN. Spine.

WOMAN. She has arthritis in her spine pretty bad.

RUDD. Well, I wonder if sometimes toward the end of the month, do you have a tendency not to take as much of the medicine as you should or make it last a little bit longer?

WOMAN. (Pharmacy) Yes, but then you feel it, you see. That takes effect on my back. these pills and if I drop off then I get more pain.

WOMAN. What we'll do is take an application for the Medicare. Now, as you may be aware, there are two parts to the Medicare coverage. The first . . .

RUDD. Thirty years after Social Security was introduced in this country we finally got a health plan added to it. The plan became law in 1965, is called Medicare and last year paid out almost 9 billion dollars for the aged.

WOMAN. Now, the fee for Part B of Medicare, the medical insurance, is currently $5.80 a month, and then effective July, it's going up to $6.30 a month. There is a $60 deductible. That is, you pay the first $60 in your medical bill and after that we pay 80% of all reasonable charges.

RUDD. (VO) This doctor takes Medicare assignments; which means that his fees comply with the fee scale that Medicare considers reasonable. But if Medicare decides the doctor charged you more than what it considers a reasonable fee, you pay all the unreasonable part, as well. Last year, 54 million non-hospital claims were filed, over 90 percent of which were for doctor's bills. And in 11½ million cases, the old folks were stuck with what Medicare considered unreasonable charges.

WOMAN. Now, we're not saying that the doctor should not have charged this amount. I mean, this is up to the doctor. He's a self-employed person. He can charge what he wants to, but we do have to limit the payments that we made under Medicare.

MAN. That's the way I feel. I pay that there doctor a hundred seventy-five. I'm out that. See the doctor ain't out that. I'm out of . . .

WOMAN. We are . . .

RUDD. People on Medicare not only have to worry about whether or not they'll be hit with "unreasonable" doctors' fees, they also live with the harsh fact that Medicare pays only 42 percent of the old folks' health costs. And, because of the wherefores and whereases of the law, it's often difficult to know what Medicare will pay for.

WOMAN. . . . Now, the charge on that was $30, but they denied it. The therapy was done as a rehabilitation point and when Medicare feels that you have reached a certain level of whatever it was they were giving you the therapy for that it is now maintenance therapy and not rehabilitation type.

WOMAN. I'm sorry. KCC Admitting. Miss Walker speaking.

WOMAN. May I have your Medicare card, please?

RUDD. In the hospital, you pay the first $72 yourself, then if you need to, you can stay in the hospital up to 60 days. It costs you $18 a day from the 61st to the 90th day. After the 90th day, it gets more expensive and more involved. While in the hospital, you must, of course, pay 20 percent of the reasonable fees charged by your own doctors. Now all this can be expensive and that's why, all too frequently, many old people find themselves paying large bills out of their own pockets when they leave the hospital, even after a short stay. Rightly or wrongly some 11 million old people distrust Medicare's promised blessings so much that they carry supplementary private health insurance at prices many of them can ill afford. This is not to say that there have not been blessings from Medicare for thousands in this country whose illnesses fit the regulations. But for thousands more, Medicare is a mixed blessing, indeed.

GORDON GIBSON. (Social Worker) Emma, you don't need what we called skilled care any more and you can't be taken care of at home, so the doctor says you need a nursing home. I think we can get you one, but I don't know how long Medicare will pay for you in the nursing home.

WOMAN. (Patient) Yes, but I've got no money. What can I do?

SOCIAL WORKER. Well,—

WOMAN. (Patient) All I get—the last two months I get $52.20; before I was getting $42.00; but the last my money run out four years ago. I've been retired for 36 years. I've been in hospitals—hospitals, seven hospitals, 12 times.

SOCIAL WORKER. Don't you have any money in the bank?

WOMAN. (Patient) I haven't nothing. I had 30 cents that was in my pocketbook.

SOCIAL WORKER. I will bring a paper up so you can sign an application for state aid because Medicare just will not carry you in the nursing home.

MAN. (Patient) Well, I got nothing to pay with.

SOCIAL WORKER. You have no money?

MAN. (Patient) No.

SOCIAL WORKER. Well, in this case, what we're gonna do is put you in for state aid because Medicare will just not pay for you in a nursing home situation. And, you know, your wife can't take care of you at home.

MAN. (Patient) Well, I don't give a damn where I'm going. I'll go to hell.

SOCIAL WORKER. No. You——

MAN. (Patient) I'm dead. I'm a dead duck.

SOCIAL WORKER. No. No, you're not. Why don't you want to go to the nursing home?

MAN. (Patient) I don't wanna—I don't wanna—I don't really wanna—I don't wanna go now. I've never been in one in my life. I worked all my life. I worked all my life. I come to this. I don't wanna to go.

SOCIAL WORKER. OK, Eli, let me tell you. The—we can't keep you in the hospital anymore after this week.

MAN. (Patient) Why not?

SOCIAL WORKER. Because you don't need the hospital anymore.

MAN. (Patient) Well, they'll have to do something. I don't give a damn what you do. I can't help myself. I'm too—I'm weak. I can't walk. I'm gonna stay right here.

SOCIAL WORKER. No, you can't stay here; because, Eli, if you stay here, you will not be on Medicare, in the hospital. They'll have to cancel your Medicare because the doctor's discharging you. You're going to have to go to a nursing home.

MAN. (Patient) Well, send me to some cemetery, then.

RUDD. (VO) Many old people are not considered sick enough to remain hospitalized, but they do need skilled nursing care. For those, there is no charge for up to 20 days of nursing home accommodation. The patient pays $9 per day from the 21st to the 100th day. After that, the patient pays it all. The catch here is—what's Medicare's definition of "skilled nursing care" and who needs it? George Jackson is a retired newspaper pressman; now 81 years old, he and his 82 year old wife, Bertha, retired to Florida 17 years ago and paid $8,700 cash for their house. That left them with $12,000 in savings. The Jacksons get $275 a month Social Security, plus $25 from Mr. Jackson's union. They were doing all right until Mrs. Jackson went blind. A year ago her back began to pain her and she became bedridden. Then, more trouble.

Mr. JACKSON. Well, the Mrs. became blind and then helpless and had to go to the hospital. After the hospitalization, she went to the Palms of Pasadene Deluxe Inn Nursing Home. And after there a few months, we were notified that she was cut off from Medicare payments; that her condition didn't require the payments because of the different categories they got—to cut patients off.

Therefore, we had to pay ever since. And the bills run very high, from $600. One month I got a bill for—one thousand and thirteen dollars.

MAN. Well, let me ask you this. How much have you spent so far?

Mr. JACKSON. So far, approximately—I would say about four, five thousand dollars; more or less, I don't know. I haven't kept too much track of it. I get the bills. They must be paid or in 21 days they put the patient out on the family they call it.

MAN. Well, how much money have you got left in the bank now?

Mr. JACKSON. I have a burial fund which I wanted to keep of $4,000; but now this month I have to pay and take some of that to pay for this month's bill for Mrs. Jackson. She's been such a wonderful woman all her life and she has children, grandchildren, and it would be a pity of grandma couldn't be well taken care of and given the care she deserves. Hello honey.

Mrs. JACKSON. Hello, Honey. Where was you so long?

Mr. JACKSON. Waiting.

Mrs. JACKSON. Waiting.

Mr. JACKSON. I was a little late today. Yeah. I was held up for a little bit. Would you like a piece of chocolate?

Mrs. JACKSON. Oh, you know us. Yeah.

Mr. JACKSON. It's your favorite, chocolate. . . . If it takes all our life savings; if there is no other way, there is nothing else for us to do but trust the good Lord that something will come along to help us out.

RUDD. The latest word from the Jacksons is that their savings account is now down below twelve hundred dollars from their original $12,000; Mr. Jackson has been moved to a cheaper nursing home, and the Jacksons are now on welfare.

In spite of the fact that the real business of Social Security is human beings, the laws and rules regulating its application are of an almost inhuman complexity. As a result, our own perceptions of Social Security are also complex and frequently false. Some people,

for instance, think that if they've ever had a Social Security number and made any social security tax payments, that they'll get some kind of Social Security check at 65. Wrong. Some people also think they'd *automatically* have been better off if they'd invested the money themselves instead of paying it in Social Security taxes. Wrong. And they think they've paid much more in Social Security taxes than they have.

The fact is, if you had been in the system from its very beginning 36 years ago and had paid the maximum amount all along, your total payments as of right now would come to a little more than $5,000—which isn't such a bad deal so far. But, unlike the income tax, there are no exemptions. A man too poor to pay income tax still must pay a Social Security tax and he pays at the same rate the rich man pays up to the maximum tax base.

Regardless of income, a single man pays the same tax as a married man but receives only two-thirds of the benefits paid a married man, who gets an allowance for his wife. Then there's the married women who works and pays Social Security taxes. She's entitled to benefits in her own right or as a wife on her husband's benefits, whichever amount is higher. Since there's a good chance she'll receive more from her husband's benefits, the Social Security taxes she paid all of her working years will have gained her nothing.

But can the married woman, who never went out to work, count on sharing her husband's Social Security checks in old age? Well, she can if they stay married 20 years. If they're divorced before 20 years, she's out of luck. The person who's forced to work to supplement his Social Security check is penalized for anything that he earns above 2,100 dollars a year. But the man next door with $50,000 a year income from investments gets his full retirement check every month as long as he doesn't do any work.

Well, there are lots of other qualifications and sub qualifications; and if you have a question, Social Security publishes dozens of booklets like these. Now, we don't mean to imply that these books make everything perfectly clear. This one, for instance, is intended to answer the question which probably first occurs to everybody: How much will I get when I retire? Well, the answer goes like this:

Count the number of years to be used in figuring your average earnings as follows: If you were born before 1930, start with 1956. If you were born after 1929, start with the year you reached 27. Count your starting year and each year up until, but not including the year you reach 65, if you're a man; the year you reach 62, if you're a woman. List the amount of the worker's earnings for all years beginning with 1951. Do not count more than $3,600 for each year 1951 through 1954; $4,200 for each year 1955 through 1958, and so forth.

They're revising the booklet now because of a recent change in the law and it will get even more complicated.

For help in trying to understand all this, you can go in person to one of the 900 Social Security offices around the country or you can call them up. So many people call up that the agency has established telephone banks like this one in Tampa, Florida which serves 10 counties, taking toll free calls, answering questions, quesitons, questions.

MAN. No, sir. You can retire when you're 62 at a reduced benefit if you'd like to do that.

WOMAN. So let us check and see if your widow's benefit under the new law will be higher than what you are receiving on your own Social Security record.

MAN. Well, you apparently had not met your deductible; consequently there couldn't be any refund on it.

WOMAN. Yes, mam. In order to be covered under Medicare for a nursing home, you must be in a hospital for at least three days.

WOMAN. If you had remarried and you're 60 now and you're unmarried now, you can still apply as long as your status is unmarried.

MAN. Do you understand me so far, mam? O.K. Now, for the first 20 days Medicare will cover it.

RUDD. This phone bank receives an average of 10,000 calls a week from puzzled men and women. Social Security has come a long way since its beginnings, but any major improvements have always come only after bitter struggle. Had it not been for the great "depression" of the 1930's, it's doubtful we'd have gotten our Social Security law even when we did. It was passed in 1935, and was a child of the Roosevelt New Deal.

MAN. (Roosevelt) We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty stricken old age. It seems to me that if the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this security bill, Social Security Act, the session would be regarded as historic for all time.

RUDD. Many native born Americans thought at the time Social Security was an original and radical idea. Many may still think that. But the fact is 29 countries around the world had Social Security systems before we did: and today, almost forty years later, most of them still do more for their people than our system does. It all began in Germany, back in the 1880's under of all people, that ultra conservative, Bismarck, the Iron Chancellor. He introduced the German Empire to social security in order to head off what he called the socialist danger. And even under Hitler, during the depths of the war, improvements were made in the system. In West Germany, as in the United States, Social Security has grown increasingly comprehensive and complicated over the years.

In both countries about 90 percent of the population is covered. In both systems the taxes paid by the employees are matched by the employer. Germans pay between 13 and 14 percent on a base income of about $8,400; Americans pay 5.85 percent on a base income of $10,800. Both systems offer medical care and retirement benefits. To pay for these benefits, both governments contribute to the cost: the West German government about 15 percent; the U.S. government about 4 percent. Although the West Germans put more into their system, they get much more in return. And they get it sooner. Under the West German system, a worker and his dependents can get Social Security benefits even while he's working. In the United States for you or your dependents to receive benefits before retirement, you must die or become permanently disabled.

In Germany, for instance, health care, including dental care, is available to everybody of every age under the social security system at no extra charge. And, as in America, one can choose his own physician. In West Germany, those under 65 make only a token payment for drugs and eyeglasses. Those over 65 pay nothing. If the German worker gets too sick to work, his employer must pay him his full salary for the first six weeks of his illness. After that, the government will pay most of his full salary for a year and a half, if he's incapacitated that long.

RUDD. Well, what about the man over here in the corner? What—what sort of problem does he have?

DOCTOR. He has been in this hospital for one year now, and he was admitted to the hospital for hip replacement and then unfortunately when he was recovering from his first operation, he slipped and fractured the same leg again and we got that fixed and then he fractured his leg again.

RUDD. Well, having been in here a year and with what, three operations . . .

DOCTOR. Oh, I think it was more. (German) It was five operations.

RUDD. Five operations. But no matter how long this lasts . . .

DOCTOR. No matter how long this lasts.

RUDD. . . . He still will have this—this sort of care?

DOCTOR. That's right.

RUDD. For no money, in effect.

DOCTOR. For no money, no.

RUDD. In West Germany the Social Security system worries about your health even before you get really sick. Wherever there's a mineral water spring in Germany, there's a spa, where the rich and famous used to come to drink and bathe. Today, the German working people are there—on doctor's orders—all paid for by their Social Security system. Feeling a little run down? Job getting to you? Nerves somewhat shot? Well, explain that to your doctor and if he thinks a cure would be helpful to maintain your health and working ability, he will probably prescribe a rest at a kurhaus, or rest home.

There are more than 200 of them, run by the various retirement pension funds, and they seem like a cross between a convalescent home and a country club. This kurhaus is in Bad Pyrmont. Here on arrival everybody gets an electrocardiogram, and, if the doctors think he needs it, a circulatory test.

Diabetics and others with dietary problems are given instructions about what to eat and what not to eat. Once in the kurhaus, the worker must stay for a month, and he can stay 6 weeks, if need be. While the rundown worker is recharging his batteries, his employer must keep on paying him his full salary.

Once the herrenvolk are rejuvenated, they are ordered to take two more weeks back home for a kind of recompression period before going back to work.

Under the German Social Security system, the German worker can begin drawing his full retirement benefits at 65, whether he keeps on working or not. He can also get his full pension at 63, if he's worked 35 years. The average worker's pension amounts to around 50 percent of his last working wage before retirement, which his government doesn't think is high enough and plans to improve.

Also, pensions, are adjusted upward to keep up with wages. The result is that men who've been retired for several years may find themselves drawing more money in retirement than they made on the job. Emil Frede is a 78 year old who retired from Continental Tire Company in Hannover as a foreman after 40 years on the job. His last monthly take home pay in 1960 was the equivalent of about $245. Today, his monthly retirement check is about $320. He has about $1,700 in a savings account.

Mr. Frede and his wife Herta, 61, live on the third floor of this walkup apartment building on the outskirts of Hannover. They pay the equivalent of about $50 a month for their three and a half room apartment, plus $20 a month for utilities.

RUDD. When the time came for you to retire when you were 65, did you worry about how you were going to live on your pension?

INTERPRETER. (Mr. Frede replying in German) No, no, no, no, no, no. Not at all. Why should we be worried? I have—well, the money which I got at that time, we could make do and as a pensioner, we didn't want to save a lot of money. That's not the idea of the thing, and that's not the idea of an insurance. The idea is that the pensioner can live in his old age.

RUDD. Does the rise in the cost of living trouble you very much?

INTERPRETER. The prices are climbing but that's not only here. So you hear that from everywhere, even in America. The pension is following suit.

RUDD. Well, for people on pension, it seems to me that you two have a lot—almost everything—including a big color television set over there. How much did that color television set cost?

INTERPRETER. Twenty-two hundred marks.

RUDD. That's about seven or eight hundred dollars, I guess.

How about food? How much does food cost you every month, do you think?

MAN TRANSLATOR. Well, for food we need between four and five hundred marks.

WOMAN TRANSLATOR. Until now we managed with 400 marks but I don't know.

RUDD. Well, how well do you eat on—on this amount of money? What sort of things do you eat?

WOMAN TRANSLATOR. Everything. Meat, fish, eggs, sausage. . . .

RUDD. Do you have enough money left over every month?

MAN TRANSLATOR. Well, we manage. What we don't need for food and if something is left we buy something extra. Here we have bought upholstered furniture that is 2000 marks.

RUDD. There's—there's nothing you really want that you don't have.

MAN TRANSLATOR. Oh, what we don't have we don't want to have. And when we have so much money that we can buy something. then we find what we want to buy. What we want to have.

RUDD. How is your health for both of you, the . . .?

MAN TRANSLATOR. Well, for my age, I feel relatively well.

RUDD. And Frau Frede?

WOMAN TRANSLATOR. I'm content. It could be worse. Asthma, bronchitis, well, I've had a thrombosis. It's not so bad any more.

RUDD. Well, did the—was all of that paid for by the—your asthma and your thrombosis, was that paid for by the health plan?

WOMAN. Oh yeah.

WOMAN TRANSLATOR. Oh yes. Everything.

RUDD. Suppose there were no health plan. What would you have done?

WOMAN TRANSLATOR. Well, what should one do? As much as possible yourself but I don't know. It would be bad. Emil, would it be bad if there were no health insurance?

MAN TRANSLATOR. Well, then we would have to die. Twenty years earlier.

RUDD. Dr. Zollner, can such an elaborate system as yours survive, do you think? With more than 12 percent of the German people are already over 65 compared to about 10 percent in the United States, and as Germans live longer with better medical care, won't the costs keep going up even more? You'll have more people on pensions, more people who are sick?

DR. ZOLLNER. Yeah. Let me first say we—we are obliged—the government is obligated to give a 15 year projection: a calculation showing the financial development during the next 15 years. And those figures show that we will have the point of accumulation in '78 and then the situation will be better again. That is as far as old age pensions are concerned. As far as medical expenses are concerned, we are prepared that in future the expenditure for medical care will be increasing faster than the average increase of cost or of income. But I think this is a development you have and will have, even in a country where you have no public sick insurance system at all.

RUDD. Well, how will you meet that problem?

Dr. ZOLLNER. By spending more of the—a higher proportion of the income on sickness proposals or health proposals, I'd rather say.

RUDD. Well, the argument is frequently made in the United States that if you had what amounts to free medical care, as you have here, that people would constantly run to the doctor whether they needed to go or not. Does that happen here?

Dr. ZOLLNER. If you have a scheme which prevents people from seeing the doctor then you may miss the right moment, the earliest possible moment to see the doctor. And I think we should be prepared to pay the price, which means if there are some people who abuse the system, I—I—I would think that this is not the worst of all.

RUDD. But isn't there a limit to how you can tax people? Won't they rebel?

Dr. ZOLLNER. I can't see such a limit. If incomes are growing; if you spend less and less a proportion for the basic needs, such as food and housing, so on what should you spend your money—your increasing money—if not on health? I don't see any better purpose.

In *this* country, the Nixon administration feels government is spending *too much money* on health under our Social Security system. The administration feels that the system is being abused and wants to make some changes in the law which would force the elderly to pay more of their health costs. The reasoning is, if the aged are made to pay more for medical care, those who don't really need it will think twice before they seek out medical care.

The proposals would raise the amount you must pay of your yearly doctor's bill from 60 to 85 dollars; they would raise the amount you pay of the doctor's reasonable charges from 20 to 25 percent. In the hospital, instead of paying the first $72 of the bill and nothing thereafter for 60 days, they would have you pay the entire cost of your first day, plus ten percent of the cost each day thereafter. Caspar Weinberger, Sec. of Health, Education and Welfare, recently appeared before a Senate committee to explain the administration's position:

WEINBERGER. We believe these Medicare forms are desirable. They will not impose financial hardships on the program's beneficiaries. As you know Social Security cash benefits have risen about 70 percent since 1966. We now estimate that only about 15 percent of the aged now have incomes before—below the poverty level, a percentage quite similar to the non-aged population. So, it's now feasible to make greater, although still quite limited use of cost sharing provisions in order to improve the design of the program.

KENNEDY. And so you crack down on the patient and make him pay for it.

WEINBERGER. No, there's no cracking down on anybody, Senator.

KENNEDY. Well, you're making him pay for it.

WEINBERGER. No, you're not. The government is picking up a great deal of it, in the increased benefits and in the—in the provisions that are included in the Medicare program.

KENNEDY. The patients are going to pick up more than they were before.

WEINBERGER. When you or I go to the hospital, you or I don't decide where we go or when? That's entirely up to the doctor and what we're trying to do is get a system that goes to the doctor and indicates to him the desirability of using hospitals only when strictly necessary and then looking at it from the patient's point of view to try to get some kind of individual approach to it.

Senator MUSKIE. I just think that when you—when you're talking about a program which pays only 42 percent of the health care cost of the elderly that the argument that by reducing that figure, you can somehow create a motivation on the part of providers of service, doctors and hospitals, to further reduce hospitals stays and thus cost to the elderly is not a very creditable argument. I mean, how low do you have to reduce that 41 percent? to 35, to 20, to zero? before you finally persuade doctors that the patients they're sending to hospitals can't afford it?

RUDD. The argument may be academic because not many in Washington expect the administration's proposals to get through Congress, but the proposals do indicate the administration's view of Social Security; which is comparatively speaking, American old folks never had it so good.

Meanwhile, President Nixon proclaimed this past May as Senior Citizens' Month, saying "it is a time for all people to renew the recognition, the respect and the active concern which properly belong to older Americans." Social Security, of course, is a measure of the recognition and concern we have for our older citizens, and under the present law it often seems the old folks are on the short end of the stick.

OLD PEOPLE. And justice for all . . .

RUDD. If you're getting $37.85 a week in the 1973, and that's the average for an individual, and if Medicare pays for only 42 percent of your health bills, you're not doing too well. Of course, those of us who retire in the future will be getting more in the future. Whether or not we get enough in the future for a dignified old age is uncertain: it's estimated that people retiring in the year 2000 may get as much as fifteen hundred dollars a month, but who knows what groceries will cost by then?

True, beginning in 1975 the law provides for a cost of living adjustment in retirement checks—provided the cost increase amounts to three percent a year more.

And others of us will be doing better under new provisions of the law. Beginning this year, most of the disabled, as well as those suffering rare kidney diseases, will fall under Medicare. But for all this we will pay more. Next year the base amount on which we're taxed goes from 10,800 a year to 12,000, and the rate at which we're taxed will continue to rise. Well, since the poor pay proportionally much more into the system than those who are better off, this means that as taxes rise, the lower income groups will be hit even harder.

And some economists and members of Congress believe such inequity is intolerable and they want the funding of Social Security changed from a direct payroll tax to some system based more on one's ability to pay. We are, after all, the richest country in the world, and, we like to think we are concerned for our old folks. But we have, perhaps, too long held too single-mindedly to the idea that the Lord helps those who help themselves, while in other advanced countries around the world Social Security sysetms were developed which display much more compassion than our own.

Well, if we're lucky, we'll get old some day, and the ways things have been going ever since the Stone Age, it looks like we'll all need all the help we can get. So you'd better plan ahead if you can figure out how, because you won't be too secure with Social Security alone. This is Hughes Rudd, 499–16–9967, and like me, you'll get yours when you're 65.

Good night.

THE RIGHT TO OWN GOLD

Mr. DOMINICK. Mr. President, gold fever has struck this country in the last 6 months, both at home and abroad. At home, I have seen more and more newsstories about a reawakening interest in the gold-mining industry while review of any daily financial page will reveal the

soaring price of gold in the international markets. As Members of this body know, I have led a long fight for the establishment of the right of our citizens to own gold just as do the citizens of 70 other nations. The road has been long but over the years others have joined the battle. Traditionally, the attempts to change this country's gold policy have evoked responses from the Treasury Department which I have found to be meaningless and anachronistic.

Earlier this year the Senate overwhelmingly adopted an amendment to the Par Value Modification Act which would have given U.S. citizens the right to own gold by January 1, 1974. Unfortunately, the amendment did not survive the conference on the bill. However, I believe the will of this body has been clearly expressed and I will continue to fight for what I consider a right that citizens of this country should have.

While I am sure that my colleagues are familiar with the tales of "gold in them thar hills" and the fascinating histories which evolved in those days, I suspect that not as many are as familiar with the route by which we lost the right to own gold. I commend to them a recent article from the June 29 edition of the Wall Street Journal to learn another phase of gold history. I ask unanimous concent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD AND THE ENDLESS "EMERGENCY"

(By Henry Mark Holzer)

For the first time since [James] Bond had known Goldfinger, the big, bland face, always empty of expression, showed a trace of life . . . "Mr. Bond, all my life I have been in love. I have been in love with gold. I love its color, its brillance, its devine heaviness . . . I have worked all my life for gold . . . I ask you . . . is there any substance on earth that so rewards its owner?"—Ian Fleming, "Goldfinger." (1960).

For centuries, people have shared the fictional Mr. Goldfinger's ardor for gold, though not necessarily for the same reasons. While gold has been much sought after, both for ornamental and industrial purposes, modern times—or, more specifically, modern governments—have taught men to value it for one purpose above all others: as a hedge against the debasement of paper money.

But, while gold prices have soared as citizens of other nations scrambled to protect themselves from the instability of paper money, Americans have had to watch from the sidelines. For them, owning gold has long been a criminal offense.

Few people are aware of how—and why—Americans lost their right to own gold. Few people know of the shaky legal foundation on which the gold prohibition rests: an unconstitutional delegation of that power to the President, leading to what can be called the "endless emergency" rationale.

It all began during World War I and the Trading with the Enemy Act of 1917, one obscure subsection of which authorized the President to regulate and prohibit any transactions by Americans "in foreign exchange, export or earmarkings of gold or silver coin or bullion or currency. . . ." These sweeping new presidential powers had teeth: a $10,000 fine and/or up to 10 years in jail for violators. The rationale: a war emergency and the President's duty to fight that war. The facts: a Constitution which nowhere authorizes Congress to prohibit dealings in gold, much less authorizes it to delegate such a power to a coordinate branch of government. (Congress' only monetary powers are to borrow and coin money and to regulate its value. Art. 1, Sec. 8.)

Two years after the war ended, the presidential power over private gold expired—only to be reborn again when Franklin D. Roosevelt took office in 1933. Throughout the country, banks were slamming their doors on depositors clamoring to withdraw their money—preferably in gold. Two days after his inauguration, Mr. Roosevelt responded by issuing his historic proclamation, closing the nation's banks for three days, until a special session of Congress could be convened. The proclamation made passing reference to a "national emergency" and to the old World War I Trading with the Enemy Act—a strained attempt to find some semblance of legal support for the unprecedented assumption of control over the nation's banking system.

A DOCILE CONGRESS

President Roosevelt's next step was to send to a docile and compliant 73rd Congress a bill which, as one Congressman put it, affected millions of lives and billions of dollars. Yet debate in the House was arbitrarily limited to 40 minutes, and the bill—literally unseen and unread by House members—was passed. Said one Representative: "It is safe to say that, in normal times, after careful study of a printed copy and after careful debate and consideration, this bill would never have passed this House. . . . Its passage could be accomplished only by a rapid procedure, hurried and hectic debate, and a general rush for voting without roll call. . . ." (77 Cong. Rec. 83.) The same rush procedure was followed in the Senate, and with the same results, Thus, a bill which had been sent to Congress at noon, became law the same evening.

The new Emergency Banking Act accomplished three things. It retroactively approved the bank "holiday." It amended the long dead Trading with the Enemy Act, to wit: "During time of war *or during any other period of national emergency declared by the President,*" the President could regulate all banking and financial transactions, including "hoarding," melting and earmarking of gold. It amended the Federal Reserve Act by giving the Secretary of the Treasury virtually unfettered discretion to compel Americans to surrender their gold and accept paper money instead. The Act neither specified what the current "emergency" was, nor established any criteria by which the President was to ascertain the existence of an emergency—an omission which was to prove crucially important to future Presidents and to future owners of gold.

Under his new, far-reaching powers, Mr. Roosevelt proceeded to create a frozen state of financial affairs by issuing a series of Executive Orders. One order authorized the Secretary of the Treasury to decide which of the nation's banks could open. It also prohibited Americans from exporting gold without a Treasury-issued license. Another order turned its attention to "hoarding"—i.e., the holding of gold by the people who owned it. By May 1, 1933, all bank-held gold coins, bullion and certificates within the continental United States (subject to a few minor exceptions) were to be turned over to the government. The compensation: paper money. The penalty for refusing to comply with this confiscatory program: a $10,000 fine and/or up to 10 years in jail.

Still another order retroactively declared that a state of emergency existed which "justified" all of Mr. Roosevelt's previous restrictions on gold ownership and possession. The order also provided for the requisition of all privately-held gold in America. Finally, Mr. Roosevelt prevailed upon Congress to pass a joint resolution outlawing "gold clause contracts"—private agreements to pay or be paid in gold. Such contracts, past, present and future, were declared to be against public policy.

A Boston University law professor of the day eloquently summed up the "accomplishments" of the New Deal's gold manipulations: ". . . The first great thing to be profoundly changed was the money of the people. Gold has been nationalized. . . . A new felony has been created, merely having gold money, now termed hoarding and considered dishonest. A new legal tender dollar has been established. The . . . actual value [of the dollar] has been cut down, but the denominational and legal value for paying old debts remains; further inflation is indicated . . . the Statute of 1869 pledging the Nation's faith always to pay national debts in standard gold is repealed and the pledges . . . repudiated; we're off the gold standard; many think we're off the ethic standard."

The first American to be indicted for the "crime" of owning gold was a lawyer named Campbell, who had deposited $200,000 worth of gold bullion (27 bars) with a bank for safekeeping. The bank in turn had contracted to act as bailee and to return the gold on demand. When demand was made, however, the bank—citing the New Deal regulations—refused to honor its commitment, thus forcing Mr. Campbell to sue for specific performance and an injunction against delivery of his gold to anyone but him. This action led the government to indict Mr. Campbell for owning gold without a license. Mr. Campbell's defense consisted of the charge that the Emergency Banking Act was unconstitutional and any Executive action taken thereunder invalid. The U.S. District Court for the Southern District of New York disagreed. Congress, the court held, had the constitutional power to control gold—a commodity "affected with a public interest." Moreover, Congress had not exceeded its authority by delegating to the President and Secretary of the Treasury its own regulatory and requisitioning powers. The only fault the court found with the government's regulatory scheme was the question of who was to do the requisitioning and whether some compensation would be available to the victims. The net result of Campbell v. Chase National Bank was that Congress' arrogation of a constitutionally nonexistent money power was upheld, as was its delegation of that power to the Executive Branch. Held invalid was President Roosevelt's personal requisitioning power; this was a job for his requisitioner-in waiting, the Secretary of the Treasury. (The job was done one month after the Campbell decision. Treasury Secretary Henry Morganthau Jr. issued an order requisitioning *most* privately-owned gold in America.)

Most—but not all. Disturbed by the fact that some gold bullion and coins remained in the possession of the Federal Reserve Banks, President Roosevelt appealed once more to Congress for a quick remedy. As with the Emergency Banking Act, Congress came through in a hurry. A bill was railroaded through both Houses, though not without vociferous opposition. Remarked one Congressman: "You . . . who now are so anxious to rush this bill through, will sit here and vote blindly to ratify something you know nothing about. . . . If they [the President and Secretary of the Treasury] exceeded their authority, full ratification at this time would not better the situation any. If they issued orders contrary to the Constitution, such ratification . . . would serve no purpose. . . ."

The bill was nonetheless passed. The Gold Reserve Act vested title to all Federal Reserve gold in the government, thus making its gold monopoly complete. The act also put the congressional seal of approval on all of the President's past machinations. In addi-

tion, new forfeiture provisions emerged: Violators of gold regulations not only forfeited their gold, but were subject to a civil penalty of twice the value of the gold.

PRESIDENTIAL AGREEMENTS

The morass of New Deal gold regulations notwithstanding, a question remained: What would happen to the rights and liabilities of gold-starved Americans when the Roosevelt-declared emergency of 1933 came to an end? In 1950, President Harry S. Truman's answer was to declare a new emergency, this time a military one, revolving around the Korean war. Presidents Eisenhower and Kennedy saw no need to declare their own emergencies—they simply confirmed the existence of the Truman emergency, bolstering it with the threat of international communism. Pursuant to this rationale, President Kennedy issued an Executive Order prohibiting, for the first time, American ownership of gold outside the continental limits of the United States.

Are the various "emergencies" still in effect and, if so, do they remain a bar to American ownership of gold? The answer is by no means clear. In the Southern District of California, indictments against several owners of gold bullion were dismissed, notwithstanding arguments by the government that either President Roosevelt's 1933 emergency was still in effect or, alternatively, that new emergencies had been created by Presidents Truman, Eisenhower and Kennedy (U.S. v. Bridle et al, 1962). With a take-your-pick posture, the government had cited the Korean war, Communist imperialism, and/or a balance of payments deficit. Dismissing the government's endless emergency rationale, the court noted: "The Korean hostilities have . . . ended. And while Communist imperialism continues to pose a threat . . . the existence of . . . that 'national emergency' . . . cannot serve to prolong until almost 30 years later 'The Great Depression' of 1933. . . . To hold that the existence of Communist imperialism authorizes the criminal provisions here in issue would be to condone the methods of the enemy. For if the President . . . be permitted to create crimes by fiat and ukase without constitutional authority or congressional mandate, there is little to choose between their system and ours."

An appellate court in California's Ninth Circuit, however, went in the opposite direction. Indictments against gold owners were upheld on the grounds that the power conferred upon Mr. Roosevelt by the Emergency Banking Act was not confined to the 1933 banking crisis, but extended to any national emergency proclaimed by any President (Pike et al v. U.S., 1962).

For now, the precedent set in this Ninth Circuit case is the law of the land, since no other court of comparable jurisdiction has ruled differently. To own gold, therefore, is to court a felony, subject your gold to forfeiture, and yourself to a penalty double the value of your gold, as well as 10 years in jail. To date, the U.S. Supreme Court has never ruled on the issue. Perhaps, some day, it will.

In the meantime, Americans remain at the mercy of the government's money managers. According to monetary economist Charles Rist, these "partisans of paper money . . . dislike monetary stability because they dislike the fact that by means of money the individual may escape the arbitrariness of the government." If such were not the case, Mr. Rist comments, "they would not oppose so vehemently the reintroduction of the only system that has ever insured . . . [stability], which is the system of the gold standard."

Prof. Holzer teaches constitutional law at Brooklyn Law School. This article is based on a longer article, "How Americans Lost Their Right to Own Gold—and Became Criminals in the Process," that appeared in the winter, 1973, issue of the Brooklyn Law Review.

SENATOR MONTOYA SPEAKS AT LOGAN COLLEGE IN ST. LOUIS

Mr. EAGLETON. Mr. President, on Saturday, June 23, Senator JOSEPH M. MONTOYA spoke to the Logan College of Chiropractic Alumni Association Annual Meeting at Logan College in St. Louis, Mo. Dr. William N. Coggins, president of Logan College has expressed his appreciation of Senator MONTOYA's understanding of the problems of health professionals and educators.

Senator MONTOYA's talk concerned the increasing problems of health care in the Nation and the urgent need for health professionals and Congress to work together in solving the health crisis. I would like to call my colleagues' attention to Senator MONTOYA's statement and therefore I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AN ECHO IS NOT A SOLUTION

(By Senator Joseph M. Montoya)

It is a pleasure to speak to you today on this beautiful new campus. I know how much the expansion of Logan College means to you and to your profession, and I am proud to be a part of your first ceremonies here.

I also want to congratulate you on the cooperative effort Logan College has made with the University of Albuquerque in planning a pre-professional training program there. By working together both institutions are providing for growth in the future of education and chiropractic.

As health professionals you are in the eye of the storm, today. There is a great and growing controversy about our whole health delivery system and about what government can or should do to provide for the health care of the nation.

We Americans tend to overwork the word "crisis." I suppose you could say we have a crisis in crises. Certainly a lot of speakers begin by saying "We face a national crisis in. . . ." I don't want to do that.

Instead, today, I want to talk to you about the ways we have worked in the last few years to solve health problems, and about the need for us to work together to improve our communications in order to solve problems more effectively in the future.

As I talk to people outside of Washington, and as I read my mail, I have come to realize that many people feel cut off from government today. They feel that a message to Washington is like dropping a pebble in a dry well—all you get back is an echo.

They want to know that someone is listening to their problem.

They want to be part of the action.

They want solutions, not promises.

And that's the way it should be.

Messages from the public come to Congress in many ways: letters from individuals, reports and suggestions for action from organizations like yours, statistics and legislative ideas from lobbying groups, calls for help from state and city officials. Often, either supporting or opposing all of those messages, come requests from the Administration.

Somehow, out of that jumble of conflicting facts and competing ideas, the one hundred Senators and four hundred and thirty-five Congressmen must decide which need is greatest and which legislation will be most effective.

Add to all of this the complexity and rapid change in the 1973 world: a world where ideas and hardware and systems are brand new every morning. The result sometimes seems to be nothing but words and controversy. The concerned citien is angry or frustrated when that happens, because he feels that his message went astray.

In your profession you understand that messages to the brain travel on nerve cells and depend on a clear and healthy communication line. Sometimes our governmental nervous system seems to be out of whack. Perhaps if we examine the patient—the governmental system—and think about how it is supposed to function we will discover where the problem is and be able to apply the kind of pressure which will relieve the pain.

Representative government should mean that the people you send to Washington stand for you, and for your neighbors.

It should mean that what is important to you is important to the Congress and to the President.

It should mean that action by the government is taken when you communicate a need, and that the action taken will result in filling that need.

Is that happening? I doubt that you, as health professionals, believe it always works that way in the health field. The "health crisis" has been growing in intensity for twenty years. Doctors, health professionals of all kinds, and patients have all been sending frantic signals to Washington.

We have echoed your messages, and through Congressional hearings we have even alerted you to new health problems. I think that has caused some confusion, because you have heard our concern as a response to your own concern. Quite correctly, you feel that an echo is not a solution.

However, much good legislation has been passed. During the 1960's Presidents Kennedy and Johnson worked with the Congress to create giant federal programs in the health field: the National Institutes of Health, Medicare, Medicaid, the Hill-Burton Construction Act, many special programs aimed at providing better medical education or better medical research. I was part of that effort and I am proud of the job we did in responding to the health needs of the nation. The Congress is today fighting to retain and to improve those programs.

I think three things have delayed an effective and total response to health care needs.

First, I am afraid that none of us clearly understood the scope and depth of our national health needs when we first began to seriously look at the problem. We needed time to gather all the complex health facts together and to properly assess reports from you in the field. As an interim and immediate response we created individual programs which filled special needs. Thus we segmented our approach to health and that has resulted in dilution of our effort.

Now we—both Congressmen and professionals in the field—are beginning to see the health needs of the nation as a total package which probably will require a total and integrated effort.

The second thing which I think has slowed our effort is inflation. The last few years of rising inflation have changed all of our lives, and certainly inflation has been most pervasive in the health field. Like a family which has suffered a disastrous income drop, we have had to face the agonizing reappraisal of balancing one need against another and one problem against another. That is why we are now having a national debate about priorities—about how we are going to spend our tax money.

If we are going to cut spending we must decide whether health care is the right place to cut.

A third problem, as I am sure you are all aware, is that there has been a conflict in the last few years between the Congress and the President as to how we should respond to the social needs of people. Health care is one of those needs. The President has heard all the warnings about the "health crisis" and has echoed them in speeches himself. But as the Congress continued to develop new national health legislation it became clear that we would have to fight to retain the programs begun in the sixties. We have faced Presidential vetoes of most health legislation, impoundment and massive cuts in budgets for health.

Congress has continued to maintain that federal programs which served the people directly were important and must be saved. That has often resulted in a deadlock or in the restriction of services while reviews of each separate piece of legislation were made.

What are the facts we now have to work with?

For those of us who can afford the best and the most expensive treatment, American health care is the best in the world. But the overall health picture is not so rosy. We are slipping badly if we judge by the normal key indicators of national health.

In 1950 we had the fiifth lowest infant mortality rate in the world. Today we have the fifteenth. In 1950 we were thirteenth in male life expectancy. Today we are twenty-seventh. It is interesting to note that all the countries which beat us have a national comprehensive health program of some kind.

Medical costs in the 1970's are skyrocketing. It may be true that with inflation you can't afford to eat steak, but what you really can't afford to do in America in 1973, if you are the average American, is to get sick.

In 1965 the cost of one day in the hospital was $45. Today it is $105—that is an increase of 130 percent.

Ten years ago the average hospital stay cost $300. Today it costs $800. That is an increase of 160 percent.

The per person cost of health care in 1972 averaged $394. That translates to $1,576 for a family of four. When you remember that many poor and rural families average less than double that in total family income, you begin to see how serious the health cost problem is, and you begin to understand why so many children do without health care at all, or why so many senior citizens on small, fixed incomes must do without the preventive care which could prolong lives and prevent senility. That is one reason why our national standards of health care are falling instead of rising.

The serious shortage of medical and paramedical personnel is not something I have to explain to this audience. You are part of this nation's effort to fill health manpower needs, so I am sure you are acutely aware of the problems of supply and distribution of health personnel. Medical and paramedical personnel are spread too thin and needed in too many places.

Estimates of our shortages vary, but it is generally agreed that we need fifty thousand more doctors, twenty thousand more dentists, one hundred and fifty thousand more nurses and two hundred and eighty thousand more other health professionals! These shortages will increase astronomically because we do not have the schools—schools like Logan College—and the training programs to fill today's need, much less to train for tomorrow.

Rising costs and that shortage of personnel have resulted in a health crisis everyone recognizes, and no one knows quite how to solve. President Nixon said in 1971, "It is time we became the healthiest nation in the world," and in the same speech he promised "a program to insure that no American family will be prevented from obtaining basic medical care by inability to pay."

Many other members of government, both in and out of Congress, have repeated his thoughts and echoed his pledge.

But the problems of deciding how much we can afford to spend on health and how we can resolve our conflicting ideas about funding health programs have interferred with our making good on those pledges.

That is why I think conferences like yours today are so important. From this meeting will come your ideas about Medicare and how the legislation which implements it should be improved or coordinated with other health needs.

With new legislation last year the Congress recognized the role chiropractic can play in providing health care for the elderly. As you know, I fought along with you to see that chiropractic was covered under Medicare. I will continue to fight to see that the standards set by the Secretary of HEW are sensible and reasonable. I hope that you will make sure that the Administration is aware of your recommendations and ideas.

Medicare has helped to provide for the elderly, but not in sufficient amount to outrace medical inflation. So the program you are here to talk about is still in need of changes. The pre-Medicare medical costs for senior citizens averaged $293 per year. In 1970, five years later and with the help of Medicare, the share of medical costs paid out-of-pocket by older citizens had risen to an average of $305!

This group, which has medical bills which are six times that of children and almost three times that of the average middle-aged adult, still has a serious health crisis. Preventive care is simply not available or used, largely because those who are on fixed incomes cannot afford to pay their share of the rising costs under the current system. Thus Medicare is rapidly becoming only another form of "catastrophy" insurance—a system where regular and preventive care is not covered or not covered sufficiently to make it practical.

This year the Administration, instead of following the advice of the White House Conference on Aging, moved to decrease the federal support for Medicare, and asked for approximately one billion dollars to be cut from the share the government would pay for hospital and physician costs. The myth that if people pay more they will not "overuse" medical services was given as the reason behind this cut.

That reminds me of the slogan which Governor Reagan offered the California taxpayers to explain a new system of tax collection. "Taxes Should Hurt," he said. An irate taxpayer immediately rented billboard space to put up signs which quoted the Governor and then said in large red letters "OUCH!"

Now I'm not convinced that medical costs for senior citizens should hurt or that they should have to say "OUCH!"

The second reason given for the proposed cut in Medicare funding was that the benefit increases of Social Security payments which were approved last year would cover the increased medical costs. That's like saying that a small increase in your income would make it possible for you to do without insurance for your family. The senior citizen has very little assurance that a major illness or hospitalization will wait until he has saved enough out of his increased benefits to pay for it!

We should all remember that no group of senior citizens is satisfied with Medicare, although they are grateful for the coverage it has given them for hospitalization and emergency care. No group of health professionals is completely satisfied with it either. The need for change in the health delivery system is apparent to everyone.

How can we in the Congress respond to the health needs of the elderly as well as the health needs of the rest of the nation? The Administration's view is clearly that we need health care and health training, but that we cannot afford to support it with federal dollars. The Congress, which receives messages from the people more directly and more forcefully than the President, has shown strong support for existing programs while we search for a better way.

For fiscal year 1974 the Administration recommended eliminating or cutting down on the amount of money budgeted for both medical and educational programs. Both of these areas concern you, as they concern me. Through the use of what were called "downward amendments"—that means less money—and "lower capitation"—that means less people served—many severe budget cuts were proposed. In some cases the Administration suggested that revenue sharing would make up the difference. In other cases the suggestion was made by the Administration that the program concerned was no longer needed.

Unfortunately, neither of these explanations makes much sense in the health field. Revenue sharing will not help provide health care in any significant degree, and will not help us plan for the future. Certainly the statistics I have given you today make it obvious that the need for health care planning and funding is still present.

For the immediate future Congress has voted to restore funds and to extend most health and education legislative programs. This week the President signed an omnibus act extending health programs for one more year.

In addition, we have passed legislation in the Senate to provide for Health Maintenance Organizations—the HMOs we have all heard about as a partial solution to health care needs. Eventually this year I think we will have HMO legislation which will be approved and signed.

Your role in the HMO concept is not yet clearly defined, but I have had an opportunity to review Doctor Coggins' statement to the health subcommittee and I agree with him that it is time for Congress to recognize your place as a part of the total health delivery team. This is the right time for you to demonstrate your belief that the patient should have his full choice of health service.

The Health Manpower Act is another piece of legislation which should concern all of you. This legislation was originally passed in 1963 and has been extended and amended periodically by Congress. It authorizes Federal support programs for health professionals through financial assistance to schools for construction, operation, and special projects. The law has failed to cover schools of chiropractic or their students.

Now is the time for you to make it clear to the Congress and to the Administration that you want to participate in these programs. You are part of this nation's health manpower team. You are needed to help provide for the total future health program of the nation.

I think it is time for us to consider health care a national problem. We need more than just a series of categorical programs which pay the bills for one group or another. That results in competition between people who should be working together and means costly duplication of effort which we cannot afford.

We need to work toward developing a national system whose goal is comprehensive health care for the entire nation at a cost people can afford and in the places where people live. That system must include training for the future health teams we will need.

As a Senator I will need your help to work toward that goal.

We must decide on priorities for the tax money we have, and we need the advice of every professional.

We must decide which is the best way to insure that the money we allocate to health and to education will result in the best solution for the needs of the greatest number of Americans. We will need your advice about that.

No discussion of national crises today can exclude the crisis in government which we call "Watergate." I want to take just a minute of your time to talk to you about that crisis and about what the people and courts and the Congress can do about it.

We must be clear about what the problem is and what it is not. It is not a partisan problem—this crisis affects Democrats and Republicans alike. It is not just a burglary and wire tapping of one party headquarters—it is the entire system of campaigning and electing national candidates which is under investigation.

The courts must decide if crimes have been committed and must proceed to see that those who are guilty are punished. Special Prosecutor Cox has been given the assignment of handling that part of the problem, and I am sure that he will carry out his assignment in a way which will make us all proud of our judicial system.

The Senate Investigating Committee has a much more difficult job. We are charged with looking at the 1972 campaigns in depth so that we can understand not only what went wrong, but why it went wrong. What in our political system led men and women in positions of responsibility and trust to abandon their own respect for the law and their own faith in democracy? It will be many months before we have finished our hearings, and then we must decide if new legislation will protect us from future tragedies like this one.

It is important that the people be fully informed about what happened and that they participate in any changes we propose. Our system of government depends upon our being able to trust one another as we work together in an open and fair and honest society.

So in this, as in other problems we have talked about today, it is necessary for us to keep open the lines of communication between the people and the government.

Thomas Jefferson once said that an informed electorate was the essential ingredient for a democracy. I believe that it is equally important to have an informed Congress. That can only happen if professionals like you make us aware of your ideas and your needs and actively participate with us in planning for the future.

Working together we can preserve what is good in the health programs we now have and provide for the healthy future of this nation.

THE TRANS-ALASKA PIPELINE WILL BENEFIT THE CONSTRUCTION WORKERS OF AMERICA

Mr. STEVENS. Mr. President, the trans-Alaska pipeline will benefit the construction workers of America. For example, thousands of workers will be required to construct the pipeline itself and maintain it. The construction trade unions have by and large adopted strong positions in support of the trans-Alaska route.

One such union is the United Association of Journeymen and Apprentices of the Plumbing & Pipefitting Industry of the United States and Canada—AFL-CIO-CLC.

Last year the Joint Economic Committee held hearings on the trans-Alaska pipeline. At that time, Mr. Martin J. Ward, general president of the UA, submitted an official letter stating the position of the UA to the chairman, Senator PROXMIRE, on behalf of the 323,000-member union. He also submitted two resolutions—one by local union No. 367 of Anchorage, Alaska, and one by local union No. 798 of Tulsa, Okla.—which were adopted by the 3,000 delegates at the 1971 national UA convention.

Only this month the official publication of the UA, and UA Journal, published a major article on the trans-Alaska pipeline. This article was entitled "Congress Must End Impasse—Alaska Pipeline Will Carry Oil to a Fuel-Hungry Nation."

This article discusses the difficulties that have beset the pipeline thus far. It states:

Against this background, it seems reasonable to ask Congress to end the current impasse over the construction of the pipeline. It is becoming daily more urgent that the Alaskan oil be made available to combat the energy crisis we are embroiled in. . . .

The Alaska oil fields are our best hope for increasing domestic production. It is estimated that at least 10 billion barrels of oil can be produced from the North Slope reserves. That's as much oil as reserves in Louisiana, Oklahoma, Kansas, and half of Texas combined.

Mr. President, I would like to emphasize that last sentence. We have as much oil on our North Slope alone as reserves in the States of Louisiana, Oklahome, Kansas, and half of Texas combined.

This article, the cover story in the June 1973, U. A. Journal, once again puts the UA along with the AFL-CIO and other major labor groups as supporting the trans-Alaska pipeline.

Of particular importance to the working people of America are the following paragraphs:

The study (prepared by Alyeska Pipeline Company), published last year, estimates that the pipeline project will produce 18,000 more employed persons in Alaska in 1975 than there would have been without the project.

The line is expected to take three years to build and would employ between 5,000 and 10,000 men during actual construction.

The UA which will largely construct the pipeline itself, mentioned Mr. Ward's letter to the Joint Economic Committee which I previously discussed. It also cited the statement by the AFL-CIO Executive Council on the trans-Alaska pipeline adopted in Washington last May 9. This statement, of which many of my colleagues are already aware, puts that organization strongly in the forefront of groups supporting the trans-Alaska pipeline. As Mr. Ward stated in his letter to the Joint Economics Committee:

Mr. Chairman, let us get started on this project without further delay. It is essential that this nation see this opportunity to reduce its dependence on foreign oil production.

I request unanimous consent that the article in the UA Journal, the letter from Mr. Ward and the two resolutions, and a letter from Mr. Andrew J. Biemiller, Director of the AFL-CIO, Department of Legislation, which enclosed a copy of the statement by the AFL-CIO Executive Council on the trans-Alaska pipeline, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESS MUST END IMPASSE—ALASKA PIPELINE OIL TO A FUEL-HUNGRY NATION

The bitter battle over the building of the Alaska Pipeline has been fought on an "either-or" basis: Either build the pipeline or protect the environment.

This take-it-or-leave-it approach is not the only one. A growing body of evidence indicates that we can do both—that the line can be constructed to make the North Slope oil available to a fuel-hungry nation without damaging the fragile balance of nature that is a feature of the arctic environment.

The Alyeska Pipeline Service Company—the joint venture of seven major oil companies formed to construct the pipeline—has been working on this approach for a number of years. In the process, the company has spent over $35 million studying not only the line itself but the physical and biological environment through which it must pass. Over 1,000 man/years have been spent in research, special studies, field investigation, route surveys, project development, and engineering.

No construction project has ever received the moral, social, and ecological investigation accorded the pipeline.

Against this background, it seems reasonable to ask Congress to end the current impasse over the construction of the pipeline. It is becoming daily more urgent that the Alaskan oil be made available to combat the energy crisis we are embroiled in.

At the present time many of the nation's gas stations are placing voluntary limits on the amount of gas they will sell to one motorist, and the nation is seriously debating compulsory gas rationing. Our domestic production is no longer sufficient to meet our needs. The increasing billions of dollars being spent abroad to buy petroleum is threatening the strength of the dollar.

Last year the U.S. demand for petroleum was 16.6 million barrels a day. (A barrel holds 42 gallons.) Of this amount, 4.7 million barrels a day were imported, and the first round balance of payments outflow for 1972 was $16.0 billion.

It is obvious that we must purchase abroad every barrel of oil we do not get from Alaska for the next ten or 20 years. We face the choice, therefore, of increasing our dependency on other nations or developing our own domestic resources.

The Alaska oil fields are our best hope for increasing domestic production. It is estimated that at least 10 billion barrels of oil can be produced from the North Slope reserves. That's as much oil as reserves in Louisiana, Oklahoma, Kansas, and half of Texas combined.

In addition, North Slope oil is a high-grade oil with low sulphur content. When burned it will produce less air pollution than some currently used oils.

The United Association and the AFL-CIO are among the organizations urging the start of construction of the pipeline that will run south from Prudhoe Bay on the North Coast of Alaska to the ice-free port of Valdez near Anchorage. The oil will then be shipped by tanker to the mainland.

In his recent major national message on energy, President Nixon called for a speed-up of the Alaska oil field development by pushing construction of the Alaska pipeline.

Senator Henry M. Jackson, the leading energy expert in Congress, has introduced leg-

islation to widen the right of way across public land so that work on the pipeline can begin. Construction is currently blocked by a Supreme Court ruling which forbids the use of existing rights of way because they are too narrow.

As soon as Congress acts to authorize construction, work can begin almost at once. All of the 48-inch pipe is currently in Alaska, along with most of the gas turbines, pumps, and mainline valves. Welding and bending tests have been made under Alaskan conditions to test the feasibility of construction.

The 800-mile Alaska pipeline is not the longest ever built, or the only one constructed under arctic conditions. But it is the single largest construction project ever financed by private industry. The price tag for the line, pumping stations, terminal facilities, and communications and control systems is set at $1 billion.

Environmental factors have had and will continue to have the highest priority in the planning of the line. There are two kinds of environmental problems that must be solved by the engineers.

1. Those which could affect the integrity of the pipeline and could therefore conceivably cause oil spills.

2. Those which concern the disturbance of fish, wildlife, and vegetation by the construction, or mere presence, of the line.

It is essential to deal with both problems to assure efficient operation of the line and to fulfill the objective of preserving the environment.

Every possible precaution will be taken to prevent leakage and to limit the effects in the event a leak should occur. The line is designed to withstand the combined stresses from internal pressure and from thermal, bending, and seismic forces. The system is engineered to resist the most severe earthquake ever recorded in Alaskan history. The safeguards against spillage include remote control cut-off valves and emergency procedures to deal with any rare catastrophe.

The half-inch thick pipe has a special coating to protect it from chemical corrosion and an integral cathode protection system will be built into the line to prevent electrolytic corrosion.

Much of the terrain that will be traversed by the pipeline is permafrost, a permanently frozen ground under a thin layer of tundra that consists of mosses, lichen, and grasses. To prevent the thawing of the permafrost, which will damage both the pipe and the environment, geologists have selected a route that will take the line through rocky, dry, stable permafrost as much as possible. In such aeras the pipeline will not create an unstable condition, and it can be buried underground just as conventional transportation pipelines are buried in the U.S.

In some areas, the pipeline will be buried, but will be insulated by various means to reduce or prevent heat transfer to the ground. In areas where the permafrost has a high moisture content and is vulnerable to melting from the hot oil that will travel through the line, the pipeline will be elevated. Less than half the line is planned to run above the surface.

In the areas where the line is elevated, special ramps and underpasses will be constructed to allow caribou and sheep free access for their traditional roaming. Some of the herds of caribou travel as much as 45 miles a day in search of food.

During construction calving, spawning, and nesting areas will be avoided during critical seasons.

The line will cross 350 streams, but care has been taken to guard against damage to fish. Migration and spawning patterns have been charted to minimize interference by the line. Thermal damage will be guarded against, and the line will be buried deep enough under the streams to resist any scouring by flood conditions.

Alyeska will require its subcontractors to remove every scrap of trash, garbage, and debris, or they will not be paid. No one connected with the pipeline will be allowed to hunt.

Care has also been given to the impact of the pipeline on the state's economy. A study prepared for Alyeska maintains, "Despite its magnitude, the trans-Alaska pipeline project will not produce a 'boom-bust' imbalance in the Alaska society."

This conclusion is based on the fact that the pipeline construction will occur against a background of a growing economy, paced by petroleum exploration and other natural resources exploitation.

The pipeline is expected to speed up the pace of business expansion to reach a given level two or three years earlier in the normal, growing economy than would be achieved without the construction impact.

The study, published last year, estimates that the pipeline project will produce 18,000 more employed persons in Alaska in 1975 than there would have been without the project.

The line is expected to take three years to build and would employ between 5,000 and 10,000 men during actual construction.

Initially the pipeline will be able to transport up to 600,000 barrels a day. At full capacity 12 pumping stations will operate to move two million barrels a day.

UA General President Martin J. Ward urged construction of the pipeline last year in a letter to Senator William Proxmire, chairman of the Joint Economic Committee.

He said, ". . . the 800-mile trans-Alaska pipeline will be largely constructed by the highly skilled members of the United Association. I can assure you that they are deeply conscious of the need to protect the environment and maintain the quality of life for all those areas affected by such construction activity. They are prepared to get on with the job. For the last several years unemployment in the pipeline construction industry has been at the highest levels in history. The Alaska project would mean steady work for thousands of our members, including our Alaska members who have been hard-hit by rising joblessness in that state."

Last month, at its spring meeting, the AFL–CIO Executive Council unanimously passed a resolution calling for Congress to authorize the start of construction on the line.

The statement said, "The fastest, most economically feasible and most secure method of transporting Alaskan oil to the burgeoning American markets is by pipeline to Valdez and by tanker to West Coast ports.

"Jobs for American workers would be generated not only in building the pipeline and related plant construction, but also in maintaining it and in manning the transshipment facility at Valdez. Approximately 33 new U.S.-flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers. . . .

"Without sufficient energy resources America will not be able to meet its economic and social goals, but if the Congress acts now it can assure Americans both a better environment and a better life for everyone."

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA,

Washington, D.C., June 21, 1972.

Hon. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee, Congress of the United States, Washington, D.C.

DEAR SENATOR PROXMIRE: It is my understanding that the Joint Economic Committee is currently holding hearings in connection with the recent Interior Department decision to grant the long delayed permit for construction of the trans-Alaska pipeline, designed to transport oil from the North Slope of Alaska to the port of Valdez.

The 323,000 members of the United Association of Plumbers and Pipefitters went on record in support of the trans-Alaska pipeline during our national convention last year. You will find enclosed a copy of the resolution that was unanimously approved by the 3,000 delegates to that convention. I would very much like to have both the resolution and this letter made a part of the official record of the hearings.

Four years have passed since the discovery of the estimated 20 billion barrel oil deposits at Prudhoe Bay. During all those years, those who have opposed construction of the pipeline and the related plan to ship the oil by sea to the "lower 48" have had ample opportunity to have their opinions tested in Congress, the courts, administrative agencies and a wide variety of media. Surely it is time to come to a decision.

Back in 1969, during debate leading to enactment of the National Environmental Policy Act, the AFL–CIO endorsed the Act as a "means of achieving a sound and sane balance between resource utilization and misuse that would produce adverse environmental effects."

Nowhere has this struggle for a reasonable balance between our concern for the environment and our urgent need for new sources of energy been more evident than in the controversy over the best way to utilize the oil riches of Prudhoe Bay. The voluminous Interior Department report to EPA indicates the intensive study of environmental issues that has been conducted by both public and private agencies. There is no longer any reason to doubt that the Alaskan environment can be protected from serious damage during construction of the pipeline and operation of the completed transportation system.

It has been reported that more environmental planning has gone into the pipeline than into any other construction project in history. The Interior Department study is estimated to have cost $9 million, and the oil companies have spent more than $35 million.

Mr. Chairman, the 800-mile trans-Alaska pipeline will be largely constructed by the highly skilled members of the United Association. I can assure you that they are deeply conscious of the need to protect the environment and maintain the quality of life for all those areas affected by such construction activity. They are prepared to get on with the job. For the last several years unemployment in the pipeline construction industry has been at its highest levels in history. The Alaska project would mean steady work for thousands of our members, including our Alaska members who have also been hard-hit by rising joblessness in that State.

Furthermore, many of our members are employed in the shipbuilding industry on the West Coast. Construction of the new supertankers to carry the oil from Port Valdez would reduce their out-of-work total dramatically. Also, thousands of manhours of work would be created in the construction of oil refineries and in other construction projects needed to support and operate the new oil transportation system.

Testifying before the House Interior and Insular Affairs Committee two months ago, the Secretary of the Interior said, "We are facing a fuel and power crisis. Its implications for our economy, our environment, security, foreign policy and national life style are broad and pervasive . . . We must convince the public of the imminent crisis and the urgent need to take action now."

Mr. Chairman, let us get started on this project without further delay. It is essential that this nation seize this opportunity to

reduce its dependence on foreign oil production.

Sincerely yours,

MARTIN J. WARD,
General President, U.A.

R–46

By Local Union No. 367,
Anchorage, Alaska.

Whereas, The 800-mile Trans Alaska pipeline is of a vital economic nature to provide jobs and generate a vast source of energy to our great nation; and

Whereas, The ecology and conservation groups, who are a very small minority, are creating a tremendous pressure impact to delay the construction of the 800-mile Trans Alaska pipeline as long as they possibly can; therefore be it

Resolved, That all delegates, Officers, members, friends, of this great United Association, Plumbers and Steamfitters, Welders and Metal Trades, join in a national effort to help promote issuance of the Trans Alaska pipeline permit, by our Honorable President Richard M. Nixon and Honorable Rogers C. B. Morton, Secretary of the Interior. A coordinated letter writing campaign to the President and Secretary of the Interior by all members, friends and Locals will serve an effective purpose.

R–110

By Local Union No. 798,
Tulsa, Oklahoma.

Whereas, The United States Department of the Interior has called the proposed 800 mile trans-Alaska pipeline "essential" to the security of the United States; and

Whereas, Construction of the pipeline has been interminably delayed by a combination of forces and events largely beyond the control of the builder, the Alaska Pipeline Service Company; and

Whereas, These obstructions include the failure of Congress to settle the land claims of Alaska's 55,000 natives and also the irresponsible charges and court injunctions promoted by overzealous conservation organizations; and

Whereas, It is clear that the pipeline can be so engineered and designed as to get the job done and, at the same time, minimize the supposed threat to Alaska's ecological balance; and

Whereas, Employment generated by the crude oil extraction and the pipeline construction will produce enormous and lasting economic advantages for Alaska's citizens: and

Whereas, The entire 800 miles of 48-inch-diameter pipe has already been delivered to Alaska; therefore be it

Resolved, That this great international union, whose members stand ready to apply their skills to the task of actually constructing this vital pipeline, formally calls upon the Congress of the United States to settle forthwith the land claims question; and calls also upon the Interior Department to recognize obstructionist tactics for what they are and to issue the pipeline construction permit without further delay.

Committee Secretary BERTONEAU. These resolutions concerning the installation of the 800-mile Trans-Alaska Pipeline, were introduced by Local 367 of Anchorage, Alaska, and Pipeliners Local 798. The Department of Interior and President Nixon presently have before them the request for the permit to build the pipeline. A small number of conservation groups and ecologists have opposed the construction of this 800-mile pipeline and the resolutions request all delegates, officers and members of local unions to join a national effort to help promote the issuance of a permit for the installation of this Trans-Alaska pipeline. The resolutions point out that the ecology of Alaska will not be injured by the installation of this pipeline and it will immeasurably enhance the future economic growth of Alaska by providing jobs and generating a vast source of energy for our national resources. Your Committee recommends concurrence in these resolutions and urges all local unions to write to President Richard M. Nixon and Rogers C. B. Morton, Secretary of the Interior, requiring the issuance of the permit.

Mr. Chairman, your committee moves for the adoption of the Committee report.

General President (Elect) WARD. The motion is on the adoption of the Committee's report in regard to all of the delegates and locals and members of the United Association supporting the construction of the Alaska Pipeline. Is there any discussion on the motion? Hearing none, the motion is passed.

. . . The recommendation of the Committee was adopted.

AMERICAN FEDERATION OF
LABOR AND CONGRESS OF
INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 15, 1973.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: At its May 9 meeting in Washington, the AFL–CIO Executive Council adopted the enclosed statement in support of construction of the Alaska pipeline, pointing out that "it is tragic that while the United States is facing an energy crisis, including shortages of petroleum products, one of the largest reserves of petroleum—Alaska's North Slope—remains undeveloped."

Particularly we would like to draw your attention to three points in the statement:

1. Construction of the Alaska pipeline—and, indeed, the legality of many existing pipelines in the United States—depends upon enactment of S. 1081 that would modernize right-of-way requirements for pipelines. Construction of the Alaska pipeline will necessarily stimulate employment in construction, maintenance and shipping. On the other hand, failure to enact S. 1081 would endanger the jobs of many workers working on existing pipelines.

2. S. 1081 has very tough environmental protections, including stringent liability requirements for damages caused by the pipeline, which the AFL–CIO wholeheartedly supports.

3. The bill reported by the Interior Committee does not exclude the possibility of a second pipeline through Canada. On the contrary, S. 1081 specifically recognizes that a second pipeline will be needed in the near future and sets in motion the planning necessary for construction of a Canadian route.

The case for immediate construction of the Alaska pipeline is compelling. America must develop its own petroleum resources to insure economic stability, to continue with the task of cleaning the environment and to avoid dependence on foreign sources with political, economic and national security hazards.

The AFL–CIO strongly urges you to vote for S. 1081.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

Enclosure.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON ALASKA PIPELINE

It is tragic that while the United States is facing an energy crisis, including shortages of petroleum products, one of the largest reserves of petroleum—Alaska's North Slope—remains undeveloped.

At a time when the U.S. is forced to increasingly rely on oil imports—with resultant loss in American jobs, damage to this country's balance of trade and potential threat to national security—development of Alaskan oil reserves is blocked by outdated right-of-way requirements and environmental concerns, some real and some imagined.

The fastest, most economically feasible and most secure method of transporting Alaskan oil to the burgeoning American markets is by pipeline to Valdez and by tanker to West Coast ports.

Jobs for American workers would be generated not only in building the pipeline and related plant construction, but also in maintaining it and in manning the transshipment facility at Valdez. Approximately 33 new U.S.-flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers.

However, the key to transshipment is construction of the Alaskan pipeline, and construction of the pipeline depends on Congressional action to give the Secretary of the Interior legal authority to grant the right-of-way.

Congressional action is also necessary to legalize many oil and gas pipelines in all regions of the country which, as a result of a recent court decision, are technically illegal. Unless legal remedy is provided, these pipelines could be enjoined and the jobs of many workers endangered.

Senator Henry M. Jackson, chairman of the Senate Interior Committee, has sponsored legislation (S. 1081) that would solve the right-of-way program while providing very tough environmental safeguards and stringent liability requirements for damages caused by the pipeline. Additionally, the bill would insure that the Alaskan oil reserves are used in America's domestic markets. We urge immediate enactment of S. 1081 to eliminate a legal obstacle to construction of the Alaskan pipeline which we wholeheartedly favor.

Enactment of the Jackson bill would leave one hurdle to construction of the pipeline—a court challenge to the environmental impact study conducted by the U.S. Department of Interior in accordance with the National Environmental Policy Act. This question now properly reverts to the courts where a decision should be rendered without delay.

Various routes through Canada to the Midwest have been proposed as alternatives to the Alaskan pipeline. But this is not an "either . . . or" question—both an Alaskan and a Canadian route will be needed. But a Canadian route is considered by experts to be at least 10 years away from construction, and time is of the essence. We believe a study of a Canadian route has merit, because the resources in the Alaskan and Canadian Arctic will eventually require two or more pipelines.

Therefore, we support the provision in S. 1081 that establishes proper procedures for negotiations with the Canadian government leading to construction of a second, later route.

We recognize that full development of Alaskan oil reserves will not solve America's larger energy crisis. The future stability of this country's economy requires immediate measures to insure America's self-sufficiency in all forms of energy.

To meet this long-range need, we support S. 1283, introduced by Senator Jackson and 27 other Senators, that would mobilize the nation's scientific and technological resources for a 10-year, $20 billion crash program to develop alternative energy sources.

If America does not solve its immediate and long-range energy needs, this country will be forced to depend largely on foreign sources with political, economic and national security hazards.

Without sufficient energy resources America will not be able to meet its economic and social goals, but if the Congress acts now it can assure Americans both a better environment and a better life for everyone.

SENATOR RANDOLPH VOTES AGAINST CONTINUED BOMBING IN CAMBODIA

Mr. RANDOLPH. Mr. President, last night I voted against the so-called compromise amendment which would allow the use of funds to continue the bombing in Cambodia until August 15.

I respect the sincerity and convictions of those who worked diligently and in good faith to effect a solution to what was characterized as an impasse between the Congress and the White House over the amendment to prohibit the use of funds for combat activities in Indochina. Certainly, numbered among those who supported the substitute proposal were Senators who have exerted leadership in the efforts by Congress to terminate U.S. participation in the hostilities in Southeast Asia.

Nevertheless, it is my belief that the Senate should not have accepted the compromise proposal. The Congress has expressed its will on this issue. In my judgment, approval of the amendment to permit the bombing even until August 15 violates the constitutional role of the Congress, particularly in view of our prior actions in specifying that the United States has no commitment to Cambodia—expression by the Congress which the President has not approved. I do not believe that the Congress should have sanctioned the bombing for another 45 days, even if our Chief Executive has indicated his willingness to stop the bombing activity at that time.

But, Mr. President, that is exactly what we did on Friday. We sanctioned the bombing of Cambodia, an activity which at the very least violates the intent of the legislation passed by the Congress. We, in effect, said to the President that he has 45 more days to conduct activities which we have already attempted to prohibit.

It would be better if no Cambodia provision were contained in the bill, rather than approving 45 more days of concentrated bombing. Through the substitute amendment we have become a party to an action which contradicts the beliefs which we have expressed in the past.

My vote was not against the President. Rather, it was a vote to terminate completely our involvement in the ill-fated hostilities in Indochina and to strengthen the constitutional responsibility of the Congress in determining priorities on national and international issues.

NATIONAL TRANSLATOR ASSOCIATION

Mr. MANSFIELD. Mr. President, Montana is proud to be the home State of the president of the National Translator Association, Nat Allen of Roundup, Mont. Nat Allen has been active in the activities of this association for many years. He recently brought to my attention the address made to the National Translator Association's annual banquet by Lester W. Lindow, executive director of the Association of Maximum Service Telecasters. This is a fine statement on the current status of translators and cable. As my colleagues here in the Senate know, there is a continuing debate between these two aspects of telecommunications and I offer this one interpretation and ask unanimous consent that it be printed at the conclusion of my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY LESTER W. LINDOW

The opportunity to address your annual convention is an honor, and a privilege. Your association and the Association of Maximum Service Telecasters (or, MST as we're called), have worked together and in harmony for a number of years. Judge Allen, Ed Craney, Arch Madsen, and Len Murdoch, among others, are friends whose determined spirits and dedication to principle have contributed so much to the growth and development of free over-the-air television service to the American public.

The growth of free television in America is one of this country's marvels.

And yet, America's television system is undergoing pressure for change. That some change will take place is inevitable. How well you, MST and other broadcasters as well as farm organizations and other representatives of the public do our job, will determine, to a large degree, the nature, the extent and the effect of that change.

Let's look at a few of the things free broadcasting brought to America last year. 1972 started with 27 million Americans watching the Super Bowl in New Orleans. You watched a Brooklyn genius named Fischer check a king of the chess world named Spassky and we went to the ballgame and saw Oakland out bat the lads from Cincinnati. We followed the primary elections, were horrified to witness a shot in Maryland which crippled candidate Wallace, attended the national nominating conventions, followed the campaign and watched the election night returns when the people named their President. But also that night we learned of thousands who would be our governors, legislators, mayors, school board members, and sheriffs.

150 million thrilled to the Olympics and were appalled by the reign of terror which split it apart. You were with the President on his historic mission to Peking. Throughout the year you were kept informed on that important daily phenomena—the weather, locally, regionally, and nationally. When the moon was shot, 115 million of us were there and we never left home. As a war that seemed endless drew to a close we held our breath. We brought you comic relief with Archie's weekly trials and tirades. (And in '73 we have already brought you more of history in the making.)

And it was all free! Only America has the benefit of such a wide diversity of information, drama, entertainment, and education. Other nations offer their people pallid and inadequate imitations too often hamstrung by the heavy propaganda controls of their governments.

Our philisophy in MST for 17 years has been that television broadcast stations are and must continue to be, the bed-rock of the American television system. Translator operators know full well that while the programs of New York, Hollywood, and the world are important—the regional news, weather, crop and market reports their public needs don't come from those glamor centers.

How wise this approach has proven to be!

Our Association is daily concerned with the maintenance and further development of high quality wide-area interference free television signals to best serve the public of all America—rural and small town as well as large metropolitan areas. And we are now watching with a jaundiced eye satellite-to-home broadcasting. In short, spectrum allocations, management, and engineering is what MST is all about for without good, usable and economically viable TV channels, the TV broadcast station is out of business and the public is the loser.

Why *should* America's TV stations survive in this era of accelerating technical development? Is it really in the public interest that the TV broadcast station survive? Is *cable* the wave of the future? Or is all terrestrial television to be obsoleted by satellites? Do we slavishly resist every form of change for anti-competitive reasons—to maintain the status quo at any cost? The litany is loud and continuous. Is it true? Has the TV station outlived its usefulness? Will cable television and satellite broadcasting make obsolete the TV station?

Well, let's look at television broadcasting development and its value to the American public.

In 1953 there were 126 TV stations on the air, today there are 927 and several thousand translators. In 1953 there were 27 million TV home receivers in use, today there are 107 million. In 1953 less than half of America's homes had a TV set, today nearly every home has *at least* one.

In 1953 it was common to be able to receive only one or two signals. Today over 90% of American TV homes receive four or more signals and 60% of the homes receive seven or more signals. In 1953 home viewing was about four hours and 40 minutes per day. Today it is six hours and 12 minutes.

What is television broadcasting worth to the American public? We cannot place a dollar figure on the enormous social value to the nation of a better informed and educated public. We *can* approximate the economic value to the public of what it views on free television. Four years ago a study for MST by the nationally recognized economic consulting firm of Robert Nathan Associates estimated the economic value to the American public of its television viewing at slightly over $100 billion *annually*—and we all know there's been a lot of inflation in the last four years.

The future of over-the-air TV broadcasting is as bright as its past, if we are willing to fight for it—and the positive side of the story must be told—and told again and again. Because, gentlemen, there are many who seek to hasten the demise of our present television system—and they are hard at work!

The cable television issue which at this moment is both most immediate and most important is CATV pay television.

The new CATV rules announced by the FCC about a year ago were intended to give CATV a subsidy to deliver on its blue sky promises: innovative and diverse programming, access channels for everyone, dial-the-phone face-to-face psychoanalysis in the home, electronic newspapers. You name it; it was promised in order to get the distant signal importation rules relaxed.

But when the new cable rules were announced, cable's tune changed. Listen to Geoffrey Nathanson, President of a major pay cable entrepreneur:

"The wraps are off—what we're really talking about is pay TV, here and now. We used to bury it and talk about meter reading and education for the kids and two-way communications, and all the rest . . . but let's face it—we're really talking about the potential of first run movies and super bowls on a pay basis!"

Sol Schildhause, Chief of the FCC's Cable Television Bureau, in a public speech said:

"Despite all the fancy talk about cable's future in medicine and politics and shopping probably changing our whole style of life, it's pretty clear to me that the next phase in this business has got to be a whole new way of merchandising sports and entertainment, and I mean pay television."

The threat of CATV pay cable is serious

and imminent. The dollars are there to outbid broadcasting for sports, feature film, and other popular entertainment programs. The leverage of $1 per home for a baseball game or a movie is enormous.

There is now a rule on the FCC's books to limit siphoning of free TV programs by CATV pay cable. The FCC is about to decide in a pending proceeding whether and how that rule will be changed. The present rule has serious loopholes which must be closed. But cable interests and the feature film industry are trying to *weaken* the rule, if not have it eliminated entirely. They want *all* feature film opened up for CATV to sell on a pay TV origination basis and to provide a new more profitable market for the film producers. And the cable people want the sports anti-siphoning limitations further weakened.

Shifting programs from free television to pay cable *does not* provide the public with diversity; it does mean charging the public—for what it would otherwise receive free of charge. Yet the whole purpose of the more permissive distant signal rules adopted last year was to provide cable within an economic subsidy to produce something new and different.

For millions of Americans—those who cannot afford extra cable charges or who cannot afford cable at all, and those living in less densely populated areas where cable is uneconomic—say cable siphoning would take away what they now have.

Let me now refer briefly to cable's ultimate—the replacement of television, as we know it, by the wired nation.

There are those who believe that television broadcasting should be replaced by a wired nation. These people either are unaware of, or choose to ignore, the 1968 COMPLAN study for the President's Task Force on Communication Policy, which estimated that the cost of wiring the nation with a *simple one-way* video, 20-channel cable would be 123 *billion* dollars, and that such a system would cost almost 40 *billion* dollars a *year* to operate. These annual operating costs would be half the annual defense budget for this country! And these were 1968 dollars. In terms of 1978 dollars I suspect that you can double these estimates. And note that these astronomical figures would buy *none* of the glib blue-sky promises of wired nation supporters.

What would the public get for such an enormous outlay of capital? The demise of free television provided by broadcast stations. No guarantee that regional news, public affairs, weather and market reports, and other programming of the quality now available would continue. And millions of low income persons and persons living in sparsely settled areas could obtain television service if at all, only through a massive government subsidy.

Does anyone in a position of influence still take the wired nation concept seriously? The disturbing answer is, "yes." High *Administration* officials speak glowingly of the wired nation. Seven Congressmen and two Senators—both Democrats and Republicans—have already introduced legislation that would provide a massive government subsidy for wiring rural and other thinly settled areas. At a time when the federal government is painfully trimming a few million dollars from important domestic programs in an attempt to hold the federal budget within limits, this proposal would commit countless *billions* of tax dollars to replacing free television broadcasting with a wired nation.

The wired nation is not here. And, economically, it does not seem possible. But it is being pushed.

On the Congressional front bills of interest to translator operators have been introduced in both Houses. The bills provide authorization for translator broadcast stations to originate "limited" amounts of local programming, and to authorize FM radio translator stations to operate unattended. If these bills are enacted into law, the Federal Communications Commission has indicated that it will be necessary to conduct a rule-making proceeding because the proposed bills do not set any specific limitations as to the amount of local origination to be permitted. Such limitations are necessary so that translator stations remain rebroadcast stations. About two months ago MST filed in support of the Commission's proposal to extend the allowable translator origination time from 20 to 30 seconds per hour, in light of the fact that 30-second commercials are far more common than 20-second commercials and hence 20-second originations are likely to result in the translator returning to the signal it rebroadcasts in the middle of a commercial. Thus MST urged the Commission to adopt the 30-second limitation in order to obviate the confusion and disruption that results from such disparity in length of commercials. I regret to say that MST is very concerned about this legislation in its present form.

First, our preliminary analysis indicates a much greater potential for interference to broadcast signals when a translator originates programs. Second, if program originations are allowed on television translators, the question is: "What is the difference between a television translator originating programming and a low power television station?" Good question! One which I know you'll consider and one which I respectfully urge you to consider carefully because it could have long range impact on the rules for establishing television station locations. Let me make a long story short, and oversimplify in the process, by saying that for seventeen years MST has been opposing dropping in television stations at low power because such a scheme eventually leads to a situation of "islands of TV reception" about major cities and a sea of interference elsewhere—including rural America. Therefore I would urge your Translator Association to give this aspect of the subject the most careful analysis and attention.

A few words now about satellite-to-home broadcasting.

Broadcasting directly from satellites-to-home receivers would bypass local television stations. Local broadcasters, local programming and the exercise of local judgment over programming content woud be eliminated. It would potentially destroy local television broadcasting *and, incidentally, cable as well!* Satellite-to-home broadcasting would monopolize the distribution of virtualy all television programs other than purely local originations but would deny local broadcasters the revenue necessary to support locally originated programming.

Don't dismiss satellite-to-home broadcasting as a far-off, technological dream. The FCC has again stated recently that there are no present plans for the development of a domestic satellite broadcasting system. But that statement was accompanied by spectrum allocations to the broadcasting satellite service! And NASA is promoting an experimental satellite broadcasting project in the Rocky Mountain states. This project is supposed to be restricted to so-called *community* reception of *instructional* programming, but Werner Von Braun was recently quoted as stating that a $100 antenna has been developed that will permit home reception of broadcasts from that NASA satellite.

In short, the first, small tentative steps toward satellite-to-home broadcasting have already been taken. Satellite-to-home broadcasting is 1984 and it *is* Big brother—with a vengeance. We all have an obligation to the American people far beyond our interest in our own financial well being to assure that the small beginning in the Rocky Mountains is the end—that the American future does not include this menace to the localism that is so essential to free thought, free ideas and free government.

Hardly a month goes by without someone proposing to use TV channels for something other than delivering TV programs to the American public. One of MST's major functions is to protect TV channels against such encroachment. Land mobile radio has been giving you and the broadcaster the hardest time.

Two-way mobile radio's ultimate goal is to move all of television to cable so that your channels can be used for land mobie and other purposes. Motorola, the leading exponent of land mobile's case, and others have even asked the FCC to take channels 70–83 off the dials of new receivers. Where would that leave translators particularly when land mobile is greedily eyeing other UHF television channels? We have been and continue to fight that battle and the National Translator Association has been a big help. From a practical point of view I doubt if land mobile needs in rural areas will be valid enough to force a move from channels 73–80—provided we all keep fighting.

Land mobile demands for TV channels keep increasing although such demands fly in the face of spectrum utilization facts. They simply believe they have enough political clout to override the facts and to wear the Commission down. And land mobile is supported by cable adherents who would like to impair over-the-air television broadcasting and by government officials who regard broadcasting as obsolete or worse MST and NTA must both remain in this arena to counter these pressures.

Your organization and ours have had, have now, and I believe always will have much in the way of common objectives. Fighting for free television for all Americans is *not* just an empty phrase, it has been a way of life for our two organizations, and an honorable endeavor the practice of which seems to intensify with each passing year. It would be nice if I could tell you that we could "stack arms" for a while and take a rest on the ramparts, but such a happy thought is just not in the cards.

I hope you will not label me as an alarmist when I tell you, as I do now, that there are forces at work who want to "do in" our present system of free TV which serves all Americans, and serves them well. When we say "free TV" we mean free from viewer payments for programming *and* free from undue government influence. And I'm not just talking about intrusions by Democrats, or Republicans, or Whigs, or Bull Durhams but about intrusions by *any* administration that has been in power, is in power, or will be in power. There is expanding within the Federal bureaucracy, and to a lesser extent in the State and local bureaucracies, a new breed of bureaucrats whom I shall call "telecommunications bureaucrats" who seek a more prominent role in communications and who wish drastic alterations in our present system of free over-the-air television, or a complete supplanting or our wonderful system.

If we are vigilant we can defeat these foes of free TV because, properly informed, the American public will be with us. So let us both—the National Translator Association and Maximum Service Telecasters—stand a little taller, stand a little closer together, and work a little harder for one of the Nation's greatest marvels—the development, improvement, and expansion of the system of free television stations and translators that serve all Americans so well.

THE BURUNDI DISASTER

Mr. CASE. Mr. President, some days ago, I inserted in the RECORD a study by the Carnegie Endowment for Interna-

tional Peace entitled "Humanitarian Policy Studies Special Report No. 1"—Burundi.

I have now received the comments of the Department of State on that study and I am glad to put them, together with a summary of United States' contributions to the relief effort in Burundi during 1972, in the RECORD. The Department's statement takes issue with the overall conclusions of the Carnegie study, and I therefore call it to the particular attention of those who read the earlier insertion.

Mr. President, I ask unanimous consent to print the documents in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE COMMENT ON CARNEGIE ENDOWMENT "HUMANITARIAN POLICY STUDIES SPECIAL REPORT NO. 1"—BURUNDI

It is a serious matter to be accused of "indifference, inertia and irresponsibility." We consider the accusation to be disingenuous at best considering the extraordinary amount of staff time allocated to the problem, including many hundreds of hours devoted to the search for ways of assisting innocent victims. We also repudiate the charge that we "repeatedly misled the Congress" in view of the complete briefings provided interested parties like Senator Tunney, his staff, the staff of Congressman Whitten, and the staff of the Senate Subcommittee on Refugees. At no time in our discussions with Congressional officials did we downplay the seriousness of the Burundi situation. We are also surprised that such accusations were made since we accorded the Carnegie researchers full cooperation in their efforts to ascertain State Department actions in response to the Burundi crisis.

The study also concludes that the State Department waited until the late fall to take action. This conclusion is clearly contradicted by the following list of actions during the first thirty days; most of which are acknowledged in the study, and all of which represented far from routine decisions.

In telegraphic conversation with our Embassy in Bujumbura and in discussions with other parts of the Executive Branch we established certain clear objectives in the days immediately following the outbreak of violence. We recognized that the problem would be regarded by African leaders generally as an internal affair and that it would be necessary to persuade them of the wider implications for Africa if they were to intervene to stop the killing. We recognized, also, that as the report points out, our relations with Burundi had been troubled in the past and that tactless action on our part could severely affect our influence on the situation. Dramatic actions from outside Africa could also have the effect of rallying African support behind the Burundi Government and obscuring the basically human aspects of the problem. Africans are extremely sensitive to judgments and actions from non-African quarters. Finally, we concluded that aid would be necessary but that such aid would need to be part of a voluntary agency and international effort if it were to be effective and were to go to all elements of the Burundi population.

Our first decision was to instruct Ambassador Melady to discuss our concerns with President Micombero (May 5). We then consulted with President Mobutu of Zaire (May 7). We authorized Ambassador Melady to disburse $100,000 in AID disaster relief funds for medicines, blankets and food (May 9). We urged the intervention of the U.N. Secretary General (May 24), the OAU Secretary General (May 25), and Mauritanian President Ould Daddah who was then President of the OAU (May 27). We also helped prepare and fully supported a Western nation demarche to the Burundi Government led by the Papal Nuncio to Bujumbura (May 30). Our aid efforts stimulated similar efforts by private voluntary agencies, the most active of which was Catholic Relief Services.

The foregoing actions were followed in June and July by approaches to the Governments of Morocco, Ethiopia, Rwanda and Tanzania, as well as the UN High Commission for Refugees and the Red Cross in Geneva. Follow-up discussions were undertaken with Mobutu of Zaire and the UN Secretary General. We also took an official stand against any arms deliveries to Burundi (we had never been a supplier ourselves), and began supplying $350,000 worth of assistance for the relief of Hutu refugees in Zaire, Tanzania and Rwanda. This was followed by a decision in June to suspend all assistance within Burundi when it became apparent that Hutus in some areas were being denied relief supplies in violation of our policy of non-discriminatory distribution. Also during June, in keeping with our efforts, Presidents Nyerere and Mobutu met with President Micombero to urge the end of repraisals, and the first of two UN relief missions arrived in Burundi.

The foregoing demonstrates that we were from the start very active in both political efforts to stop the killings and in humanitarian efforts to aid the victims. The Carnegie study's contention to the contrary is not justified.

The main issue raised in the study worthy of serious debate is the contention that the courses of action taken by the State Department were not the best available and were doomed to failure from the start.

As the study points out, our approach was to inform selected African governments and the UN Secretary General of the truth, and encourage them to use their influence with the Burundi regime. At the same time, we were seeking every possible way of transferring material assistance to the innocent victims. But the study complains that we should have made public declarations condemning the Burundi atrocities followed by threats to organize a coffee boycott.

Public declarations and coffee boycott threats would in our judgment have paid a high price in a loss of access to African leaders on the subject, and a worsening of Burundi's already desperate economic situation. We studied our limited options against the backdrop of a highly emotional ethnic struggle in which Africans were being slaughtered, American missionaries were potential hostages, and African governments were deeply inhibited by a reluctance to violate Burundi's national sovereignty. In this context, public statements would have served only to coalesce African solidarity behind the Tutsi regime against unsolicited great power interference. A threatened coffee boycott would not have influenced the Tutsis, and if carried out, would have permanently deprived both Hutus and Tutsis of the foreign exchange to buy bread, medicines, clothing, oil products, and every other basic item to keep the country alive. We do not think it would have been humanitarian to heap further punishment on a country that had already suffered deeply from a decade of ethnic conflict.

Regrettably, the Department's option of working quietly through African leaders did not produce dramatic results. But it was immediately after approaches by Mobutu and Nyerere and the arrival of the first UN relief mission in June that the Burundi regime made the first serious effort to restore order and stop the killings. A combination of UN relief efforts and a silent African opprobrium both stimulated by the United States, clearly persuaded the Tutsi leaders that their internal problem had serious international implications.

There is no basis for suggestions in the study that the Department cynically decided in advance that our demarches to African leaders would not produce startling results. We knew the Africans would have problems because they believe deeply in the cardinal OAU principle of non-interference in internal affairs. But the dimensions of the Burundi tragedy were so great we had reason to hope that the Africans might have acted more vigorously than they did. We were sorely disappointed therefore that they did not do more.

Finally, we are concerned by the accusation that the Department ignored a memorandum from Assistant Legal Adviser Keith Huffman pointing out that the US Government has a legal obligation to intervene in another country's internal affairs when human rights principles are being violated. Mr. Huffman's memorandum had absolutely no connection with the Burundi problem. Mr. Huffman also assures us that his examination of our policies and actions with respect to Burundi in 1972 indicated complete adherence to the precepts of his memorandum. What pains us even more about the accusation is that Mr. Huffman explained this background to the researchers before the study was prepared.

In conclusion, we would like to emphasize that we welcome objective studies of US policies with respect to humanitarian and human rights problems in Africa. In the case of the Carnegie study on US policy toward Burundi, however, we feel that the authors demonstrate a definite lack of understanding of the African environment which led them to favor policy options which would have severely limited our capability to undertake practical and helpful measures, and imposed even greater economic punishment than that already suffered by the beleagured people of Burundi.

BURUNDI DISASTER—1972: RELIEF CONTRIBUTED BY THE UNITED STATES

In response to the events in Burundi last year, the United States Government contributed directly to disaster relief funds a total of $627,000. The total value of U.S. Voluntary Agencies relief assistance reported to the Federal Disaster Relief Coordinator was $196,400. It is known that other American religious groups also provided at least another $100,000 directly to their missions.

In May 1972, U.S. Ambassador Melady declared a disaster in Burundi and authorized the expenditure of $25,000 from the AID Contingency Fund, Worldwide Disaster Relief Account. This was followed later by AID/W authorization of an additional $75,000 for emergency relief. Food from the P.L. 480 Program was immediately issued to the victims of the disaster and was continued as long as necessary to prevent starvation. The total value of food provided was $89,400. This broke down as follows:

For the needy in Burundi	$50,000
For the refugees in Rwanda	30,000
For refugees in Tanzania	9,400
Total	89,400

Burundi refugees who fled across the border to the countries of Tanzania, Rwanda and Zaire received assistance from the U.S. Government through the State Department Office of Migration and Refugee Affairs (ORM). Total funds distributed by ORM was $325,000.

Due to the continuing need of the victims of the events, AID/W provided an additional $113,000 during FY 1973 for the relief effort. Catholic Relief Services, the only American voluntary with an ongoing welfare program in Burundi has, in addition, pro-

vided $181,500 from its own funds. Various United Nations Agencies to which the United States is a major contributor have committed over $4.6 million in assistance:

Summary of USG assistance

Fiscal year 1972 AID contingency funds	$100,000
Fiscal year 1973 AID contingency funds	113,000
Public Law 480 food—value	89,400
State Department ORM funds	325,000
Total	627,400

THE SPACE SHUTTLE PROGRAM

Mr. MOSS. Mr. President, as chairman of the Committee on Aeronautical and Space Sciences and as an ex officio member of the Appropriations Committee on Aeronautics and Space matters, I would like to say just a few words in recognition of the prudence of the Appropriations Committee in recommending full funding for the Space Shuttle this year.

The Congress made the right decision last year in strongly endorsing the development of the Space Shuttle. This year's support for continuing the Space Shuttle has been even stronger. The Senate Subcommittee on HUD, Space, Science and Veterans had the arguments for and against the Shuttle presented quite effectively during its hearings and deliberations. The subcommittee's considered judgment was to recommend full funding. The full committee and the Senate accepted this recommendation.

Mr. President, I commend the committee for this wise excercise of foresight and judgment.

THE TRANS-ALASKA PIPELINE MUST BE BUILT NOW

Mr. STEVENS. Mr. President, in his nationwide television address on the economy during the second week in June, President Nixon said:

> Congress should let us go ahead quickly with the Alaska pipeline, and so combat the shortage of oil and gasoline.

He also indicated he would send to Congress a major new set of proposals on the energy crisis. He has just done so.

With increasing frequency, members of the President's Cabinet has been speaking out, urging the trans-Alaska pipeline to be built. For example, in a column in the Fort Worth Star-Telegram of May 31, Secretary of the Interior, Rogers C. B. Morton, once again urged the trans-Alaska pipeline be built. In this statement, he cited the reasons for his approval of the trans-Alaska pipeline over a trans-Canada route.

Secretary of Labor Peter Brennan earlier this month also urged that a trans-Alaska pipeline be built. He said:

> It will mean lots of jobs, not only in building it but in maintaining and operating it.

The resolutions committee of the U.S. Conference of Mayors has also called for prompt construction of the Alaskan pipeline. This action was taken in San Francisco on June 16 of this year. It was part of a resolution urging immediate measures to deal with the energy crisis.

Each of these four statements is important by itself. But more importantly, they were all made within the space of 3 weeks. They represent a national consensus. The trans-Alaska pipeline must be built now.

I request unanimous consent to print in the RECORD the four articles dealing with each of these statements.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From This Week in Review, June 15, 1973]

NIXON URGES GO AHEAD ON ALASKA PIPELINE, PROMISES NEW ENERGY PROPOSALS; OIL EXECUTIVES TESTIFY ON FOREIGN TRADE

President Nixon this week, in his nationwide television address on the economy, said "Congress should let us go ahead quickly with the Alaska pipeline, and so combat the shortage of oil and gasoline." He added: "I will also soon send to the Congress a major new set of proposals on energy, spelling out new actions I believe are necessary to help us meet our energy needs and thereby lessen pressures on fuel prices."

[From the Fort Worth Star-Telegram, May 3, 1973]

TIME FAVORS ALASKAN OIL ROUTE

(By Rogers C. B. Morton)

By now even skeptics recognize that the United States' long, easy ride on abundant fuel supplies has come to an end. In the days ahead, though we will undoubtedly try to limit waste, we will need increasing amounts of oil—more and more of it from abroad. Domestic resources simply will not be able to do the whole job. Nor will Canada and Latin America be able to fill the growing supply-demand gap: increasingly, the difference must come from less secure Eastern Hemisphere sources, notably the Middle East.

The situation obviously poses serious problems for our broad national security interests. The economic effects are already being felt at home, and will increase. We now import about a third of the crude oil we use; by 1980, it may be as much as a half and possibly more.

The balance of payments outflow for crude oil is more than $6 billion a year, and will double or triple by 1980, further hampering our ability to combat inflation and compete in world trade.

Every barrel of oil we can produce and deliver domestically means one less barrel we must import. Ironically, we are sitting on our biggest oil discovery in history—the North Slope Alaska field—but none of this oil has reached the "lower 48" states because of court challenges.

The proposed trans-Alaska pipeline would reduce our dependence on foreign oils by two million barrels a day at peak flow, thereby cutting our dollar drain by nearly $3 billion a year at estimated 1980 world prices—and those prices will go nowhere but up.

Recent court decisions have forced me to ask Congress to clarify the secretary of the interior's authority to issue right of way permits across federal lands. New legislation is a necessary preliminary to any pipeline from northern Alaska. Congress is responding, and we are confident all legal obstacles can be overcome by 1974, and then the three-year job of building an Alaska pipeline can begin.

As designed, the Alaska line would carry crude oil 789 miles southward to an ice-free Alaska port where it would be loaded aboard tankers bound for Los Angeles, San Francisco and Seattle.

Much is being said and written about a possible alternate route that would cross northern Alaska and cut diagonally through Canada to the U.S. Midwest. Its proponents seek to delay the trans-Alaska oil line until such a Canadian route can be studied thoroughly. They say a line through Canada would be environmentally safer, just about as quickly built and better for the Midwest, which needs oil more than does the West Coast. Further, they say, a Canadian route would be economically superior.

In my opinion they are wrong on all counts, because:

—Both routes have their environmental problems. Neither is clearly better than the other.

I have considered this issue carefully, and I am confident the Alaska route can be built and operated safely. Trans-Alaska runs through seismic zones and involves possible tanker spills—risks which can and will be minimized under carefully developed design and operating stipulations. Trans-Canada obviates those hazards but, because of its much greater length would unavoidably cross much more wildlife habitat and would cross many more wide rivers, where heavy ice and flooding pose serious dangers to any pipeline.

The time factor greatly favors trans-Alaska, which could begin delivering oil by 1977; a trans-Canada line almost certainly would take five years longer, and possibly longer than that.

Trans-Canada is only a general concept—not a detailed, engineered, environmentally studied plan. No one has ever offered to build such a line, and Canadian officials have expressed no commitment to it. Financing it would be a huge undertaking, especially if Canada continues to insist on majority ownership and control by Canadians. Native land claims on parts of the prospective right of way are still unsettled. So are the other legal issues. And the part of a trans-Canada line that must run through Alaska faces the same legal obstacles in the United States as does the all-Alaska route. Finally, trans-Canada would be four times as long and surely would take much longer to build.

Diverting the oil to the Midwest would not lower oil prices there. The prevailing price in all our markets will be the world price plus transportation costs—not the price of North Slope oil.

Both the Midwest and the West Coast need imported oil. From the national viewpoint, it is much more to our advantage to bring Alaskan oil to U.S. markets quickly; the less we must import, the stronger our bargaining position and the smaller our dollar drain.

Lastly, the Alaska route is economically better for the United States. It would reduce the increase in our unfavorable balance of trade, thus staving off more pressure against the dollar.

It would mean 26,000 pipeline construction jobs for American workers; 73,000 man-years of tanker construction; 770 man-years of work for U.S. maritime crews and maintenance workers. It would eliminate the clash of national interests inherent in using Canadian land, money and natural resources to move U.S. oil to U.S. markets. Canada is not our 51st state, nor does it want to be. Our good neighbor has its own interests, and they do not always coincide with ours

I hope I do not sound hostile or even indifferent to Canada. I would like to see a natural gas line built through Canada to our Midwest as soon as possible. I hope that increased exploration in northern Alaska and Canada discovers enough oil to justify a second oil line—one that would run through Canada to our Midwest.

But for now, it would be a great mistake to go back over all the issues we have covered for the past several years and delay the Alaska line further in an effort to force the first line through Canada. Our national interest require prompter action than that.

[From the Seattle Times, June 19, 1973]

SECRETARY OF LABOR URGES ALASKA LINE

(By Jerry Bergsman)

Secretary of Labor Peter Brennan in Seattle today endorsed construction of the trans-Alaska pipeline to tap the vast oil resources in that state.

"I hope it's approved this year," Brennan said.

Brennan was here in what he said was part of a tour to "find out what the people are thinking."

Brennan promised that high officials in the Labor Department will make similar trips. He said the department's contract-compliance officer and head of the Women's Bureau will visit Seattle.

The former New York labor leader opposed a pipeline from Alaska through Canada because the United States then would be "at the mercy of a foreign country."

He said there can be a balance between jobs and environmental questions raised by the proposed pipeline. He called construction of the trans-Alaska pipeline one way to boost the economy in this area.

"It will mean lots of jobs," Brennan said, "not only in building it but in maintaining and operating it."

Brennan spoke to Labor Department regional officials and employes in the morning and met with labor and management leaders later in the day. Before returning to Washington, D.C., tomorrow, Brennan is scheduled to meet with more labor leaders.

James Hughes, newly appointed regional director here, introduced Brennan to Labor Department employes.

Brennan said he supported the position not to freeze wages in the latest effort to curb inflation.

He told Labor Department employes, "Our main job is to see that every man and woman gets a fair shake. That doesn't mean we're anti-management. We're not."

He said the Labor Department is going to set an example within the department in providing jobs for persons without regard to race, sex or national origin.

"We're forming a committee on the rights of women so we do give women the recognition they deserve," he said.

Brennan called it "important to remember that human beings are involved in everything we do." And he said the department will show that concern for people.

Under his administration, he said, there will be decentralization of authority to Labor Department employes in the field. Brennan said President Nixon feels that should be done and he shares that belief.

MAYORS ASK PROMPT ACTION ON PIPELINE

SAN FRANCISCO.—The resolutions committee of the United States Conference of Mayors has called for prompt construction of the Alaskan pipeline as a step in meeting the petroleum shortage and the energy crisis.

The action was taken unanimously Saturday at the urging of Mayor George Sullivan of Anchorage.

It was incorporated in a resolution calling for creation of a national energy council to develop long-range policies concerning "all methods of conserving existing resources as well as developing new and environmentally sound sources of energy."

S. 1081—THE FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

Mr. JACKSON. Mr. President, when the Senate returns from the Fourth of July recess, debate will begin on S. 1081, the "Federal Lands Right-of-Way Act of 1973." To insure that all Members have an opportunity to read and fully understand the issues facing the Senate in connection with amendments dealing with a Canadian alternative to the proposed trans-Alaska pipeline, I ask unanimous consent that excerpts from S. 1081 and from the committee report be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

TITLE II—PIPELINES FOR ALASKA NORTH SLOPE OIL AND GAS

SEC. 201. (a) The Congress hereby finds—

(1) That facilitating the early delivery of the oil and gas available on Alaska's North Slope to domestic markets is in the national interest.

(2) That full development and delivery of Alaska's proved and potential oil and gas may best be attained by utilizing both maritime and overland transportation systems.

(3) That while a specific proposal for the transportation of Alaska's North Slope crude oil over a route that does not traverse any foreign country is at an advanced stage, and proposals for transportation of North Slope natural gas are currently being prepared, it is nevertheless in the long term national interest to initiate early negotiations with the Canadian Government to determine the feasibility of transporting North Slope crude oil on an overland route across Canadian territory.

(b) The Congress declares that it is the purpose of this title to authorize and request the President to initiate negotiations with the appropriate officials of the Government of Canada for the purposes set forth in sections 202 through 204.

SEC. 202. The President of the United States is authorized and requested, utilizing the services of the Secretary and the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada to ascertain—

(a) the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States;

(b) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

(c) the desirability of understanding joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met; and

(d) the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit.

SEC. 203. (a) If the President, on the basis of the negotiations authorized and requested in section 202, determines—

(1) that the Canadian Government is willing to entertain an application or applications leading to development of a transportation system for the movement of Alaska crude oil to markets in the United States; and

(2) that no technically competent and financially responsible private entity or entities have made and are actively pursuing such an application with the Canadian Government;

the President is authorized and requested to direct the appropriate Federal departments and agencies to initiate and undertake, or to collaborate with appropriate Canadian governmental agencies and responsible private entities in such studies, negotiations, engineering design, and consultations as are necessary to the preparation of an application to the Canadian Government and to enter into specific negotiations concerning the authorization of construction, certification, and regulation of such a transportation system.

SEC. 204. The Secretary shall, within one year of the effective date of this Act, report to the Committees on Interior and Insular Affairs of the House and Senate regarding the actions taken and progress achieved under this title, together with his recommendations for further action.

SEC. 205. This title shall not be construed to reflect a determination of the Congress regarding the relative merits of alternative transportation systems for North Slope crude oil or regarding the merits or legality of a grant by the Secretary of a right-of-way to construct a crude oil pipeline within Alaska from the vicinity of Prudhoe Bay to Valdez, nor to prohibit such a grant, nor to require that the Secretary in the execution of any of his statutory duties await the results of the negotiations with the Canadian Government provided for in this title before making such a grant.

SEC. 206. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title.

EXCERPTS FROM REPORT ON S. 1081 "MAJOR ISSUES"

ALTERNATIVE TRANSPORTATION ROUTES FOR ALASKA NORTH SLOPE PETROLEUM

In hearings before this Committee on S. 1081 and other pending bills no witness seriously proposed that it would be in the national interest to postpone the development of Alaska Arctic oil and gas indefinitely. The relative lack of controversy over this issue is in contrast to previous hearings before this and other committees, and reflects rapidly changing public perceptions of the nation's energy needs.

There is now an obvious and growing deficiency in domestic production of crude oil and natural gas, leading to a rapidly increasing dependence upon insecure Eastern Hemisphere imports. Moreover, the prices of imported oil make it no longer the bargain it appeared several years ago. With passage of the Clean Air Act, the low sulfur crude oil that can be produced from the Prudhoe Bay field has become significantly more valuable. Meanwhile, the risk of environmental damage from development of North Slope oil and its transportation to markets in the "Lower 48" has been substantially lessened as a result of the stricter environmental stipulations, redundant safety systems, contingency planning and better engineering imposed upon the proposed Trans-Alaska pipeline. Finally, until passage of the Alaska Native Claims Settlement Act, many citizens feared—with some justification—that unchecked commercial development might leave the nation without unspoiled scenery, outdoor recreation areas or wilderness in the vast and heretofore remote territory of Northern and Central Alaska. This apprehension was mitigated by the provisions in the native claims settlement act that at least 80 million acres of land in Alaska will be considered by the Congress for incorporation into new wilderness areas, wild and scenic rivers, national forests, national parks and national wildlife ranges.

Although there now seems to be a broad consensus that Alaska North Slope oil and gas should be developed rapidly, there is controversy concerning the manner and route of its transportation. Serious consideration has been given in the past to the use of icebreaking oil tankers, submarine barges, railroads (a proposition recently revived and advocated by the Government of British Co-

lumbia), and even aircraft. The principal controversy today, however, is between advocates of (1) a 48-inch oil pipeline to be constructed from the North Slope to Valdez, Alaska, where the oil would be loaded onto tankers for transportation to ports on the west coast, and (2) a similar 48-inch pipeline overland through Canada to the vicinity of Edmonton, where it would join with existing pipelines (whose throughput capacity would have to be increased) in order to deliver the crude oil to the Midwestern United States and possibly to the Pacific Northwest as well.

The precise route of the so-called Trans-Alaska pipeline has been set out in the proposal of the Alyeska Pipeline Service Company to the Department of the Interior; the route of the so-called Trans-Canada pipeline is far less certain. Routes considered to the Canadian border are (1) east along the Arctic Coast (through the Arctic National Wildlife Range), (2) south through the Brooks Range and east along the southern edge of that range toward the headwaters of the Porcupine River, and (3) south to the vicinity of Fairbanks, and then southeast up the Tanana River. Through Canada, a route up the Mackenzie River has been most often discussed, but an alternative generally following the Alaska Highway is also under consideration.

Advocates of the Trans-Alaska pipeline include the oil companies with reserves in the Prudhoe Bay field, industry and trade associations, the Alaska and National Administrations, and (apparently) most Alaskans. Those favoring the Canadian alternative include conservation organizations, commercial fisherman groups, state officials and Members of Congress from the Midwest, academicians and Canadian interests.

Apart from the right-of-way width limitation, contained in Section 28 of the Mineral Leasing Act of 1920, the principal legal issue in the Federal courts has been whether or not the Interior Department, in evaluating the Alyeska right-of-way application, has given sufficient consideration to its environmental, economic and national security effects relative to an overland pipeline through Canada.

During the Committee's examination of right-of-way policy and proposals for transportation of North Slope oil, the main points of controversy regarding the competing transportation systems have been the following:

(1) *Environmental Impact*—Proponents of the Canadian pipeline contended that its environmental risks are less serious than those of the Trans-Alaska route. They emphasize the latter's crossing of an active earthquake belt, the danger of marine pollution stemming from the ocean leg of the oil transportation system, and the possible reduction of environmental damage if oil and gas pipelines from the North Slope were confined to the common corridor, rather than two or more routes. Advocates of the Alyeska proposal maintain that there are some aspects in which Trans-Canada oil pipeline would be more damaging or more hazardous to the environment, for example, the very length of the pipeline, the number of miles it would cross, the zone of discontinuous permafrost, and the number of major river crossings.

(2) *Markets*—A second point of contention is whether or not the West Coast of the United States (PAD District V) will be able to absorb all the crude oil that would be shipped there upon completion of the Trans-Alaska pipeline. A surplus of crude oil on the West Coast of the United States would have to be marketed east of the Rockies with considerably greater transportation expense or else exported. Advocates of the Alyeska project now acknowledge that the pipeline would have created a crude oil surplus on the West Coast if it had been completed in 1972 or 1973 as originally anticipated. The present throughput schedule, however, is not expected to be sufficient to meet all of the District's petroleum demands unless major new reserves are discovered and developed offshore from California or in the Gulf of Alaska. Accordingly, the likelihood of major new oil discoveries in Southern Alaska or off the California coast and the desirability of exporting Alaska oil to other countries during an era of domestic shortages are both among the critical issues of controversy. (See "2. Exports of Alaskan Oil, below.)

The relative dependency of the two regions (the West Coast and the rest of the United States) upon imports from insecure sources is also a point at issue. The likelihood of additional production from new West Coast areas other than the North Slope is critical to this debate. Since Alaskan oil will at the margin be backing out Middle Eastern oil in either market, however, the principal effect of the choice of routes upon the total level of import dependency would be related to the time at which deliveries of North Slope oil began.

(3) *Economic Benefits*—Supporters of the Canadian pipeline proposal point to the fact that crude oil prices are higher in the upper Midwest than in California, and offer transportation cost calculations indicating that the "netback" value of North Slope oil would be greater if it were delivered to Chicago than to Los Angeles. They conclude, therefore, that the oil companies, the State of Alaska (in terms of the value of its royalties and production taxes) and the national economic welfare would all be served best by the Trans-Canada pipeline. The general assumptions of this argument were accepted by the Interior Department in its *Economic and Security Analysis of the Trans-Alaska Pipeline*. But the Interior Department pointed out, and the independent proponents of this argument acknowledge, that such economic benefits would be more or less wiped out by the discounting of future benefits, if a Trans-Canada pipeline would take two or more years longer to construct than a Trans-Alaska pipeline. Some supporters of the Trans-Alaska pipeline now dispute the earlier estimates both of the relative construction costs for the two pipelines (and thereby crude oil transportation costs) and the expected future price differentials between the Midwest and the West Coast; they assert that the netback value of the oil will actually be higher if it is delivered to western markets.

(4) *Ownership and Control*—Supporters of the Trans-Alaska pipeline point out that a pipeline across Canada would be regulated by the Canadian government, and that statements of Canadian officials indicate that a controlling equity in such a pipeline would have to be held by Canadian citizens. In addition, oil pipelines in Canada must generally be operated as common carriers; this requirement might result in the backing out of Alaskan oil to make room for oil produced in the vicinity of the pipeline in Canada. In addition, Canada's new controls over oil and gas exports raises the possibility that Alaskan oil destined for U.S. markets could in an emergency be diverted to Canadian customers, leaving the United States short of those supplies.

Advocates of the Canadian pipeline reply, however, that there are now no known Canadian reserves in the Arctic whose production could displace Alaskan oil carried by a Trans-Canada pipeline, and that the pipeline's throughput capacity could be increased by "looping" or other means well in advance of the appearance of any excess supply. They argue, moreover, that to the extent that the existence of a pipeline through Canada from Alaska to the Midwest does encourage the exploration and development of Canadian Arctic resources, any oil exported to the United States via that pipeline is a benefit to United States interests because it would displace oil from less secure foreign sources. The notion that Canada might divert oil of United States origin to her own uses is discounted, both because, in that instance, the United States could simply cease shipping the oil, and because the United States holds a comparable Canadian hostage: most of eastern Canada's own crude oil supply enters that country through pipelines across the State of Maine.

(5) *Other Issues*—Other issues raised in the debate have included the economic and scheduling relationship between alternative pipelines to carry Prudhoe Bay crude oil and the pipelines for the natural gas that will be produced in association with it; the problems of financing a longer pipeline; the respective impact of the two pipelines on the U.S. balance of payments; the relative physical security of the two routes; the employment, economic and inflationary effects of construction within Alaska; and the comparative impacts upon competition and market power.

The Committee on Interior and Insular Affairs did not regard any one of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals. In some areas of debate the preponderance of evidence or analysis seems to favor one side or another, but no area of controversy, however, is without ambiguous or speculative elements. Even the most expert assessments made today are likely to be modified by new information that will become available or by unforeseen changes in circumstances occurring before either pipeline could be completed. Much information can be obtained only in the course of construction.

Any assessment based solely upon the foregoing considerations regarding the relative merits of the two pipeline routes clearly must depend heavily upon subjective judgment. There is, however, one consideration in favor of the Trans-Alaska pipeline that the Committee found compelling. This consideration was the additional delay and uncertainty associated with the Trans-Canada pipeline. Regardless whether the 1969 decision of the owner companies in favor of an all-Alaska route was the wisest or the most consistent with the national interest at that time, regardless whether the Administration's early commitment in favor of that route was made on the basis of adequate information and analysis, *the Committee determined that the Trans-Alaska pipeline is now clearly preferable, because it could be on stream two to six years earlier than a comparable overland pipeline across Canada.*

The necessary business organization, financial arrangements, engineering design and logistical preparations for the Alyeska project have been completed, so that construction could begin as soon as a right-of-way is granted, while *none* of these necessary preparations has been accomplished for a Trans-Canada route. These tasks are expected to take about two years, quite apart from the legal, political and administrative hurdles that must be crossed before construction of a Canadian pipeline would be authorized. In addition to the delays that could be normally anticipated at each of these steps, a number of them suggest the possibility of indefinite delays or even the project's ultimate impossibility.

In the absence of a complex treaty enabling construction and operation of an international pipeline as a unitary enterprise, the interested private parties would have to organize a separate consortium or business organization on each side of the border for financing, building and operating the two segments of the pipeline, and resolve the complicated relationships between them. Discussions would have to be conducted with, and applications submitted to, several Canadian agencies and the final plan would have to be submitted to the Federal Cabinet. Be-

fore approval could be granted numerous modifications and perhaps corporate reorganizations would be necessary. The project would run gauntlets of domestic Canadian opposition, and of attempts to influence the shape of the project by such interests as northern Indians and Eskimos, environmentalists, Canadian economic nationalists, and provincial interests. The prospects of ultimate approval by the Cabinet might well be jeopardized by the minority status in Parliament of the Government's party.

A new pipeline route through Canada would, of course, require a new environmental impact statement and public hearings, and involves the possibility of a new round of litigation within the United States.

Any assessment today of the time required for approval of a Trans-Canada pipeline project or of the probability of its ultimate approval in any form is purely speculative. *It is, moreover, doubtful whether further study could contribute to the accuracy of such speculations.* The seriousness of the obstacles at each organizational, financial and political step are testable only by an actual attempt to get approval for a specific proposal, and no such proposal exists today.

The listing of difficulties and uncertainties involved in getting approval for construction of a Canadian pipeline should not obscure the remaining difficulties and uncertainties facing the Trans-Alaska project; continuing litigation based upon National Environmental Policy Act requirements; litigation between the owner companies and the State of Alaska over a right-of-way across state-owned land and regarding state taxation and regulation; the possible vulnerability of the project under antitrust laws; and coastal zone legislation and regulation, which might conceivably affect the ability to land Alaska oil at West Coast ports.

Except for uncertainties regarding terminals in Washington and California, however, all the real or potential problems of law or political controversy facing the Trans-Alaska pipeline also face its Trans-Canada counterpart. In assessing the probable completion date of the latter project, the time required to resolve these problems must be added to both the additional time necessary for route selection, design, and logistical preparations, and the time involved in obtaining Canadian government approval. Moreover, to the remaining uncertainty arising from United States and Alaskan law and politics, which affect both pipeline proposals, must be added the uncertainty stemming from Canadian law and politics, and from the complexities of the international relationship.

In light of the existence of significant uncertainties which are unique to each of the two routes, it is arguable that the interested companies and the Federal government should have devoted substantial effort to investigations and preparations leading to development of more than one transportation system. The Committee believes that such a two-option strategy was and is warranted, not only because of uncertainty, but because of the high probability that two or more pipelines will ultimately be required to transport Arctic crude oil.

To a limited degree, the companies operating on the North Slope have in fact seriously explored alternatives to the Trans-Alaska pipeline. Humble Oil and Refining Company (now Exxon) converted the *Manhattan* into an icebreaking tanker for an experimental journey through the Northwest Passage to Prudhoe Bay and return, while the companies with major interests in North Slope reserves joined to conduct the Mackenzie Valley Pipeline Study, which concluded in 1972 that a Trans-Canada oil pipeline would be physically and financially feasible, and environmentally acceptable.

There has, however, been no actual route selection or engineering design leading to a specific Trans-Canada pipeline proposal. The companies have not formed an organization to design or build a pipeline nor have they initiated discussions with Canadian government agencies leading to a right-of-way application. There seem to be several reasons for their failure to move ahead on both alternatives. First, the companies, the Interior Department and the State of Alaska have tended from the beginning to underestimate the engineering, environmental, legal and political difficulties of their preferred route. Also, the advocates of an all-Alaska pipeline seem to have feared that serious consideration of a Canadian route would, by giving it additional credibility as a potential alternative, undermine their effort to get early approval of the Alyeska right-of-way application. Finally, exploration of the Canadian alternative beyond the present feasibility study (which cost about $7 million) requires selection of a specific route, which in turn necessitates even more costly on-the-ground surveys, including extensive core drilling.

Route selection, engineering design, and preparation of an environmental impact statement would involve tens—perhaps hundreds—of millions of dollars. In the past these costly activities might have been conducted in stages after, or at worst simultaneously with, application for and receipt of the necessary governmental permits, but both United States and Canadian policy now require these steps to be substantially completed before applications will even be considered. The companies cannot privately justify the major expense that would be necessary to prepare an application for the permits required to build a Canadian pipeline, if it were only to serve as a hedge against the possibility they would not be permitted to complete the Trans-Alaska pipeline. Hesitation based upon financial prudence has been reinforced by the fear that any such preparation would be used as political ammunition against the pending Alyeska application (as the Mackenzie Valley Study is indeed now being used).

It is likely, however, that Arctic crude oil resources will be much greater than indicated by present proved reserves estimates. Development of these resources will justify and require more than one 48-inch pipeline within a decade, and argues in favor of an early planning and organizational effort to build two pipelines. The probable future reserve additions, however, have so far played no part in corporate planning for transportation of North Slope oil. The 9.6 billion barrels of proved reserves currently estimated for the Prudhoe Bay field barely exceeds the minimum required for the throughput guarantees necessary to finance a single 48-inch pipeline; it certainly cannot be used as security for two such pipelines.

Proved reserves as estimated by the American Petroleum Institute are an exceedingly restricted concept. There is little question that the reserve estimate for the Prudhoe Bay field will grow substantially, as both exploratory and development drilling delineate the field more completely, and as increased crude oil prices and improved methods make more complete recovery of the discovered oil-in-place commercially feasible. Typically, these two kinds of adjustments ("extensions" and "revisions," respectively) increase the proved reserves estimates for a newly discovered oil field by a factor of three to ten over its lifetime. Moreover, North Slope oil production will not be limited to the Prudhoe Bay field; giant oil fields are seldom found alone, and only a tiny proportion of the Arctic Slope's favorable geology has been explored geophysically, much less tested by the drill. It is worth noting that the Committee is currently considering measures to authorize the exploration and development of the 26 million acre Naval Petroleum Reserve, whose boundary is a few miles west of the Prudhoe Bay field.

The excellent prospects for an early expansion of North Slope oil and gas reserves sufficient to justify a second pipeline will not be realized until the industry is reasonably confident that a first pipeline will in fact be built. Throughput guarantees adequate to finance that pipeline are possible on the basis of present reserve figures, so that there is little justification for costly outlays on development drilling beyond the level (already surpassed) that could be accommodated by the Alyeska pipeline's planned initial throughput of 600,000 barrels per day (recently reported to have been increased to 1,200,000 barrels). Exploration on adjacent lands already under lease is also at a low ebb, and it is understandable that the State of Alaska, the Interior Department, and Alaska Native groups would postpone additional lease sales to a time when industry interest—and bonus bids—would be higher. A revival of intensive exploration effort depends above all upon the commencement of pipeline construction.

In weighing these manifold considerations, the Committee concluded that it would be a mistake to view the Trans-Alaska pipeline and Trans-Canada pipelines as competitors, except with respect to which of them could actually be completed first. Title II of S. 1081 authorizes the President to undertake negotiations with Canada and other actions leading toward construction of a crude oil pipeline across Canada from Northern Alaska to the Midwest, and it expresses the Committee's judgment that:

1. Federal planning for transportation systems to deliver Arctic crude oil should take account of the likelihood of greatly increased reserves in the Prudhoe Bay field, on other State, Federal, and Native-owned lands in northern Alaska, from Naval Petroleum Reserve No. 4, and from Northwestern Canada.

2. Two or more pipelines for crude oil from Arctic Alaska, or from Alaska and Arctic Canada together, serving different market areas in the United States (and Canada) will be feasible, desirable and necessary in the foreseeable future.

3. Completion of the first crude oil pipeline from Prudhoe Bay is urgently in the national interest, and construction should begin as soon as there is assurance its construction and operation will be environmentally sound.

4. The Trans-Alaska pipeline proposed by the Alyeska group ought to have priority in time, because of the overwhelming probability that it could be completed two to six years sooner than a Trans-Canada pipeline. The Trans-Alaska project is at a far more advanced stage of preparation and avoids the many uncertainties involved in organizing, financing and obtaining approval of an international pipeline.

5. Nevertheless, the very likelihood of extended delays in approval and construction of a Trans-Canada pipeline dictates that concrete efforts leading toward construction of such a pipeline should be started now. This beginning ought to be made notwithstanding the present insufficiency of proved reserves to provide private justification for a second oil pipeline, and without prejudice to the Alyeska proposal.

6. In order to protect both United States and Canadian interests in this multi-billion dollar project, and in order to minimize future international conflict and misunderstanding regarding its operation and regulation, detailed and explicit intergovernmental understandings, and perhaps a treaty, are necessary regarding ownership, financing, regulation and taxation.

7. It is possible, prior to the development of proved reserve figures adequate to support the private financing of two pipelines, that no competent private entity will take

responsibility for the preparations prerequisite to submitting necessary applications to Canadian governmental agencies. In such an instance, appropriate agencies of the United States government should accept this responsibility.

CLEAN COKE PROJECT REPORT

Mr. PERCY. Mr. President, the President's creative energy message yesterday on the recent shortages of petroleum products and the increased price of petroleum imports have highlighted once against the necessity for research on alternative energy sources. One source which is in abundant supply domestically, but which requires more research emphasis to become environmentally clean, is coal. But fortunately we are not just starting in some areas of much needed research.

Research on converting coal into natural gas and fuel oil already shows great promise. Many of my colleagues have demonstrated special support for this important research effort. Without intending to slight any one of them, I wish to commend especially the two distinguished Senators from the coal-producing State of West Virginia (Mr. ROBERT BYRD and Mr. RANDOLPH) for their continued support in this field.

During the last Congress, when I was serving on the Subcommittee on Interior of the Appropriations Committee, it was my privilege to sponsor the initiation of a very promising project in the field of coal energy research. I would like to thank the distinguished chairman of that subcommittee, the Senator from Nevada (Mr. BIBLE), for his support in helping to obtain and continue the funding for this project.

The project is entitled "clean coke process." It is being conducted by United States Steel Corp. under a 3-year contract to the Office of Coal Research, Department of the Interior. The company is providing approximately $2 million of the funding, while the Federal Government is providing about $4.5 million.

I have asked for periodic status reports on the project, and the results to date are very gratifying. I would like to take this opportunity to report briefly to the Senate on its progress to date.

The clean coke process combines low-temperature carbonization and hydrogenation of coal to produce a metallurgical-grade coke, various chemical products, and liquid and gaseous fuels.

The process requires no external hydrogen supply and is self-sufficient in energy requirements. It can utilize coals that are otherwise unsuitable for coke manufacture and produce a high-quality metallurgical-grade coke, together with quantities of chemical products. The process will be essentially nonpolluting.

By using low-quality coal as feed for the coal hydrogenation process and high-quality coal for the carbonization process, a greater portion for instance of the mined Illinois coal can be utilized. Over 90 percent of the raw, as-mined coal can be utilized in this process, compared with only 77 percent by conventional coal preparation methods.

The project began in March 1972. The objective for the first year of the project was to design process development units capable of converting one-fourth ton of coal feedstock per day. This objective was achieved in 10 months—2 months ahead of schedule.

Currently, during the second year of the contract, the process development units are being constructed. They are expected to be in operation by late this fall.

The third year of the contract will be devoted to operating the one-fourth ton-per-day units. Information from these process development units would then provide the basis for the design of a pilot plant for processing up to 240 tons of coal per day.

Early indications of the prospects for commercialization of the clean coke process are optimistic. It is presently estimated that metallurgical-grade coke can be made to sell for about $27 per net ton by this process, compared with the current market price of $35 to $40 per ton.

Mr. President, I wish to commend the Office of Coal Research and United States Steel Corporation for their cooperative and highly encouraging efforts on this project, and again to thank the Senator from Nevada (Mr. BIBLE) for his funding support.

More coal research of this quality is needed if we as a Nation are to successfully meet the rapidly expanding demand for all forms of energy projected for the next decade and beyond. Again, I commend the senior Senator from West Virginia (Mr. RANDOLPH) and the distinguished assistant majority leader (Mr. ROBERT C. BYRD), the two Senators from Pennsylvania (Mr. SCOTT and Mr. SCHWEIKER), my distinguished colleague from Illinois (Mr. STEVENSON), and other Senators who have spoken out in favor of coal gasification, coal liquefaction and other forms of coal research.

NASA APPROPRIATIONS BILL JT–3D REFANNING PROGRAM

Mr. TUNNEY. Mr. President, NASA has been developing the technology to refan the noisy JT–3D and JT–8D engines. Last year our Nation made a commitment to reduce and control noise pollution when the Noise Control Act of 1972, which I introduced with Senator MUSKIE, became law. The goals of that law, however, are becoming increasingly more difficult to attain.

As you will recall, one of the major sections of this measure dealt with the need to develop the technology to control aircraft noise. Despite Congress decisive action last May to add over $24 million to NASA's budget for the purpose of developing technology to refan the noisy JT–3D and JT–8D engines, more than $21 million was cut by the administration from the engine research program for fiscal year 1974.

The result of this action has been the shelving of the JT–3D refan work. JT–3D engines are contained in all 707's, 720's, and DC–8's while JT–8D's are contained in all 727's, 737's, and DC–9's. These aircraft comprise the majority of the current fleet and, according to projections, will still be flying by 1980. Moreover, I am informed that the 3D research was 1 year ahead of the 8D research—a further indication that lots of lead time may be lost.

In House and Senate action, $14 million was added to the authorization requested by the administration to enable NASA to continue developing its technology on refanning the JT–3D engine. I wholeheartedly supported the inclusion of these funds and accordingly communicated my support to Senator PROXMIRE in a letter urging his subcommittee to retain the $14 million increase in the appropriation bill. Unfortunately, however, neither the Senate nor the House appropriations committees specifically earmarked $14 million for JT–3D engine refanning technology.

The sadness of this action, of course, is that we are foreclosing important options. The Noise Control Act of 1972, bases further aircraft noise standards on "available" technology. We will not be able to retrofit effectively the JT–3D engine unless NASA can continue its important R. & D. to treat the nacelles of these aircraft, but whereas nacelle treatment is an accoustical solution to the problem, refanning is an engineering solution which must be thoroughly investigated. Accordingly, I strongly urge NASA to use $14 million of its discretionary funding of over $2 billion to continue this important research into advanced technology for refanning the JT–3D engine.

EULOGY TO THE LATE CONGRESSMAN HALE BOGGS

Mr. STEVENS. Mr. President, I knew Hale Boggs since the 1950's. I was a young lawyer in private practice here in Washington, D.C. then and had occasion to come in contact with him at that time. Hale was a good friend. I admired him greatly both professionally and personally. My family and I deeply feel his loss. This is a personal tragedy for us, particularly coming at a time when Hale was traveling around Alaska.

The loss of Hale Boggs, even more tragically, is likely to have a significant effect on the entire country. His vast knowledge of the legislative process and his personal stature in the House of Representatives will be solely missed. Ann and I would like to express our condolences to LINDY BOGGS and the entire Boggs family. I am delighted that the voters from Louisiana's Second Congressional District have elected LINDY to the Congress to carry on the Boggs tradition there.

I am only sorry that this is the occasion which prompted her election. We will miss Hale as a good legislator and a good friend. We look forward to continuing to work with Mrs. LINDY BOGGS in Congress.

INTERNATIONAL LAW AS AN INSTRUMENT OF NATIONAL POLICY

Mr. TAFT. Mr. President, recently an excellent address in the May 21 Depart-

ment of State Bulletin came to my attention entitled "International Law as an Instrument of National Policy" by Charles N. Brower, Acting Legal Adviser to the Department of State.

In that article, Mr. Brower has reviewed the strong record of growth in international law during recent years and discarded the shibboleth that the field of international law has been a declining one.

I ask unanimous consent that it be printed in the RECORD and, particularly, pointing out its pertinent relationship to Senate Resolutions 74 through 78 introduced by the Senator from California (Mr. CRANSTON) and myself dealing with strengthening and making greater use of the International Court of Justice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERNATIONAL LAW AS AN INSTRUMENT OF NATIONAL POLICY

(Address by Charles N. Brower, Acting Legal Adviser [1])

I am disturbed by the pronounced tendency of our international law fraternity to bemoan the moribund state of international law. There appears to be a widespread presumption that in practice international rules of law are largely irrelevant to high-level decisionmaking in governments around the world and therefore that we have failed. Since our historical puritan ethic at least by implication equates failure with sinfulness, analysis quickly becomes apologia and our discussions assume the character of an expiatory ritual.

I for one, however, believe that our profession need not act like a timid supplicant whose very demeanor defies confidence in his creed. I suggest that international law today, rather than falling into disuse, is becoming a more vital force than ever before in the development of our international relations. In order better to explain the basis for this positive outlook, I think it necessary first to expose the false assumptions on which our self-deprecating tendencies have been premised.

In decrying the inefficacy of international law we have concentrated too much on its adjudicatory aspect and, finding an absence of effective international machinery, have concluded that international law must be in sad straits. Speaking conceptually, however, institutionalized adjudicatory machinery has a quite different place in international law than it does in municipal law. Nations, more so than private litigants within a single country, have informal, nonjudicial means of enforcement by virtue of the fact that their bilateral and multilateral relations with one another provide a dynamic process for the adjustment of their respective interests, including the satisfaction of legal rights. As our experience of some hundreds of years have proven, the absence of a comprehensive and dispositive system of adjudication does not necessarily lead to international anarchy. States comply with law, among other reasons, because it is politic to do so. Furthermore, domestic enforcement is heavily devoted to adjustment of legal disputes between the sovereign and the governed rather than between private litigants, and it is precisely these adjustments of legal relations which encompass a vast majority of the decisions of the U.S. Supreme Court. There being no international sovereign, however, there is no international need of corresponding magnitude for formalized means of redress.

I might say parenthetically that a factor which tends to compound the gloomy view of international law is the high rate of unemployment in our chosen field. Very few of those who style themselves as international lawyers ever have more than a modest if even a fleeting chance to practice public international law. The American Society of International Law, under whose cosponsorship we are assembled today, has over 5,500 members; yet I doubt that there are even 550 lawyers in the country today substantially engaged in the practice of public international law, and the vast majority of them are employees of government or international organizations. It is precisely the lack of a widespread system of adjudication in this field which accounts in large part for the dearth of opportunity, particularly private practice opportunity; fewer lawsuits require fewer lawyers. It is natural that a profession high in numbers relative to opportunities should exhibit signs of dissatisfaction. If the priesthood consistently exceeded by tenfold the number of parishes available to be served, one would be inclined to conclude that religion was out of style.

Lest there be misunderstanding, I wish to emphasize that we at the Department of State shall always be among the first to promote wider acceptance for the impartial adjudication of international disputes. Secretary of State Rogers clearly expressed our support for the International Court of Justice (ICJ) in his address three years ago this week on "The Rule of Law and the Settlement of International Disputes" before the American Society of International Law, and we continue to pursue with vigor the policies outlined in that address.[2] We reject the thesis recently advanced by two notable Canadian authorities (67 A.J.I.L. 229, 235 [1973], "National Jurisdiction and International Responsibility: New Canadian Approaches to International Law," Allan Gotlieb and Charles Dalfen) to the effect that the absence of any prospect of international adjudication actually aids the development of international law. I only make the point that we must consider adjudication in perspective and not conclude from its relative absence that international law itself is dead or even suffering reduced vitality.

It is worth remarking also that utilization of international litigation and the situation of the World Court in particular have in some ways improved during the last few years. The Court's advisory opinion in the Namibia case has restored some of its previous luster, and it appears that judges of the Court are about to be involved simultaneously in a total of five cases. The fact that two such disputants as India and Pakistan can engage in successive litigation, first the Rann of Kutch arbitration, then the ICJ appeal relating to the jurisdiction of the ICAO [International Civil Aviation Organization] Council, is encouraging. The action of Belgium, France, Switzerland, the United Kingdom, and the United States in submitting to the Arbitral Tribunal for German External Debts disputes with the Federal Republic of Germany concerning the amounts of payments due on the Young Loan—a matter that has been estimated to involve up to $14 million for the dollar tranche alone—is another hopeful sign. Only time will tell, of course, whether these straws in the wind foreshadow a greater harvest.

EXPANSION OF THE ROLE OF INTERNATIONAL LAW

If we indeed can turn away from our historical preoccupation with the question of adjudication, we see that in recent years the role of international law itself has been changing and its importance in international events has swelled. It has graduated from being a somewhat esoteric discipline incident to the conduct of international affairs to become an important instrument of national policy, in the United States and around the world. This worldwide expansion is abetted by a growing realization within most governments that many of the common problems affecting states can only be solved by international cooperation. In a number of fields we in the State Department have found that the development of international law can be one of the primary weapons used to develop an international climate favorable to the accomplishment of our national aims, and we are happily participating in this considerable expansion of the role of international law.

For example, as your program reflects, the seriousness of drug abuse is well recognized as one of the most critical national social problems we are facing at the present time. Because of the international character of drug production and commerce, it is clearly impossible to end such abuse through national measures alone. We have attempted to deal with this national crisis, at least in part, through a substantial effort to broaden and strengthen international legal provisions regulating production and traffic in those drugs. We have proceeded on the multilateral level, for example, through amendments to the 1961 Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances and on the bilateral level through a series of specific agreements particularly with states which have been the sources of raw materials for drugs. We have been able to conclude these agreements, embodied in solemn legal documents, because other states, too, are increasingly aware of the dangers which spreading drug abuse poses to all countries. These international legal arrangements have already proved valuable and, hopefully, will be of continuing significance in reducing the supply of drugs reaching this country.

Your program also includes a discussion on terrorism, and I should emphasize here two projects which are in the forefront of the international legal struggle against terrorism; namely, the draft Articles on the Prevention and Punishment of Crimes Against Diplomatic Agents and Other Internationally Protected Persons prepared by the International Law Commission under the leadership of its American President, Mr. Richard D. Kearney, and the draft Convention for the Prevention and Punishment of Certain Acts of International Terrorism prepared by the U.S. Government and introduced at the 27th General Assembly of the United Nations by Secretary of State Rogers. The forerunner of both of these of course was the convention on this subject prepared by the Organization of American States, which represents a regional approach to this universal problem.

LEGAL STEPS TO PROTECT THE ENVIRONMENT

Several other examples are, I think, pertinent to drive home the point that international law is thriving and active as a national policy instrument. A problem of profound national as well as international concern is that of environmental protection. For example, during the past four years we have responded to the serious problem of marine pollution with a series of multilateral agreements, including: (1) the 1969 International Convention on Civil Liability for Oil Pollution and the 1971 Convention for the Establishment of an International Fund for Compensation, which together provide an international system for compensating victims of damage from vessel oil spills; (2) the 1969 Convention Relating to Intervention on the High Seas, which provides for actions on the high seas by coastal states to protect their coastlines from grave oil pollution damage resulting from serious maritime accidents; (3) several amendments

[1] Made before a regional conference of the American Society of International Law at the University of Denver College of Law at Denver, Colo., on Apr. 28 (press release 123).

[2] For Secretary Rogers' address on Apr. 25, 1970, see BULLETIN of May 18, 1970, p. 623.

in 1969 and 1971 to the 1954 International Convention for the Prevention of Pollution of the Sea by Oil designed to strengthen controls over vessel oil discharges and oil tanker construction; and (4) the 1972 Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, which regulates the disposal at sea of toxic land-generated wastes. We hope that this work will be advanced further through the adoption later this year of a comprehensive International Convention for the Prevention of Pollution from Ships, which will regulate the intentional or accidental discharge of all types of harmful substances from ships, including oil, toxic chemicals, sewage, and garbage.

Outside of the marine pollution area a number of other important legal steps have been taken to protect the world environment following the 1972 Stockholm Conference, including: (1) the 1972 World Heritage Convention, which provided international funding and machinery to assist governments in the restoration and protection of areas of cultural and natural significance; (2) the 1973 Convention on International Trade in Endangered Species of Wild Fauna and Flora, which established controls on trade in endangered species and their products; and (3) a series of bilateral environmental agreements, including the agreement with Canada for the protection of the Great Lakes from pollution and with the Soviet Union for cooperation and exchange of information on environmental questions.

We have been able to conclude these agreements largely because we and other states have realized that our common interests are far better served by restricting certain of our own activities, and persuading others to do likewise, than by continuing to behave in the free but costly manner with regard to our environment that we had been pursuing. States increasingly realize that broad international problems can be solved at least in part by broadly based legal agreements. We have every reason to believe that even though the operation of these various agreements may not solve all of our problems completely, they will make a most significant contribution to their reduction.

HIJACKING AND AIRCRAFT SABOTAGE

In the field of hijacking and aircraft sabotage the United States, together with other countries, has spearheaded strenuous efforts within the International Civil Aviation Organization which over the past 10 years have resulted in the conclusion of the Tokyo Convention on Offenses and Certain Other Acts Committed on Board Aircraft, the Hague Convention for the Suppression of Unlawful Seizure of Aircraft (Hijacking Convention), and the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Sabotage Convention). I had the pleasure of serving as chairman of the U.S. delegation at the diplomatic conference which approved the third of these conventions, and I can testify to the fact that in this very important field the development of international law has been a major instrument for the realization of our own national policy as well as the shared interests of many other states. The bilateral agreement has a role to play here also, as illustrated by the recent hijacking agreement with Cuba, which undoubtedly has been an important factor in the recent total absence of hijackings to that country. At the present time strong efforts are concentrated on the hoped-for conclusion of an Air Security Enforcement Convention, which together with related instrumant will be the subject of a combined diplomatic conference and Extraordinary Assembly of ICAO to be held this summer in Rome. In this field even the mere existence of strong and widely publicized international law serves to help eliminate the scourge which for so long has threatened the safety of international civil aviation.

As many of you are aware, for several years the United States and 90 other nations have been engaged at the United Nations Seabed Committee in an effort to achieve international agreement on a comprehensive new legal regime for the oceans. This is one of the most extensive and ambitious international law making projects ever undertaken. It proposes nothing less than a new legal regime for the 70 percent of our world covered by oceans. In doing so it addresses questions of the breadth of the territorial sea, international straits, scientific research, pollution, and exploitation of the living and nonliving resources of the oceans. Hopefully, these efforts will produce results at the diplomatic conference which is scheduled to convene in New York late this year. While this effort is motivated in part by the traditional needs for international regulation, there is no doubt that now, as compared to the Geneva Conferences of 1958 and 1960, the nations involved regard development of the law of the sea as an important way of implementing their national policies with respect to fundamental economic and defense interests.

REDUCING INTERNATIONAL CONFLICT

Perhaps the most striking proof of the new political importance of international law was presented by the Moscow summit of last May, where my indefatigable colleague, the Assistant Legal Adviser for Treaty Affairs, Mr. Charles I. Bevans, presided over the execution of nine documents in six days including agreements on strategic arms limitation, prevention of naval incidents, scentfic cooperaton, environmental matters, and joint space ventures, signed by President Nixon, General Secretary [Leonid I.] Brezhnev, Secretary of State Rogers, and other senior officials. Those of you who have had international legal experience in the government will know that the bulk of such work is created by relationships with friendly countries. Countries with whom relations are not so friendly, and with which we therefore do not have substantial dealings, present comparatively few legal problems. Many governments, including ours, feel increasingly that the development of a complex array of legal relationships shoud be conducive to a general atmosphere in which military conflict is less likely. As this theory is applied, an ever-increasing wealth of international legal relationships results The result is a deeper and broader network of structured communictaions mong states, an expanded range of institutional bases for cooperation leading to greater reliability and predictability of state action, a greater number of formalized standards and channels for cooperation among states, and in time, hopefully, a greater tendency to try to solve problems through international cooperation rather than conflict.

A special word regarding international conflict is appropriate at this point. As a profession we have tended to believe that international lawyers are too little consulted in connection with the great crises of war and peace. Naturally this is the area in which the most difficulties will be confronted. Here, too, however, we may rightfully take heart from recent experience. As is abundantly clear from the documents and correspondence printed in recent issues of the American Journal of International Law (66 A.J.I.L 836–40 [1972]; 67 A.J.I.L. 325–27 [1973]), the Legal Adviser was consulted in a timely fashion with respect to the mining of North Vietnamese ports announced by the President on May 8, 1972, and the President's speech on that occasion clearly bore the imprint of those consultations. The various protocols to the Agreement on Ending the War and Restoring Peace in Viet-Nam signed January 27, 1973, as well as the succeeding Act of Paris, were negotiated with the constant personal assistance of my principal deputy, Mr. George H. Aldrich, and we continue to be very much involved in decisions related to lingering conflict in that area. In recent years personnel of my office have contributed significantly not only in this area but in contentious matters involving Berlin, the Middle East, and indeed every region of the world. The broader concern of the government for the role of international law in armed conflicts is evidenced by our heavy commitment to ongoing efforts to revise the humanitarian international laws related to war. Quite clearly the role of the international lawyer as action adviser to his government in times of conflict is growing along with his role in building the structure of laws and agreements designed to reduce conflict.

As might be expected, the forces which have expanded the role of international law tend to bring change to the profession as well. In the past, the traditional international lawyer has been a government employee functioning primarily as a professional specialist or technician of a high order. Legal committees of international organizations have regarded themselves as technical bodies into which politics should not intrude. As international laws has begun to play an increasingly important role as an instrument of national policy, however, those responsible for its creation and application have become more politically astute. While government representatives in international legal meetings still for the most part are highly competent jurists, they increasingly manifest political sensitivity and talents as well. This is a development which doubtless will prove troubling to some who have grown to professional manhood in a more traditionalist environment, and one which should give us all pause for thought. We must take care that the process of making international law not become too politicized, that we do not through political overexposure impair the essential character of our chosen instrument.

With this single caveat I believe we may view the future with justifiable optimism. International law and its practitioners now occupy an increasingly significant role in the formulation and application of national policy, and each day brings new opportunities. Private practice lawyers, too, benefit from this expansion, reducing the problem of our professional underemployment. Of the specific fields previously mentioned at least three—environmental control, law of the sea, and civil aviation security—impact directly on commercial interests, which increasingly will look to their legal counsel for advice on international law. Just as the growth of domestic law has been the hallmark of American internal political development over the past decades, so may international law development be a dominant characteristic of our foreign policy in this and future decades.

NASA APPROPRIATIONS BILL—SPACE SHUTTLE

Mr. TUNNEY. Mr. President, Congress has had the opportunity to review the recently issued GAO report on the Shuttle. In devoting nearly a year to the review of the economic aspects of the Shuttle, GAO has reached an overall conclusion that uncertainties in future space payload planning made it impossible for it to substantiate NASA's estimates of economies for the Space Shuttle. Therefore, GAO recommended that the decision to support the Shuttle should not be based purely on economic grounds—that is to

say Congress should consider the Shuttle on the merits of the concept. GAO did recommend that Congress consider five basic questions, which I would like to discuss.

First. Does space rank sufficiently high among national priorities to continue a substantial program into the indefinite future?

Space flight activities will continue and increase in the coming years as space is utilized to improve technologies that affect our daily lives. In a previous statement before this body, I commented on the areas where space science has productive application here on Earth. Let me summarize some of those areas: First. Improved weather forecasting and observation could save an estimated $2.5 billion annually. Second. Space-borne sensors could be used in forestry and watershed management and can reduce the estimated yearly loss of $83 million from diseased and pest-infested timber. Third. Monitoring global agricultural production is another possibility. Farmers will use space photography to optimize planting, spraying, and harvesting operations. Fourth. Repeated visual, infrared and microwave observations can be made of snowpacks, glaciers, and ice accumulations to assist in water resource management, of vital importance to California. Fifth. Space photos also can be used accurately to map the Earth's geologic and mineral resources. Sixth. Space photos also help pinpoint energy source and assist in the development of geothermal and solar energy. Seventh. Again, continuous photographs from space will help urban and regional planners develop comprehensive plans for land-use management. Eighth. And finally, space sensors can detect air and water pollution, tract movements of polluted bodies of air and water and aid in detecting the source. It is clear that expansion of space activities, through development of the Shuttle, will enormously benefit all mankind.

We have been reorienting our national priorities over the last decade and, as part of that process, the space budget has declined, and is now half of the 1966 allocation. The fiscal year 1974 space budget accounts for a slight 1.2 percent of the total Federal budget. Our past space successes and our current space programs more than justify NASA's present place in any objective ranking of our national priorities.

Second. Does the new technology that might result from the Space Shuttle justify its selection over other space transportation systems?

Already, the space program has produced some 40,000 products that have down-to-earth utility and application making the program one of the wisest investments for this Nation. I firmly believe that the Shuttle will continue that contribution. Some of the more visible applications from the Gemini/Apollo program are energy-absorbing bumpers, fireproof clothing, and improved packaging of food. Future applications are boundless when one considers the tremendous advantage of putting scientists in space with their experiments, an advantage the Shuttle will provide.

Third. Does the Space Shuttle offer unique capabilities and the kind of flexibility which the U.S. space program should have?

The Shuttle's capabilities to retrieve unmanned satellites for refurbishment and reuse and routinely to send men into space for scientific research are unique. I firmly believe that our space program should be directed toward this end, not only because of the benefits previously discussed, but also because of man's need to explore the boundless possibilities of space utilization.

Fourth. Is the Nation's prestige enhanced by a Shuttle program?

The space program has been a decided factor in our maintaining world leadership. The Apollo program was clear proof that we could set a difficult goal for ourselves and accomplish that goal in a relative short period of time. It has proved conclusively that our technology is superior and that we can share the benefits derived from it with the rest of the world.

Fifth. Is it in the national interest to continue extensive manned space flight when there are some who believe that all our space objectives may be done by an automated satellite?

The Shuttle is often spoken of as a manned space program. We should recognize that it provided important unmanned capabilities as well. Even with NASA's admirable performance record, they are not infallible. We need a launch system which will prevent further launch damage such as we saw with Skylab. We need only look to the exciting performance of the Skylab astronauts to realize the importance of putting man in space to salvage bold space missions.

Mr. President, the Space Shuttle is an important program. It is important to California and to the Nation. An estimated $1.4 billion contract awarded Rockwell International. By mid-1974 the projected direct employment figures for California should approach 18,000 for aerospace workers and 25,000 for persons in related fields.

We are in the process of adjusting to a peacetime economy. The Shuttle can provide the essential catalyst of jobs, of increased production, of improved technology, and the resulting benefits that are necessary for this economic transition.

I would urge that the Congress support the Space Shuttle at the requested funding level of $475 million.

EULOGY TO THE LATE CONGRESSMAN NICK BEGICH

Mr. STEVENS. Mr. President, toward the close of the 92d Congress on October 16, 1972, a twin-engine plane carrying Representative Hale Boggs and Representative Nick Begich of Alaska was lost in flight somewhere between Anchorage and Juneau, Alaska. Following the longest and most extensive search in the history of America, on October 24, 1972, efforts to find these good friends ceased.

Nick Begich's loss was a tragedy for all America. His efforts in the House of Representatives in the period he was here were tremendous; his diligence, perseverance, and abundant energy made his mark on our legislative process. As a Member of the House, Nick participated in one of its landmark decisions, the Alaska Native Land Claims bill. His attendence at over 97 percent of the rollcall votes, participation in most of the subcommittee and committee hearings, and his earnest solicitation for support of legislation which affected our State gained him the respect of his colleagues in the U.S. Congress.

Starting as an educator in the schools of Alaska, Nick, shortly after statehood, pursued a career in politics. Elected to the State legislature, Nick's interest in his earlier career later became reflected in legislation which he advocated. His influence was felt and much of the credit for strong financial State support of education in Alaska must be given to him. After serving two 4-year terms at the State level, the latter portion as Democratic whip in the State senate, Nick once again set his sights on higher goals.

In 1970 the people of Alaska elected him to the House of Representatives. Energetically he set about his task. As the lone Congressman from our State, it was his responsibility to make known Alaska's needs to the rest of the membership.

The fact that we belonged to different parties mattered little. Both Nick and I knew our first loyalty was to Alaska. He was a politician in the best sense of the word—able to put aside partisan concerns for the sake of larger goals. When I worked with Nick, those goals were Alaskan interests. I was proud to call him my friend and I shall miss him.

Those of us who were privileged to work with Congressman Begich knew him best as he was with his shirt sleeves rolled up—a hard-driving, hard-talking legislator willing to work with others in Congress to strike the best possible bargain for Alaskans. Nick had an abiding faith in God, our State, and our people. I have always thought it was this faith that served as the wellspring from which his tireless effort was derived.

Nick's family was always first in his heart. He reflected his pride in them and their pride in him. These human qualities are what we may best remember him for. These same qualities that made him a good Congressman made him an individual that compelled respect and yielded personal friendships.

The esteem with which Nick Begich was held by his fellow Alaskans was evidenced by the overwhelming vote he received in his November 1972 reelection bid, even though at that time, many feared that his plane would never be found.

Nich Begich made his mark helping Alaska be the kind of place Alaskans want it to be. Nick's legacy will always be part of Alaska.

Finally, I wish to comment the sacrifice and vigilance of all those persons who unhesitatingly cooperated in the performance of a valiant but unproductive search of all possible leads over a vast geographic and frequently navigationally hazardous area.

TRADE WITH RUSSIA

Mr. ROBERT C. BYRD. Mr. President, in a statement shortly before the visit of Leonid Brezhnev to the United States, I commented that increased trade with Russia was not necessarily good in itself. It would only prove beneficial if it were fair trade, with each side benefiting from the agreements, and with neither side emerging on the short end of the economic stick.

On Tuesday, June 19, the Advertiser of Huntington, W. Va., made similar comments in an editorial aptly titled "Increased Trade With Russia Filled With Many Pitfalls."

In the piece, editorial page editor David A. Peyton notes that—

If trade with Russia brings more economic chaos in the U.S. then this country will become the laughing stock of the world.

Mr. Peyton points to last year's wheat deal with the Soviet Union, which he correctly points out "was not a bargain for America." Because the Russians were permitted to purchase American wheat at a subsidized price, the American taxpayer wound up paying $300 million "for the bread on the Russian table."

The deal also disrupted shipping systems in the United States, and Mr. Peyton states that the wheat deal has been blamed for apple growers in the eastern panhandle of West Virginia losing some of their crop because of a lack of shipping.

Mr. President, we have passed the stage where a summit meeting is successful simply because it is held, and the economic conditions here at home should be our first concern in any trade agreement we are trying to reach.

The editorial makes valid points that our trade negotiators should keep in mind in future talks.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INCREASED TRADE WITH RUSSIA FILLED WITH MANY PITFALLS

Leonid Brezhnev of Russia is meeting this week with President Nixon in Washington to continue trade talks which began last year when the President made his historic visit to the USSR.

Brezhnev orchestrated his arrival, asking no newsmen and no cameras be allowed by Andrews Air Force Base. The administration bowed to his wishes, a symbol to many that the Russian was coming to the United States with considerably more power than any Russian leader has ever held in the U.S.

Many say Richard Nixon needs some sort of super, foreign affairs grandstand play to overshadow the dirt of the Watergate hearings. Coupled with this is the need in the United States for more energy—energy that can be supplied by the Soviet Union with its vast untapped fields of natural gas and oil.

While the Russian wheat deal last year opened the trade gates between the two giants wider than they have been in decades, the deal wasn't a bargain for America. The Russians bought wheat at about $1.60 per bushel—a subsidized price—and the American taxpayer ended up paying more than $300 million for the bread on the Russian table.

Our shipping systems have been disrupted as millions of bushels of wheat are shipped from the Midwest. Much of the wheat is shipped along the Chessie System route through Huntington. Last fall, apple growers in the Eastern Panhandle of West Virginia complained some of the apple crop was lost because of a lack of shipping. It was blamed on the Russian wheat deal.

Beef prices went up and it was due in part to the wheat deal. Bread and cereals are higher, thanks to the deal. And while it's nice to know we're trading with Russia, it's discomforting to know the move has helped to disrupt the economy.

And now it appears Richard Nixon is ready to look to Russia for energy supplies. The U.S. is ready to invest about $6 billion in a natural gas liquification program which would prepare Russian gas for shipment to the U.S. This gas would cost twice as much as the natural gas currently coming from Texas and Louisiana.

And while the price of energy goes up, the solution to our energy crisis lies under our feet. Coal—enough to last 2,500 years—is available if the U.S. would invest money in research to find better ways of mining and using it.

While the current administration is willing to invest $6 billion to liquify Russian gas, it plans to spend only $120 on coal research next year.

If trade with Russia brings more economic chaos in the U.S., then this country will become the laughing stock of the world. And while increased trade is important to bringing about worldwide peace, it is important that the trade be fair to both the Russians and the American taxpayers.

LEGISLATION TO INCREASE ADDITIONAL EARNINGS BY SOCIAL SECURITY RECIPIENTS

Mr. DOMENICI. Mr. President, I recently cosponsored legislation which was introduced by the senior Senator from Texas (Mr. TOWER) on June 12, 1973, S. 1982. This legislation would allow social security recipients to earn up to $3000 per year and still receive full benefit payments. The bill would also lower from 72 to 70 the age at which citizens can receive full payments regardless of their annual earnings.

I have received numerous letters from New Mexicans explaining that they find it impossible to make a living on the wage earning limit that has been given social security recipients—even with benefit checks.

Mr. President, I ask unanimous consent that one such letter received from Mrs. Blanche D. LaChance which explains her problem be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 26, 1973.

DEAR SENATOR DOMENICI: I am a widow with a small child in grade school also a social security recipient. As I am one of the millions of Americans without a college education, I find it impossible to make a living on the wage earning limit that has been given social security recipients even with the help of social security. When $2100 was set as a maximum wage limit, I don't believe you people considered the cost of holding a job for a woman, baby sitter, car expenses, school lunches just to mention a few.

I think Congress is creating poverty instead of helping it. It seems to me, it would help much more if you would raise wage earning limits instead of social security payments periodically—especially for those of us that are able and willing to work. Most of us in my education bracket don't earn over $3000.-00 gross pay per year. If we were allowed to make $3000.00 per year, we would be paying more into the social security fund to aid those that cannot work and those that won't work as well as helping ourselves and our children too.

I feel my child should have the same opportunities for an education as those with a father. With prices as they are and the very low wage earning we now have, she won't get beyond grade school. My babysitter makes more money than I do.

I'm sure if you tried you could have the wage earning limit raised considerably and still allow us to retain social security as a supplement check. I'm sure a lot of other widows feel as I do so please consider this very seriously and raise the wage earning limit.

Sincerely,

MRS. BLANCHE D. LACHANCE.

Mr. DOMENICI. Mr. President, when I came at the beginning of this year as a freshman Senator from New Mexico, I actively sought assignment to the Special Committee on Aging and was delighted when my request was so honored. I felt that this committee was one of the most useful in the Senate in that it could center national attention on specific issues which most affect the senior citizen. As a consequence, appropriate legislation could be drafted and supported by individual Senators to meet the specific issues investigated by the committee.

During my tenure on this committee, we have conducted public hearings on numerous matters which directly affect the aged. For example, during January testimony was heard regarding meaningful social security reforms. Responsible social security amendments have been initiated, I believe, as a result of the need explained at these hearings. One amendment, just recently passed by the Senate, would extend a 5.6 percent increase in social security benefits. Another measure which reflects the opinions of those who testified before the committee was the bill I just cosponsored to raise the outside earnings limitation.

Later in February fire safety regulations in highrise buildings for the elderly was discussed. This hearing was the direct result of a disastrous fire in an Atlanta home for senior citizens. As a result of those hearings legislation is being studied which would assure the best safety regulations in such homes in the future. Other hearings conducted during the spring and summer months will likewise result, I am sure, in substantive legislative proposals to insure adequate protection to the elderly.

A bill which I strongly supported during the early months of the 93d Congress was S. 50, the Older Americans Comprehensive Services Amendments. The measure was eventually signed into law.

Under the provisions of this new law, it is now possible for our senior citizens to participate in manpower training programs through their middle and older years. I do not believe that when we reach 50 to 55 years of age, we are "pasture" material. This bill exhibited faith

in that largely untapped resource in this country—the older American. Furthermore, useful part-time employment opportunities will now be instigated in community service programs and additional moneys have been earmarked for research into improving all services to the aged. Frankly, I was very pleased with the progress made in the area of the aged with the passage of this bill.

Mr. President, I would like to continue for a moment reviewing other legislation which I believe will benefit our aged. During the past few months I have cosponsored legislation to improve pension plans offered by private companies—a bill which I feel will go a long way toward reforming pension programs which all too often have been inadequate and inequitable to the workers they purport to help. Other measures I strongly support would establish a more equitable formula by which veterans' disability and pensions are determined and which would provide several additional improvements in the social security program.

On February 11, 1973, I conducted hearings in Albuquerque, N. Mex., receiving testimony from qualified people who work with the aged in our State, including officials from the Social Security Administration, the Veterans' Administration, New Mexico Health and Social Services, New Mexico Commission on Aging, Metropolitan Council on Aging, and Coordinated Action for Senior Adults. From this public forum I was able to get a very close view of the problems now facing these officials as they try to do their job, as well as the almost insurmountable mountain of problems our elderly face daily. These officials pointed out time and again the need for legislative action to provide an adequate retirement income and improved medical services. Besides, it became obvious that when we become older in this country, we are considered almost as second class citizens and are passed over when seeking employment or growth opportunities. I hope S. 50, which has gone a long way to meet some of these problems, will be augmented soon with the passage of the other bills I have cosponsored.

Census figures show that in 1970 this country had 20 million individuals 65 years of age or above. This represents 1 out of every 10 Americans. The number has been steadily increasing as medical triumphs result in longer lives. I feel we owe it to these individuals—and to ourselves as we will surely come to face these same problems—to insure their active participation in our society.

Eric Hoffer, a noted modern-day philosopher, recently stated, "a chief stain on the quality of life in America has been the sorry lot of the old. All cannot be well with a society in which lives do not end well."

I intend to devote my energy to improving this situation. Much has been done—but there is so much more to do.

MONTANA NEWSMAN TAKES BICENTENNIAL POST

Mr. MANSFIELD. Mr. President, it is always a sad occasion when a talented newsman retires from his profession. However, in the case of Harold G. "Hal" Stearns who has published the weekly Harlowton Times for a good many years, it is another milestone in an already spectacular career. Hal Stearns has decided to give up his weekly newspaper but, at the same time, is moving to the State capital of Montana, Helena, where he will be executive director of the Montana American Revolutionary Bicentennial Commission. Montana is most fortunate to obtain his services.

Hal is not only a fine journalist but an excellent historian who has spent a great deal of time studying and recording the history of the West. He is active in the work of the Montana Historical Society and now serves on the Committee for the Humanities, a new organization within the State. Hal and Jeanne Stearns have been good friends for many years and, while I will miss his editorials on matters of current interest, I do know that he will contribute a great deal in his new post.

I wish Hal and Jeanne Stearns well and I know that Montana's participation in the bicentennial will be outstanding because of his leadership. Mr. President, I ask unanimous consent that a news story appearing in the Billings Gazette of June 15, 1973, and an editorial in the Great Falls Tribune of June 20, 1973, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Billings Gazette, June 15, 1973]

VETERAN NEWSMAN TAKES BICENTENNIAL POST

(By Dennis E. Curran)

HARLOWTON.—Harold G. "Hal" Stearns is giving up one love for another.

At age 60, the newly named director of Montana's Bicentennial Commission is selling his beloved weekly Harlowton Times and going out of the newspaper business.

"I never thought I'd do this," the white-haired editor mused recently as he sat in his office with his wife, Jeanne. "There's a world of satisfaction here. I don't think I'd have traded this for a job that made money."

But Stearns also has a strong love for Montana's history, and he's looking forward to the bicentennial spot with an eagerness as strong as his regrets at selling the paper. "This is something I really want to do," he said of the bicentennial job.

The two sides of Hal Stearns are readily apparent in the cluttered office he's occupied for more than three decades.

Like many newspaper offices, it's a maze of papers, notes, letters and back issues amidst a backdrop of presses and linotype machines.

What makes it unique are the walls. Almost every square foot is covered by pictures—faces of Montana politicians, past and present, sharing space with western art and reminders of Lewis and Clark.

Stearns, a two-term president of the Montana Historical Society, has written extensively about Chief Joseph and Lewis and Clark, including a book "On the Trail with Lewis and Clark in Montana," and has even conducted guided tours along the explorers' route. He's also an avid sports fan, former president of the University of Montana Alumni Association and UM Foundation and onetime unsuccessful legislative candidate. Years after his defeat, he concluded he'd rather "pick on politicians than be one."

Starting July 1, the Deer Lodge Valley native will have plenty of chance to pursue his interest in history. Officially, his title is executive director of the Montana American Revolutionary Bicentennial Commission, and his work will be similar to that of the 1964 Montana Centennial Commission.

"My job is going to be getting out and waving the flag and saying the 200-year birthday of our country is worth commemorating," he said.

But he doesn't plan to emphasize only history.

"You can't dwell on the past all the time—you've got to think of the future, too." He added he hopes Montana communities will mark the 1976 anniversary by doing "something more lasting than a Fourth of July parade." One suggestion: building memorial parks.

He expects the job will keep him busy, especially because Montana has less money than some other states and is "a little behind" in planning its commemoration.

But being busy won't blunt completely the impact of giving up the Times (circulation 2,000) and weekly Eastern Montana Clarion (circulation 750), the Ryegate newspaper he edits and prints in his Harlowton shop.

A UM journalism graduate, Stearns got his start at the Havre Daily News and bought the Times in 1940. Shortly thereafter, he left for the Navy, and his wife, a former teacher, took over the editor's chair.

She relinquished it when Lt. Cmdr. Stearns returned from the war, but she's been active in running the paper ever since, and Stearns says he couldn't get by without her.

Mrs. Stearns confides she may be sorrier to quit than her husband. In addition to raising seven children, she sells advertising, handles many of the business chores and help write stories.

During their years in Harlowton, the Stearns have been a voice in the community and often found themselves embroiled in local controversies. That, along with the writing, is what Stearns says he will miss most.

"You never get a monument or tablet, but you see progress made, and you get a big charge that maybe you had a little something to do with it," he said.

However, Stearns will be less reluctant to give up the business end of newspapering, which he complains "drives you up a tree" and limits time for more desirable pursuits like writing columns. "You just get snowballed with it," he said.

It's part of weekly newspapering, however, and it's one reason Stearns' successor will be longtime Harlowton Times Shop Supt. Gerald Miller instead of one of the easterners interested in the paper.

"About a year ago I toyed with the idea of selling the paper, and it's surprising how many people were interested," he recalled. "All of them were good journalists, but here you've got to be the damnedest kind of jack of all trades. Boy, I learned the hard way."

"I looked at all these people and I just felt that somebody who's aware of the scene should carry on," the editor added.

The sale of the papers isn't likely to still Stearns' typewriter, however. He talks wistfully of writing about the changing times and changing politics of Montana and jokes of writing a community expose—"where I'm going to tell all and move to Madagascar and leave no forwarding address."

He isn't serious about that project, of course, but he probably could do it. We've learned a hell of a lot of things we shouldn't know," he grinned.

For now, however, historian-editor Hal Stearns faces the more immediate task of cleaning out his office.

"You know," he said as he sifted through the papers, pictures and momentoes in his office, "by the time I get through here, this office will look pretty naked."

Stearns is leaving one love for another, and it doesn't come easily.

[From the Great Falls Tribune, June 20, 1973]

BICENTENNIAL DIRECTOR

Harold G. "Hal" Stearns, recently named executive director of the Montana American Revolutionary Bicentennial Commission, will do an outstanding job trying to make the bicentennial program a success

Stearns, who sold his weekly newspapers at Harlowton and Ryegate to devote his time to the Bicentennial Commission position, is a natural for the job. He has had a lifetime interest in history, particularly of Montana history, has beeen a two-term president of the Montana Historical Society.

Stearns approaches the Bicentennial Commission with a refreshing outlook. He doesn't want the Bicentennial program to concentrate on the past so much it loses touch with the present or the future. He hopes Montana communities will mark the 1976 anniversary by doing something more lasting than Fourth of July parades. He thinks memorial parks could be built as a lasting mark of respect for the nation's birthday anniversary.

While Stearns will be a dedicated and hard-working executive director for the commission, the bicentennial program in Montana won't have a chance to be successful unless he gets all-out cooperation from all Montanans. The program and Stearns deserve that cotoperation.

HOWARD PHILLIPS POSSESSES RARE AWARENESS OF PROPER ROLE OF GOVERNMENT

Mr. HELMS. Mr. President, as an unabashed economic conservative, I have always been deeply skeptical of the ability of the Federal Government to solve the private problems which citizens can and should solve for themselves.

There seem to be few individuals in Washington who understand that Government is a blunt instrument. A wise man has written that government can do only two things—it can wage war and inflate the economy. Beyond that, it is biting off more than it can chew.

So, Mr. President, I know you will understand my appreciation for the efforts of Mr. Howard Phillips, the Acting Director of the Office of Economic Opportunity, who left that post this week.

Mr. Phillips understands that the Federal Government can not be a cure-all for every ailment, real or imagined, that people have. Furthermore, Mr. Phillips understands that socialism, by whatever fancy name it may be given, is the disease for which it pretends to be the cure. This is a fact of life often ignored by many of our elected leaders.

Howard Phillips is truly a remarkable young man, with a maturity of action and though far beyond his years. He understands that perhaps the most important task in the United States today is to instill an awareness of the proper function of Government into the consciousness of the American people and its elected leaders.

Mr. President, in a statement issued on June 26, Mr. Phillips demonstrates why he, in no small way, represents the kind of thinking sorely needed in our Nation's Capitol. Mr. Phillips said in part:

Believing that social progress can be measured by the condition of individual liberty and opportunity, it has been our constant objective to advance policies which enhance regard for the rights of the individual and which strengthen the power of the individual to direct the course of his own life—not by empowering others to speak in his name, or to act in his behalf—but by directly extending the opportunity for choice to the individuals concerned.

It is my conviction, Mr. President, that all Americans who believe in those principles upon which our Republic was founded owe a sincere debt of gratitude to Mr. Howard Phillips. He has served with dedication and distinction.

GOVERNMENT'S ROLE IN WELFARE ASSISTANCE

Mr. NELSON. Mr. President, recently, the Honorable Milton J. Shapp, Governor of Pennsylvania, in speaking to the City Club of Cleveland, reaffirmed the philosophy which sees government actively providing many kinds of assistance to those who are unable to provide for themselves.

In that regard, the Governor pointed out that Senator MONDALE professed the same views in a recent article in the New Yorker magazine. The speech by Governor Shapp and the New Yorker article both provide us with insights into the efficient and effective means of providing Government services which get the maximum for every dollar spent, but which also keeps the Government as an active, intelligent partner in our search for economic and social justice for all Americans.

I ask unanimous consent that the text of Governor Shapp's remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF GOV. MILTON J. SHAPP AT THE CITY CLUB, CLEVELAND, OHIO, MAY 25, 1973

Last week, two interesting statements were made by two leading Democrats on the national scene concerning the role of government in helping people.

If you will pardon the reference, one of those statements was made by me as Governor of the Nation's third lalgest State.

The other was made by Senator Walter Mondale of Minnesota, considered by some to be a leading candidate for the Presidency in 1976.

On the same day that Senator Mondale's interview was appearing in the New Yorker Magazine, I was speaking to the Second Annual Human Services Forum of Pennsylvania in Pittsburgh.

Both statements are strikingly similar in tone and content, despite the fact that neither he nor I knew what the other one was saying at the same time.

The reason they are interesting is that both statements challenge the current conventional political strategy that government should begin to dismantle many of the social programs which have come into existence during the last forty years of the Nation's history.

The question naturally arises: Why should a Governor who may stand for re-election next year, and a Senator who may be a Presidential candidate, take positions which are apparently so politically unpopular?

Consider first one of the statements made by Senator Mondale:

"I believe," he said, "that the Federal Government has a fundamental role in delivering services to people who are overwhelmed by problems that they can't handle themselves: hungry children, and children who need to be educated; people who are handicapped, mentally ill or retarded; people who have special learning difficulties; people who can't find work; old folks who can't care for themselves.

And then, he continued, "There is a need for social programs that deal with the environment, transportation, and a whole range of human problems in which I think the Federal Government has an indispensable role—leading, and helping to find national solutions."

Now, consider my own statement at Pittsburgh on the same day:

"I cannot, and will not, close my eyes to the poverty, ignorance, disease, discrimination and the breakdown of services which I see all around me.

"It is my unshakable belief that we share a common responsibility to alleviate the desperate human hardships of those who cannot help themselves. The elderly widow who gets her only full meal every day at a Late Start Center does not belong to the social work establishment. She belongs to the community of this Commonwealth.

"The mentally retarded child and the mentally ill men and women who need care in a State facility are not drains on the taxpayer. Their continued care and ultimate cure are the marks of a civilized society.

"The delivery of better health services to the poor, and to our rural communities, is not another big spending bureaucratic boondoggle.

"It is a recognition of the fact that this Nation, for too long, has tolerated shoddy, second rate health care for millions of its citizens who must live side by side in squalor next to the greatest affluence the world has ever known."

I need not reiterate the fact such talk is not the conventional political wisdom today.

In fact, our most successful politicians today are conducting a general assault on government programs for people.

President Nixon's budget is the perfect example of this trend.

His budget not only cuts back on the amount of Federal dollars available.

It also demands that on-going programs be scrapped in favor of an entirely different approach called special revenue sharing.

In Pennsylvania, our two largest cities are run by Mayors whose popularity is based primarily on their opposition to taxes.

In Philadelphia, Mayor Rizzo vowed, during his campaign, that he would never raise taxes. He hasn't done so. But both the schools and city services are in deep trouble.

In Pittsburgh, Mayor Flaherty was recently renominated for a new term by getting the nominations not only of the democratic but also of the republican and constitutional parties, assuring himself of re-election.

Mayor Flaherty's principal accomplishment in three and a half years has been a reduction in local taxes, while many civic leaders and others claim that services in that city have declined to the point of no return.

The general interpretation of his unprecedented victory has been above all that the voters don't care about programs and services but want their taxes reduced.

No doubt, the high cost of living, due to run away inflation and high rates of taxation, have driven the vast majority of Americans into a generally negative attitude toward government financed programs in Health, Education, Welfare and Social Services.

Unfortunately, some public figures have

capitalized on this trend and have thereby intensified it.

As I noted in my Pittsburgh address, "programs are attacked, not on their merits, but on the basis that bureaucratic red tape makes them cumbersome and inefficient.

"In the name of economy, genuine human needs are being neglected.

"A general impression has therefore been left with the public that its tax money is being wasted to pay the high salaries of a lot of bureaucrats while very little benefit trickles down to the needy."

In his New Yorker interview, Senator Mondale made much the same point: "The President's attack," he said, "has not been one of reform, it's been one of fundamentally assaulting the whole notion of the delivery of services to people who need them.

"As a matter of fact," he continued, "here's a very disturbing notion that I find which somehow suggests that in our free society we're incapable of efficiently and effectively delivering essential services through government employees."

Senator Mondale has hit upon the essential difference between those of us who would continue to help people and those who would dismantle the delivery of services.

We, who would defend government involvement in human programs, are today taking a long, hard look at their value.

We, who would defend government involvement in human programs, are today taking a long, hard look at their value.

We are actively rooting out inefficiency and indifference within the bureaucracy.

But we draw the line at eliminating programs which have merit simply because they cost money. I do not hestitate to ask my legislature for additional funds to expand worthwhile programs.

At the same time, however, I spend a major portion of my time seeking to curb administration costs of delivering these programs to the people, and I will not hestitate to slash any program which does not produce.

Take, for example, one of the major burdens of any state government today, the operation of the welfare system. Welfare should be reformed on the National Level.

Washington should take it over and lift the burden of the program off the backs of the states and streamline it.

But that won't happen overnight, even if the present administration in Washington could develop a capable plan which I happen to believe is beyond their desire or capability.

So, in Pennsylvania, we have embarked on a major reform of the operation of the welfare system in our State.

When I came into office, the welfare system was completely out of control.

Fraud and duplication were rampant in the payment of welfare checks because the previous administration took just about everybody's word when they came in and said they qualified.

We have instituted a system whereby welfare checks are not delivered through the mail but distributed through local bank branches so that recipients themselves must come to the bank, with ID cards, in order to receive their checks.

The system has reduced fradulent and duplicate, lost or stolen checks virtually to zero in the areas where it is in effect.

The taxpayers of Pennsylvania will save because of the reduction in administrative costs and elimination of fraud and duplication, not at the expense of less fortunate citizens.

The banks are excited about the program because it gives them the opportunity to become involved in public service while potentially attracting new customers.

The welfare department is happy because they are no longer being accused of running an inefficient system.

The recipients are cooperative because those with genuine need know that they will receive their assistance without being branded as frauds.

And I am happy because the system is helping to redeem my pledge to put the operation of government on a businesslike basis.

In addition, our Welfare Department has a crack team of special investigators in a program called project SWEEP, which goes from county to county combing the welfare rolls of ineligibles.

The net result of this activity, is that the welfare rolls in Pennsylvania have been slashed by more than 70,000 individuals in a single year, and the trend is still downward despite a national trend upward.

This is the type of economy that gets results.

In contrast, in many other states, actions have been taken to cut welfare grant levels or to exclude certain classes of people from eligibility.

This seems to me a meat axe approach. Cutting grant levels is only going to drive people on welfare deeper into the poverty cycle in the midst of inflation. And cutting people from the rolls for any reason other than ineligibility needlessly excludes the needy from assistance.

Our program retains all the good features of the system while getting rid of the fraud and inefficiency.

As a result, we recently held a national conference on this system in Harrisburg where 49 other states sent welfare officials to study our system and examine the feasibility of setting up a similar program at home.

What I am saying is that you don't have to cut the heart out of essential programs in order to deliver on economical government.

At the same time, we have been active on the consumer front. My Insurance Commissioner, Herbert Denenberg, is gaining a national reputation as an advocate of the consumer.

He has been especially successful in urging reforms upon the medical insurance practices of Blue Cross and Blue Shield.

In the Philadelphia Area, for example, his reforms have resulted in a $50 million a year saving for Blue Cross subscribers and this is not an idle figure thrown around by us but a judgment made after independent analysis by the Philadelphia Inquirer.

Similar efforts are being made in the areas of milk prices, liquor prices, and monopolistic practices on the Pennsylvania Turnpike.

Simultaneously, we are investing more public funds in such areas as Drug and Alcohol Control, the delivery of Health Services to the poor, and programs for the elderly.

As a result of our welfare reforms, and other cost-cutting measures, I have presented a budget for the next fiscal year which will increase expenditures for essential services, but generally cut fat and produce a tax cut of $157 million for individuals and business while enacting tax credits for the elderly, the poor and the disabled.

What both Senator Mondale and I are saying is that it isn't necessary to dismantle forty years of government program in order to please the taxpayer.

The thing to do is streamline those programs, cut unnecessary costs and red tape and shape services so that they are more meaningful to the people who receive them.

It's not an easy job. I found that out on the State level, and I know that the problem is much greater on the Federal level.

But it's the only answer.

We can't go on spending blindly as happened too often in the past several years.

But, at the same time, we can't fail to help the helpless.

The mistake that is being made by the President and by other politicians oriented toward the taxpayers' revolt is that they become too extreme in their solutions.

They get driven into a corner where government will soon become only a caretaker and each citizen is seen as one who gets back 110 percent of his tax money and lives in his own tight little island.

That's fine, unless he must depend upon public transportation, has children to educate, relatives who are sick, a brother who is mentally ill, a jobless sister with three children, a mentally retarded grandchild who lives in a high crime area, or one that is ravaged by disregard for the environment.

Public officials who slash services, cut programs and return tax money as the only priority of government categorize, by their actions, every American family as being perfectly healthy, economically solvent forever, living in the best of all possible housing, with two cars in the garage, with complete freedom from the environment, and immune to the ravages of inflation.

The real America doesn't look that way to me.

Michael Harrington's "Other America" didn't go away just because Richard Nixon was elected President.

It has only been pushed farther into the background by the benign neglect of indifference of unconcerned men and unconcerned government.

I believe we are reaching the point in our political life where the impact of Federal budget cuts and the single mindedness of those in government who believe only in cutting taxes will so dry up our community life that a general reaction is bound to set in.

If the excess of some past government actions has produced the present reaction, I believe that the excess of the present will produce an equal and opposite reaction.

America has a crying need to make honest public investment in its people, its resources and its transportation systems.

But even if the political cycle does not change and even if such thinking continues to be politically unpopular, some of us will continue the fight simply because it is the right thing to do.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I would like to report that, according to current Census Bureau approximations, the total population of the United States as of Sunday, July 1, 1973, is 210,869,908. In spite of the widely publicized reductions in our fertility levels, this represents an increase of 1,578,734 since July 1, 1972. It also represents an increase of 129,317 in just the last month.

Over the year, therefore, we have added enough additional people to fill four cities larger than the size of Newark, N.J. In just 1 short month, we have added enough people to fill two cities larger than the size of Boulder, Colo.

SPACE PROJECTS

Mr. STEVENSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement and insertion by the distinguished Senator from South Dakota (Mr. ABOUREZK).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR ABOUREZK

I think it is significant that the growing lists of benefits from our unmanned space efforts, even in light of the recent Skylab launch, continues to overshadow the benefits obtained through manned space in both numbers and applicability to direct human needs. Yet, the budgets of the two cate-

gories of space activity are in totally reverse proportion. Manned Space projects continue to demand over 60% of NASA's total budget. This year alone, manned space flight is being funded with almost ten times the amount now requested for Space Applications. In times such as these, when manned space missions are supposed to be phased down, NASA still persists in spending a dime for every penny it spends on space applications. Yet, according to NASA's own plans, the worst for Applications is yet to come. In the next five years, that penny will shrink to less than one half of what it is today. In 1978, by NASA's own figures, only 74 million dollars will be requested for applications compared to one and a half billion for manned space. I submit the following table which was sent to me earlier this year in NASA's response to my questions regarding the long term effect of the space shuttle on space science and space applications.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

FUNDING IMPLICATIONS OF FISCAL YEAR 1974 BUDGET

(Millions of dollars)

Budget plan:	Fiscal years 1973	1974	1975	1976	1977	1978
Aeronautics	151	171	159	142	128	117
Space science	679	584	483	413	335	256
Space applications	189	153	146	124	87	74
Manned space flights operations, Apollo, and advanced missions studies	957	582	345	226	218	218
Space shuttle	200	475	850	1,100	1,190	1,090
Space research and technology	65	65	65	65	65	65
Nuclear power and propulsion	17	4	4	4	4	4
Technology utilization	4	4	4	4	4	4
Tracking and data acquisition	248	250	254	254	254	247
Construction of facilities	77	112	150	100	80	70
Research and program management (Includes pay for all NASA personnel)	715	707	707	707	707	707
Total budget plan	3,302	3,107	3,167	3,139	3,072	2,852
Total outlays	3,062	3,136	3,231	3,219	3,145	3,043

What will be the benefit ratio in 1978? Can we still expect unmanned space programs to offer the know-how which NASA talks about when they demonstrate the direct benefits of applications in areas involving housing, transportation, health care and many other vital areas when the entire applications budget for programs like EROS, Nimbus, Tiros and many more receive only 1/40th of the NASA budget?

Mr. President, it is truly unfortunate that we cannot take a more responsible approach to the space budget than the one we have before us. I think that it is time that we recognize that NASA's raison d'etre is not merely to determine what man can endure in space; but, how space can be better utilized for man to endure at home here on earth. If we recognize that, then we cannot accept the continuing reduction of funds which are so earnestly needed in applications and space research. The Congress needs to demonstrate that in subsequent years, these areas of space endeavor cannot be made the scapegoat in NASA's budget. It is esesntial that a consistent level of funding of our unmanned space programs is maintained.

This year, space science and space applications are scheduled to lose over 131 million dollars. At the same time the space shuttle is gaining over 275 million dollars. Next year it is scheduled to gain over 400 million dollars more while unmanned space programs are deeply cut again. And we are being asked to appropriate this changeover—a changeover from programs which have proved beyond anyone's slightest doubt their worth to a program which may offer slight 20 to 30 year cost advantages.

A space shuttle which can only be used 40% of the time until an effective tug is built, which by NASA's admission will not be for many years to come.

A space shuttle which does not have even enough payload business in the next twenty years to justify its existence.

A space shuttle which threatens to join NASA with the Defense Department in its fiscal fiascos with budgetary embarassments such as the C–5A, and F–111, and the B–70.

The recent GAO report has given us some idea of how expensive this replacement will be. While NASA continues to insist that the shuttle will allow real cost savings, GAO has found that the cost per pound will amount to almost $1,000 more than our current expendable boosters which it is supposed to replace. The results of their fundings are summarized below:

	Current expenditures	New expenditures	Space shuttle
Total launch system cost for aggregate payload weight as scheduled in the 80 mission 581 flight model: Aggregate weight (millions of pounds '79–90)	4.3	4.5	4.6
Total launch system cost through 1990 (in billions)	$13.3	$11.6	$16.1
Total launch system cost per pound of payload in orbit	3,100	2,600	3,500

Not only is there a need to question the need for the shuttle on economic grounds, there is now a real concern as to whether man even exist for long periods of time in space.

When Astronaut Joe Kerwin climbed out of the Skylab spacecraft after 28 days in space, his bloodpressure dropped to a critical level. He had lost muscle and tissue and his heart showed alarming deterioration.

It may be more than mere coincidence that Astronaut James Irwin suffered a heart attack less than a year after his Apollo 15 spaceflight. He was a tough, well-exercised man of 42 with no suggestion of any heart disease before he flew on his Apollo mission. Yet, during his flight, he developed some very questionable heart disturbances which were recorded only routinely. Now, a year later, he is recuperating from what NASA terms "cardiac arhythmua" which they admit could possibly have been space related.

Aside from these frightening lessons of past manned space flight, however, many unanswered questions have surfaced. Questions that call for answers before we spend billions of dollars on this program.

Accordingly, some extremely cogent arguments have been raised in opposition to the shuttle by some prominent scientists of many of our most respected science organizations. I would like to summarize those arguments for the record and urge my colleagues to be mindful of these arguments in determining the NASA appropriations for 1974.

1. An excellent family of well-developed and reliable launch vehicles for space flight already exists. This family includes the four- or five-stage Scout; Thor/Delta; Atlas/Centaur; Titan IIIC/Centaur; Saturn IB; Saturn V; and various combinations including addition of the upper stage TE364, etc. The foregoing vehicles are altogether adequate to perform all of the scientific and applicational missions of NASA that are responsibly foreseen for the next decade and beyond. Such missions include heavy, low altitude earth-orbiters; eccentric and high altitude earth-orbiters (including those in synchronous orbit); interplanetary flights; lunar-orbiters and landers; and planetary fly-bys, orbiters, and landers.

Hence, there is no clear need for a space shuttle.

2. Analyses of the cost-effectiveness of the shuttle are contestable as to accuracy and validity. Uncertainties in basic assumptions are so great that, even over a reference period as long as 12 years, the claimed cost advantage of the shuttle over expendable boosters is *uncertain* by an amount exceeding its magnitude. Any lesser reference period is, of course, less favorable to the shuttle because of its developmental cost.

3. The long-term cost advantage of the shuttle, if any, is crucially dependent on the assumption of substantial savings by the recovery, refurbishment, and reflight of payloads. This assumption has some plausibility for routine surveillance satellites of the Department of Defense but is probably invalid for most NASA and other non-NASA payloads because of the scientific and technological obsolescence that occurs during the several-year lifetime of such payloads in orbit, and further because of the impracticality of recovery of interplanetary and planetary spacecraft.

4. No really significant, unique requirement for the manned sortie mode in either scientific or applicational work has been identified.

5. The merits of the shuttle appear to be appropriate only to the concept of regrowth of the civil space effort to a greater-than-$4 billion annual level during the next decade. If such a regrowth including extensive manned flight activity could be responsibly foreseen, then the shuttle might be a rea-

sonable component of the national effort in space.

6. Under the foregoing expectation, continuation of the space shuttle development will progressively degrade the capability of NASA for producing new scientific knowledge and for applying space technology to a wide variety of direct human needs in the areas of communications, earth resources, meteorology, navigation, etc. If continued over a decade this trend will virtually destroy the primary reasons for NASA's existence.

I am therefore opposed to further funding for the development of the space shuttle until it can be proved that its value far outweighs these serious shortcomings and will not threaten the very existence of the programs which have been the true bread and butter of the NASA programs since its inception over twelve years ago.

APPEAL FOR EQUAL JUSTICE

Mr. CASE. Mr. President, recently the Honorable Herbert J. Stern, U.S. attorney for the district of New Jersey, spoke to the lawyers division of the Anti-Defamation League appeal of the need to rethink, at least in part, our philosophy of crime control.

Mr. Stern put particular emphasis on the importance of "a system of justice which not only threatens substantial punishments, but which has the capacity to deliver them with a high degree of certainty" whether the perpetrator is wealthy and powerful, or poor and friendless. As he put it:

> You cannot persuade, you cannot require, you cannot compel the product of some ghetto culture not to commit petty larceny, when he sees grand larceny all about him.

As U.S. attorney, Mr. Stern, with the assistance of an able staff, has compiled an exceptional record in law enforcement. I commend his remarks to my colleagues.

Mr. President, I ask unanimous consent to include in the RECORD the text of Mr. Stern's speech.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF HERBERT J. STERN

(The views expressed herein are personal to the author and do not necessarily reflect the views of the Department of Justice.)

One of the most serious problems we face today is that in the mind of our fellow citizen, the scales of justice do not weigh true. "Law and Order" has come to mean one thing to the poor, the weak and the friendless, and quite another to the wealthy, the powerful and the well positioned.

Those poor, who are caught violating the law, too often must face a system of justice which denies them not only representation equal to the accused who are rich, but which denies them even the solace in the thought that every perpetrator, of every crime, has the same exposure to apprehension and detention.

I suggest to you that if the phrase "Law and Order" is not to become a term of oppression to those who have nothing, or an empty slogan to those who have everything, our society will simply have to do much better in its effort to bring the powerful, the positioned and the wealthy to justice.

We are going to have to rethink some of our philosophy of crime control, and certainly we must continually reevaluate our law enforcement institutions—and our attitude towards those institutions.

We must determine whether we have been emphasizing those considerations which bring us closer to equality before the law, or those which drive us farther apart.

For example, we hear much today about increasing the penalties for crime, with the attendant justification that increased deterrences will automatically thereby result in fewer criminals. We must reject such panaceas to our problems of crime control, for there are no panaceas, and such that are suggested only distract us from the main stream.

Penalties are indeed important. The fear of prospective punishment does play a role in deterring rational men from perpetrating crimes. But there comes a point when the mere elevation of penalty will have only a slight, if any, increased deterrence.

Take, for example, men contemplating a bank robbery. Suppose they believe that there is a slight chance that they will be caught, and that, if they are so apprehended, they will receive ten years imprisonment. They decide to commit the robbery because they do not believe they will be caught, and if we were to increase the threatened punishment from ten to twenty, or even thirty years, it would make little difference to these men because they simply do not believe they will ever have to face it. No man, acting rationally, will commit such a crime if he believes he is certain to be caught, even if the penalty is ten years, and no man will be deterred by a threatened punishment of life imprisonment if he does not believe he will ever have to face it.

Simply put, it does not really matter what you threaten a man with, if you cannot persuade him that you will be able to deliver it.

In the final analysis the only true deterrence to crime is "a system of justice which not only threatens substantial punishments, but which has the capacity to deliver them with a high degree of certainty."

This is no argument for lighter sentences across the board. Some crimes deserve very severe penalties simply because they merit them, and because such perpetrators *deserve* them. But it is equally important that we do not delude ourselves into thinking that every time we raise the penalty another notch we have automatically done something very useful in deterring that particular crime. This approach shifts the focus away from where it should be: What have we done to increase the degree of certainty of apprehension and detection of crime and criminals?

This is the major problems confronting those who have sought to battle white collar crime and the corruption of public office. We know that it abounds. It abounds in spite of the fact that every prestigious businessman knows, that a mere indictment will be a calamity to him, and every public official knows that a mere accusation against him will be a disaster. Yet, why has there been no great deterrence to such crimes or to such criminals, who have so much to lose by the mere disgrace of a charge, and for whom the prospect of jail is a catastrophe?

The deterrence has been weak, sometimes nonexistent, because such men are persuaded that under our present system of justice they will be able to avoid detection and apprehension.

When the mayor of the largest city in New Jersey, (Newark),[1] and the mayor of its second largest city (Jersey City),[2] when two consecutive mayors of Atlantic City,[3] and two Secretaries of State,[4] a State Treasurer (Kervick),[5] and others powerfully positioned steal from the public till, the nature of their crimes are no different from the common pickpocket, burglar or thief—but the position of the criminal is different.

Footnotes at end of article.

He believes he will not be caught because he is, himself, in a position to influence, if not to actually control, the very processes of justice to which he ought, instead, be accountable.

Mayors do not generally need to fear a police department headed by their own appointees. Political bosses like Hague and Kenny did not fear apprehension by men whom they themselves appointed to the law enforcement apparatus like the Chief of Police of Hudson County—Fred Kropke.[6]

The wealthy, the powerful, the politicals, the well positioned will never be deterred by a law enforcement apparatus which they believe, rightly or wrongly, they can either control or can influence.

And yet, is it not more important by far that one bank president be deterred from embezzling $10,000,000.00, as in the case of the president of the Eatontown National Bank,* than that one bank robber be deterred from stealing $10,000.00? Is it not absolutely vital that we insure that those very men who make our laws, who administer our laws, who enforce our laws, that these men are honest men, or, at the very least, men who will be deterred from dishonesty.

The crimes such men can commit stagger the imagination, when measured only by the amounts of money involved, but they boggle the mind when one measures the losses in terms of citizen disillusionment and despair, the loss of credibility with the young, and the destruction of our very institutions when such crimes are committed by such men.

We must not permit our attention to be diverted from the almost overwhelming problems of bringing such men to justice; we must not concern ourselves only with increasing penalties for those who are already vulnerable, for if we do, we will do ourselves no service and we will only persuade others that we are not sincere.

Our office has been gratified by the stiff sentences which the Federal Court in New Jersey has dealt out to those who misused public standing, or violated constitutional oaths, with the venal purpose to enrich themselves, or their friends, or their party.

We have, of course, been occasionally disappointed, but sentences like the ten years imposed on the Mayor of Newark and the fifteen years imposed on the Mayor of Jersey City are amongst the strongest ever given for misuse of public office in this nation.

However, we do not delude ourselves. We applaud such sentences because we believe that they are *just, merited* and *deserved*.[7] We do not delude ourselves into believing that, by themselves, they necessarily deter.

After many years of pragmatic confrontations, in courtrooms and elsewhere, we have learned the lesson well: We will deter the crimes of the powerful only by convincing such men that we will surely catch "them" when they do "them" and that we will not hesitate to prosecute any one of "them"—without regard to person, position or party.

In the largest sense, however, we know that we are not providing any instant "cures."

In the final analysis, "the fear of punishment may deter some, the fear of exposure may deter others; but there is no real reforming power in fear or punishment. Men cannot be tortured into greatness, or into goodness."

These words were spoken by Robert G. Ingersoll, one of the greatest members of our profession who ever lived, and he spoke them before the New York Bar Association meeting, at Albany, on January 21, 1890.

He went on to say, before that prestigious body, 83 years ago;

"All nations seem to have had supreme

*Douglas Schotte, former President of the Eatontown National Bank, now serving a ten year sentence in federal prison.

confidence in the deterrent power of threatened and inflicted pain. They have regarded punishment as the shortest road to reformation. Imprisonment, torture, death, constituted a trinity under whose protection society might feel secure."

There is much that Ingersoll spoke, then 83 years ago, with which neither I, nor you, I think, would agree. But this thought expresses, perhaps, the torment of our times as well as his:

"As long as children are raised in the tenement and gutter, the prisons will be full. The gulf between the rich and the poor will grow wider and wider. One will depend on cunning, the other on force.

Ignorance, filth and poverty are the missionaries of crime. As long as dishonorable success outranks honest effort—as long as society bows and cringes before the great thieves, there will be little ones enough to fill the jails."

To put it all in modern terms, you can threaten to inflict punishment, you can, in fact, inflict it upon the poor, the weak and the humble, but unless you can show them the actual, not just the vocal rectitude of the wealthy, the powerful and the prestigious, you will sow only hatred and rebellion, and we will all reap the terrors that such terrible seeds harvest.

You cannot persuade, you cannot require, you cannot compel the product of some ghetto culture not to commit petty larceny, when he sees grand larceny all about him.

How are we going to effectively advocate respect for law to some young man or woman who has seen only poverty, despair, filth and decay, when he or she learns that the mayor and the president of the city council of his very own city, Jersey City, the very men who trumpeted law and order, have a secret, numbered, joint bank account in Florida, with $1,231,000 in cash in it.[8]

What happens when "they" know that a former gubernatorial candidate (D. Louis Tonti) kept a special Swiss bank account for payoffs;[9] when "they" see the former speaker of the New Jersey Assembly (Moraites) leave the halls of that August Body, to the raucous cheers and applause of the members to begin serving a jail term in Federal Prison?[10]

I suggest to you, my fellow members of the bar, that if we will have law, if we will have order, then we are going to have to start by imposing them on the "top" of society, not on its "bottom", and that, in the end, the only true path to our imposing it on others, is by imposing it first upon ourselves.

I suggest that what we in the law have never been able to achieve by fear, or by threat, or by terror, we can, quite possibly, and possibly only, attain by our own example.

For all of us the choices are truly difficult ones; but the rewards are very great indeed, and the alternative is chaos.

FOOTNOTES

[1] Hugh J. Addonizio, United States Congressman, 1948–1962, Mayor of Newark, 1962–1970, convicted of extortion—presently serving a ten year sentence in Federal prison.

[2] Thomas Whelan, Mayor of Jersey City, 1963–1972, convicted of extortion—presently serving a fifteen year sentence in Federal prison.

[3] Richard Jackson, Mayor of Atlantic City, 1967–1969, convicted of bribery—presently serving a three year sentence in Federal prison.

William T. Somers, Mayor of Atlantic City, 1969–1972, convicted of extortion—sentenced to two and a half years, on bail, pending appeal.

[4] Robert Burkhardt, Assistant Postmaster General of the United States, 1962, Secretary of State of the State of New Jersey, 1962–1970, convicted of bribery—sentenced three years probation.

Paul Sherwin, Secretary of State of the State of New Jersey, 1970–1972, convicted of bribery—sentenced to one to two years, on bail, pending appeal.

[5] John A. Kervick, State Treasurer of the State of New Jersey, 1958–1970, convicted of bribery—awaiting sentence in Federal court.

[6] Fred Kropke, Chief of Police of Hudson, 1955–1971, convicted of extortion—presently serving a five year sentence in Federal prison.

[7] See, for example, the eloquent statement of United States District Court Judge George H. Barlow, at the time he imposed the ten year sentence on Addonizio and a ten year sentence on Anthony LaMorte, Director of Public Works for the City of Newark:

"These were no ordinary criminal acts. These crimes were not the product of a moment of weakness, nor were they inspired by any of the defendant's desperate financial circumstances, nor were they the result of some emotional compulsion. These crimes for which Mr. Addonizio and the other defendants have been convicted represent a pattern of continuous, highly-organized, systematic criminal extortion over a period of many years, claiming many victims and touching many more lives.

The criminal acts of these defendants were as calculated as they were brazen, as callous and contemptuous of the law as they were extensive. Nor can these defendants' criminal conduct be measured in dollars alone. It is impossible to estimate the impact upon—and the cost of—these criminal acts to the decent citizens of Newark, and, indeed, to the citizens of the State of New Jersey, in terms of their frustration, despair and disillusionment. How can we calculate the cynicism engendered in our citizens, including our youngsters, by these men? How does one measure the erosion of confidence in our system of government and the diminished respect for our laws occasioned by these men? These very men—or some of them—who, as governmental officials, inveighed against crime in the streets, while they pursued their own criminal activities in the corridors of City Hall.

Their crimes, in the judgment of this Court, tear at the very heart of our civilized form of government and of our society. The people will not tolerate such conduct at any level of government, and those who use their public office to betray the public trust in this manner can expect from the courts only the gravest consequences."

[8] Mayor Whelan and the President of City Council of Jersey City, Thomas Flaherty, who was also convicted of extortion and who also received a fifteen year sentence in Federal prison which he is presently serving.

[9] D. Louis Tonti, Director of the New Jersey Highway Authority, 1954–1971, convicted of bribery—presently serving a three year sentence in Federal prison.

[10] Peter Moraites, Speaker of the New Jersey Assembly, convicted of taking unlawful fees as a Director of a bank—sentence to sixteen months in federal prison, having completed his sentence is awaiting trial on other charges.

APPLAUSE FOR A LAWBREAKER

It was enough to make you feel all warm inside.

Here was Assemblyman Peter J. Moraites, of Bergen County, fighting back tears, his voice trembling, saying goodbye to his colleagues in the legislature.

Mr. Moraites has had a small problem. It seems that some intemperate grand jury had the audacity to indict him for a little matter of 61 counts of law-breaking in connection with illegally accepting fees for arranging loans from his bank to poor-risk companies. He pleaded guilty on two of the charges and was sentenced to 16 months in jail, starting tomorrow.

But the N.J. Assembly is not one to let a minor thing like a breach of the public trust and violations of criminal law stand in the way of its friendship for a swell fellow. So touched were they that the entire assembly rose and applauded him for several minutes as he left from the chamber. He's their kind of man, Mr. Moraites is.

It tells you more than you really want to know about the channels that the minds of our legislators run in. "Old Pete just made a little mistake," they might have said.

Well, as much as we might well be able to understand the sincere personal feelings involved on the part of some who have known and worked with Mr. Moraites, the public spectacle presented on Monday was something else again. As people who make the laws of our state, legislators are supposed to have a little respect for those who uphold those laws and a bit of distaste for those who break them—particularly when that lawbreaker is one of their own.

Can the legislative representatives who applauded the jail-bound Mr. Moraites blame their constituents for wondering why a criminal offense warrants applause and also wonder about the values of those responsible for that applause?

PORTLAND, MAINE, MODEL CITIES PROGRAM IN CHILD CARE

Mr. HATHAWAY. Mr. President, I should like to say a few words in behalf of the model cities program. This program has brought substantial benefit to the communities in which it has operated.

In my State of Maine, we have two model cities programs, one in Portland and one in Lewiston. Both have, in their years of operation, sponsored and assisted a wide variety of projects which have improved the lives of the people in their communities. They have established a substantial record of achievement, which deserves public recognition.

Last year, in October, a national conference on "Lessons Learned From Model Cities" was held in Chicago. The purpose of the conference was to present for the public record the successful achievements of the model cities program. From the 1,470 projects submitted from across the country, two of Portland's were selected as among the best. Due to cuts in the Federal budget, money was not available from HUD to publish the best presentations.

I feel there should be public recognition of the achievements of the model cities program. Accordingly, I should like to ask unanimous consent to have printed in the RECORD a description of the accomplishments of the Portland model cities program in the area of child care. Because this presentation was prepared last October, it does not reflect the most recent developments in the child care field. What it does most clearly is to give a valuable insight into the many ways in which model cities resources have been used to make valuable contributions to the community.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SOCIAL SERVICE WORKSHOP ON CHILD CARE

(By David Bittenbender, Executive Director, Child Care Coordinating Committee, Portland, Maine)

Portland, Maine is tied into a large, rural, tri-county child care coordinating (4–C) program of which Model Cities is a small portion. At the moment the primary focus lies within the Model Cities program and that is where the greatest effort is being expended. Therefore, Model Cities is funding 15% of the child care programming costs at an annual cost of $30,000.

Initially, the project operated under the United Community Services and the Bureau of Human Relations Services—two private agencies located in Portland. After a year, due to the advantages in using Title IV–A funds of the Social Security Act, sponsorship was transferred to the Maine State Department of Health and Welfare.

Maine has 2,200 licensed day care slots—1,700 in the area where the tri-county 4–C functions. There are seven day care centers in three different physical locations. No one center serves more than sixty children in one building. In addition, there are two family day care home projects which aim to serve another one hundred children. Currently there is a shortage of fifty homes to serve those children due to licensing problems.

A Shared Core Services program provides for coordinated transportation, medical, dental and psychological supportive services for approximately six hundred child care slots. The dental service covers 5,000 children totally, including those in the day care program as well as their sibling. This program also includes other children in the Model Neighborhood. It is hoped that eventually parents might also be included in this program.

In addition to Shared Core Services, one other Model Cities funded project is being coordinated to service all the day care programs, homemaker services and three neighborhood centers involved in the Model Cities and around the Portland area. A Human Services Skill Training Center that began last year provides training, at least initially, to entry level and para-professional staff, from which it is anticipated a career ladder will grow. (Career development is one area in which Portland is weakest).

4–C is also involved in working on lunch programs—coordinating the planning process in that area and developing funding proposals through the Model Cities system.

Funding for the Portland 4–C program has come directly through the Model Cities program with quite a few other smaller sources. 4–A funds have been used to match the entire package.

Some caution must be exercised when use of IV–A funds is being considered. The supposed magic formula of receiving three federal dollars for each dollar obtained locally doesn't necessarily work that way. A lot depends on the specific state plan. Program eligibility under various welfare titles is determined by the state. Group determination for Model Cities residents has made it easier. Maine has the second highest standard of eligibility which makes a lot more families eligible for services—not grants, services.

Another problem in use of Title IV–A funds, for some states, is that they lack legislation and fiscal procedures which would allow them to utilize these services. These states should seek technical assistance, compare state plans and see how to move toward utilization of this resource.

Legislation currently coming out of Washington will almost assuredly put a ceiling on IV–A funds. Each state will have to determine how much money they will have to work with. Maine will have a $12.2 million ceiling. It is already spending almost every dollar of that, so one of the problems it will have to face is expansion—it will be severely limited.

The 4–C Planning Project recognizes that Model Cities is a demonstration program with but one more year to go. Therefore, they are trying to reduce the dependence on the 15% funding contribution made by Model Cities as much as possible.

Model Cities has contributed to the success of the 4–C Planning Project in several ways. In the use of IV–A funds, it allows for group determination (anyone in the Model Neighborhood considered low income and eligible for service) which makes it far easier than putting people in the position of having to "pass" the degrading means test for eligibility. Model Cities has also provided many local citizens (professionals and lay people alike) the opportunity to increase their effectiveness in working through the maze of local, county, state and federal programs and to become better acquainted with legislative processes.

The comprehensive planning required in the Model Cities process has allowed for defining problems on a *local* level, and for taking that particular community's unique differences (such as geography, political, climates, etc.) into consideration when planning a service to meet those problems defined. Planning was not restricted by constraining, dogmatic guidelines dictating kinds of services which could be provided, to whom, on what basis, etc. The necessary latitude existed to allow those involved in the planning process to learn how to develop projects to meet their particular needs. The 4–C Planning Project found that confidence generated through the Model Cities review process has contributed to a better spirit of community and has lessened the feeling of competition among agencies.

Another lesson learned by the Planning Project is that the Model Cities process does not function in a vacuum. Areas outside the Model Neighborhood have directly benefited from the Model Cities process as it is set up, and the planning that is necessary.

Local priority setting based on the definition of problems as defined by their particular community is a vital concern of the 4–C Planning Project. Once a priority is established, it is essential that there is commitment to it. Due to the lack of new monies available and the necessity for reshuffling of old monies, well-established priorities are extremely important. The 4–C Planning Project sees a definite need for commitment to children in this country. For every dollar of public money spent on children in this country, nine dollars are spent on senior citizens—and senior citizens get very little. We have to go beyond our local priorities to those of our country and seek impetus for commitment to children.

Through the Model Cities process, citizen participation and evaluation have led to definition of problems and gaining recognition of them. The 4–C Planning Project found community involvement to be a strength. In the third planning year, planning and implementation were the responsibility of the professionals—they were three months late. In the fourth planning year, there was much heavier consumer involvement, particularly on the part of parents, other individuals in the community and repersentatives of agency boards. They were involved at all stages of the Model Cities process (city, county, etc.) and then with the state. They learned as much as the professionals know and were able to meet the implementation deadline. That in itself demonstrates the viability of consumer involvement. Consumers are becoming involved in areas where they were formerly uninformed and have become a vital asset in planning, implementation and actual operating of services.

THE QUIET MAN BEHIND THE TAX LAWS

Mr. BEALL. Mr. President, the June issue of Dun's, a financial magazine, contains an excellent feature on one of the finest public servants in the Congress and the country.

This article focuses on Dr. Laurence Woodworth, who is chief of staff of the Joint Committee on Internal Revenue Taxation. Larry Woodworth is a professional's professional, who is dedicated to making our tax system and its administration as equitable as possible.

While the press will provide considerable coverage to those individuals whose atcion and judgment undermine the public's confidence in government, and this may be necessary, Dr. Woodworth, I would suggest, is more representative and typical of the dedicated and honest individuals who serve in government and in the Congress.

Larry Woodworth, I am proud to say, is a Marylander and a constituent of mine and has received many awards in recognition of his exemplary service and extraordinary abilities. Because it is a deserving tribute to one of the finest staff members on the Hill, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE QUIET MAN BEHIND THE TAX LAWS

(No other civil servant in Washington has the clout of Laurence Woodworth. Neither, in fact, do most politicians.)

When the 25 members of the House Ways and Means Committee gather around the curved rostrum in the high-ceilinged hearing room of Capitol Hill's Longworth Building to take testimony on tax legislation, a slight, bespectacled man with a graying mustache is always seated against the wall just behind Chairman Wilbur Mills. As the hearings proceed, the man constantly gets up, walks the few paces to the Chairman, and whispers in his ear.

Months later, a similar scene unfolds on the other side of the Capitol. At the Senate Finance Committee hearings to shape the upper chamber's version of the measure, the same unobtrusive man can be seen whispering into the ear of Chairman Russell B. Long. And when the five senior members of each Committee go behind closed doors to reconcile the House and Senate versions of the bill, there once again sits the mild-mannered man.

The man is Laurence Woodworth, the Chief of Staff of the Joint Committee on Internal Revenue Taxation. Never heard of him? Neither has hardly anybody else not intimately connected with the inner workings of Congress. Yet for nearly three decades, every major tax bill passed by the Congress has been stamped with the imprint of the 55-year-old Woodworth. "Larry Woodworth," says John S. Nolen, a Washington tax lawyer who served as Deputy Assistant Secretary of the Treasury for tax policy in the first Nixon Administration, "is one of the most important men in Washington. He has played a major behind-the-scenes role in shaping every tax measure since the 1940s."

To some extent, of course, a man in Woodworth's position is expected to be self-effacing. He is, after all, a civil servant, not a legislator. But even in the halls of Congress, where staffers are expected to be

the eyes and ears of the men they serve and keep their mouths shut. Woodworth's modesty is extreme. He is known never to take credit for any piece of Committee business—although obviously responsible for much of it—always giving credit to a Committee member. He is also notorious for resisting interviews, and even after granting one to DUN'S, it took a half-hour of coaxing before he would allow his picture to be taken. Then when his secretary handed us a copy of his official biography, Woodworth instructed her to first tear off an item on the bottom. That item revealed that Woodworth has won the coveted U.S. Civil Service League Award and the $10,000 Rockefeller Award, which is often called the "Nobel Prize" of the civil service. Chuckles Thomas Martin, a top tax lawyer for the American Petroleum Institute who knows Woodworth well, "I think Larry was a little embarrassed by the Rockefeller Award because the money was tax free."

AN ALTER EGO?

What makes the unassuming Woodworth so powerful stems first of all from the power of the men he serves. While he ostensibly works for 41 members of the Ways and Means and Finance Committees, his real bosses are Wilbur Mills and Russell Long, who rotate annually at the helm of the Joint Committee (it is Mills' turn this year). And in the final analysis, the man he must really satisfy is Mills. Since all revenue measures must originate in the House, the Ways and Means Chairman always plays a greater role in tax matters than his Senate counterpart. Moreover, Mills has few other legislative interests than taxation; Long has many other Senatorial concerns, including small business and the merchant marine.

In fact, the enigmatic, soft-spoken Woodworth, who comes from Ohio, is sometimes described as a Northern version of his mentor from Arkansas. Both are closemouthed and cautious, and rarely tip their hand. Having worked together on tax matters for nearly three decades, each man instinctively knows what the other thinks about virtually any aspect of the internal revenue code. "Woodworth and Mills seem to think so much alike," points out Herman Schneebeli, Ways and Means' ranking Republican, "I don't know who influences whom more."

Some of the newer members of Ways and Means and Finance figure that Woodworth simply knows what Wilbur Mills wants to do and then works towards that end. But those who have watched this relationship over the years take a different view. "The people who think Larry is merely executing the Chairman's wishes have it all wrong," says former Representative John W. Byrnes, who put in two decades as a committee member before retiring from Congress last year. "Sure, he tends to support Mills' position. But it was probably Larry's position in the first place."

Mills and Woodworth are so close that when the Chairman is too busy to keep a speaking engagement, he just sends Woodworth in his place. It was Woodworth, substituting for Mills at Harding College in the Chairman's Arkansas district, who shook up the White House in 1969. Reading the Chairman's speech, Woodworth stated that Ways and Means would not go along with the White House request to extend the surtax unless the budget were cut still further. It was.

Although Congress has been Democratically controlled for most of Woodworth's tenure, he goes out of his way not to show partisan preference. He is not registered in either political party, and even his closest friends do not know how he votes. "I can't guess how he votes," says Wilbur Mills. "He goes out of his way not to let on."

One Congressman recalls the time a few years ago when the Johnson Administration's tax program was being presented to the Ways and Means Committee. As the proposals were being ticked off, a new staff member kept nodding his head and smiling. Suddenly, he felt a sharp jab in his ribs. "Stop smiling and nodding," rasped the usually even-tempered Woodworth, "you're working for the Joint Committee now."

So successfully has Woodworth managed to remain nonpolitical that if the Republicans took control of Congress and Pennsylvania's Herman Schneebeli and Utah's Wallace Bennett took over from Mills and Long, nobody believes they would replace Woodworth. "They would need him more than he needed them," says one of Woodworth's staffmen.

POINTING OUT THE OPTIONS

Much of Woodworth's influence, then, stems from the nature of his job. As Chief of Staff of the Joint Committee, he holds the most powerful and, at $40,000 a year, the highest-paid staff position on Capitol Hill. It is the job of Woodworth and his staff of some two dozen lawyers, economists, accountants and statisticians to microscopically examine every item in a proposed tax measure. This not only involves estimating the revenue gain or loss, but determining precisely how much will be gained or lost by the various income brackets and, in the case of business taxes, individual industries.

Woodworth, moreover, plays a major role in drafting that legislation. Sitting in his cramped basement office in the Longworth Building, adorned only with pictures of long-forgotten Joint Committee chairmen along the walls, Woodworth describes his role simply. "It is my job," he says, "to point out the options to the members. They write the tax laws; I don't."

Maybe so. But long before a tax measure is even presented to Ways and Means, the Treasury Department's tax experts consult him on every provision of the bill they are putting together. Says a member of Woodworth's staff: "Stan Surrey [the top Treasury taxman in the Kennedy and Johnson Administrations] and Eddie Cohen [who held the same post in the first Nixon Administration] always went over a bill with Larry before sending it up. And so does Fred Hickman [Cohen's successor]."

None of these men deny that they consulted Woodworth. But they refuse to pinpoint any changes that have been made in tax proposals as a result of these deliberations. According to other sources, though, several changes that the Treasury made in its 1971 tax recommendations were the result of Woodworth's suggestions. Specifically: The investment credit was not denied to used machinery, saving untold millions for small companies that cannot afford new equipment, the repeal of the auto excise tax did not include heavy trucks—a heavy blow to the nation's truck manufacturers, the proviso permitting the creation of short-term trusts for deepndents was tightened so that the wealthy could not set up transitory arrangements to avoid taxes; the proposed statute governing Domestic International Sales Corporation—popularly known as Discs—was redrawn so they could not be used as a tax loophole for companies doing business overseas.

Woodworth, of course, would never admit to being responsible for those provisions. His only comment, "I generally know what Treasury is going to propose beforehand because of the questions its staff asked me along the way."

The Treasury's taxmen are, however, not free agents. For whatever they recommend must ultimately be cleared by the President. So even if they are convinced that Woodworth is right, or believe it is more politic to go along with him on a point, they can be overruled by the White House. At that point, the Treasury comes before the Committee with its views. But if Woodworth disagrees, he quietly points out to the members what the flaws are. "When Larry has differences with the Treasury," says Wilbur Mills, "Larry is usually right."

Woodworth also had a major influence on the massive 1969 tax-reform act. While the 1964 law brought the maximum tax rate down from a confiscatory 91% to 70%, Woodworth felt that this was still too high. To the relief of top-bracket executives, he devised the idea of 50% maximum tax on earned income. But Woodworth is not only a master of the Internal Revenue Code; he is also very conscious of the political realities. To pass tax relief for the upper brackets without something for middle and lower-income wage earners would have been politically impossible. So he devised a package that included a raising of the standard deduction from 10% to 15% and a low-income allowance for the poor. "A lot of people's ideas went into it," says John Nolen, "but it was Larry who put together the package. It was an ideal combination of what should be done and what could be done."

THE NEW TAX BILL

Right now, the Ways and Means Committee is hard at work drafting another major tax bill that could significantly affect such things as capital gains, estates and gifts and the always thorny question of tax shelters—all of major concern to top-bracket executives. Business is further concerned about what changes will be made in depreciation schedules and the investment credit, as well as the tax liabilities of multinational corporations.

Larry Woodworth obviously has a very good idea of what is ahead for executives and industry. But, needless to say, he refuses to be drawn into any discussion of specifics. His only hint: "Over the years, the Committee has consciously narrowed the gap between the rates on earned income and capital gains. This trend could certainly continue."

Narrowing the gap between the two—which would mean higher capital-gains rates but lower levies on earned income—would be a big step towards something Woodworth deeply believes in: tax equity. Although he is keenly aware of the need for investment incentives, Woodworth still fundamentally believes that in a perfect world, a given amount of income would be taxed at the same rates no matter how it is derived. "A guy with a $20,000 income should pay the same tax as any other guy with a $20,000 income," he argues.

Little known to businessmen, Woodworth and his staff also play a key role in corporate and individual tax refunds. Under the law, all refunds over $100,000 must be approved by the Joint Committee. Consequently, three Woodworth staffers are stationed at the Internal Revenue Service so that they can screen all of these major refunds. Whatever decisons they make are then subject to Woodworth's approval. While copies of these decisions are routinely sent to the committee members, Woodworth is the final arbiter. The committee has never held a meeting to question a Woodworth refund ruling, and none has ever been reversed.

Many of these decisions—and these are hundreds of them each year—involve substantial sums for many companies. For example, over the years Woodworth has approved a $1.9-million refund for oil-equipment maker J. Ray McDermott, $3.9 million for Shell Oil and $3.8 million for Monsanto.

Woodworth also acts as a lightning rod for the Committee members, who are continually besieged by constituents to either help them settle their problems with the Internal Revenue Service or write a special provision into a tax law. What the typical member does is to shake the constituent's hand, sympathize with his problem, and then say that it is a very technical matter only Woodworth can handle.

There are times, however, when a Committee member feels that politically he must introduce a bill that will benefit an individual or a company in his district. These are controversial private bills that Ways and Means is particularly heir to. If it is a bad bill or an outrageous raid on the Treasury, Woodworth will advise the member to withdraw it. Although the diplomatic Woodworth will generally soften his views by suggesting that the bill might embarrass the member, everybody knows that his close relationship with Mills gives him virtual veto power over these private bills. According to Woodworth. "These member's bills have a worse name than they deserve. But," he adds, smiling, "I have knocked down a few of them."

Washington's top tax lawyers, fully aware of Woodworth's influence, are continually trying to get his ear. And except during the busy weeks when the Committee is marking up the final draft of a bill, Woodworth is generally available.

When the mining industry had a tax problem last year, it made Larry Woodworth's basement office its first stop. In writing the 1969 tax law, Congress somehow eliminated the carryback provision in the foreign tax credit for mining companies; thus, a company that had a loss in the current year could no longer apply it against a profit in a preceding year.

So last year, Fred Peel, the mining industry's tax lawyer, talked to Woodworth about restoring the provision. Woodworth voiced no objections to the change. So Peel got Oregon's Democratic Congressman Al Ullman to introduce it as an amendment to the House bill. While the entire tax measure eventually died in the Senate, Peel believes that the major hurdle against the change has been overcome. "Larry was the key," says Peel. "For if we went to Ullman or any other member to introduce it, they would have gone to Larry to ask his opinion. If he really objected, I don't think that there is a member of that committee who would have introduced the change."

THE MINISTER'S SON

Woodworth, a Methodist minister's son from Loudenville, Ohio has spent virtually his entire adult life working for the Joint Committee. With a bachelor's degree from Ohio Northern University and a master's in government management from the University of Denver, he joined the staff as a tax economist in 1944. By the 1950's he was the Number Two staffman under stiff-necked Colin Stam.

When Stam retired in 1964, Woodworth was the only man who was even considered for the top spot. By that time, he had added a Ph.D. in public administration from New York University to his academic credentials. But he was an anomaly in a legislative world in which virtually every Committee member and top staffman was a member of the bar. According to others, though, Woodworth's lack of academic legal training has never hurt him. "It doesn't matter that he didn't go to law school," says Thomas Martin. "Larry Woodworth is still one of the best tax lawyers in the country. If a statute has to be drafted, he can do it better than any lawyer.

Woodworth lives modestly in the house he bought 25 years ago in suburban Cheverly, Maryland, about a twenty-minute drive from his Capitol Hill office. Long active in civic affairs, he served as mayor of Cheverly, a predominantly working-class community, for five years. Since Cheverly politics are strictly nonpartisan, Woodworth did not have to run under a party label. "I wouldn't have run on a partisan basis," he points out. "Anyway, it gave me great exposure to the kind of political problems that confront the members of the Committee."

The Joint Committee staff, in fact, has a long-time nonpartisan reputation. Woodworth has a completely free hand in hiring staff members, and neither Long nor Mills ever send over anybody for a job. Nor does Woodworth ask a job applicant his political preferences. "If Larry has any ideology," laughs Stanley Surrey, who now teaches at the Harvard Law School, "it is keeping the Internal Revenue Code in good shape."

Other than his civic concerns, Woodworth has few outside interests. He rarely takes a vacation and, much like his boss Wilbur Mills, seldom takes a pleasure jaunt. While most of his friends are involved in tax work, he is exteremly careful not to discuss specific issues with them. "Larry is so wrapped up in his work," says Washington lawyer Fred Peel, who has known Woodworth for 25 years, "that he can't understand why people want to be off Saturday and Sunday when they could be sitting around talking about the tax system."

At this point Woodworth could retire on a generous government pension and take one of the lucrative corporate offers that are constantly dangled before him. It is an open secret around Washington that he has rejected an extremely high bid from General Motors. "He turns them all down," says John Nolen, "because money is not what motivates him. He would much prefer to influence the nation's future tax laws."

A long-time Woodworth goal has been to simplify the arcane tax code. But as a realist he knows that sometimes the code has to be further complicated to accomplish a worthwhile social purpose. This problem came to the fore in 1969 when the Administration wanted a proviso granting rapid amortization for both pollution equipment and rehabilitated housing. While Woodworth recognized that the aim was worthwhile he instinctively shied away from the idea of complicating the code still further. Over the years, he had seen other similar provisions written into law and then remain there long after the problem was resolved. So he suggested a five-year cutoff. "That five-year cutoff is pure Woodworth," says Eileen Shanahan, *The New York Times'* knowledgeable economics reporter.

While waiting for the tax system to arrive in Utopia, Larry Woodworth will continue to be the fulcrum of whatever changes are finally made in the Internal Revenue Code. For nobody believes that he will ever succumb to those high-powered corporate offers. "He has to cater to 535 egomaniacs [the members of Congress]," says Michigan's Martha Griffths, a member of Ways and Means. But this quiet man has more knowledge than practically all of them."

CHILD ABUSE

Mr. MONDALE. Mr. President, I would like to call to the attention of my colleagues an editorial which appeared in the Minneapolis Tribune on June 28.

The timing of the editorial was particularly appropriate, because it appeared the same day after the "Child Abuse Prevention and Treatment Act" was reported by the Senate Labor and Public Welfare Committee.

I am particularly pleased to know of the Tribune's support of this legislation, because I know that the people of Minnesota are deeply concerned about the problem of child abuse.

In both Hennepin County, which includes Minneapolis, and Ramsey County, which includes St. Paul, dedicated Minnesotans have been working with minimum resources to prevent, identify and treat child abuse. They are like thousands of other citizens across the country who believe that we can no longer ignore the 60,000 children who are reported to have been abused each year; or the many thousands of other children who suffer physical and psychological damage and never even come to the attention of agencies which could help them.

I ask unanimous consent that a copy of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDERAL CHILD-ABUSE LAW NEEDED

"Statistics strongly suggest that child battering is probably the most common cause of death in children today, outnumbering those caused by any of the infectious diseases, leukemia and automobile accidents," says a report made this week to the American Medical Association. Child-abuse estimates vary, but the Christian Science Monitor said last spring that, according to best estimates, "about 60,000 American children every year require protection from parental beatings, cruelty or neglect."

Sen. Walter Mondale is the main sponsor of a Senate bill to establish a national center on child abuse and neglect, provide grants to train people to deal with the problem and establish a national commission to examine the effectiveness of existing laws and determine the proper role of the federal government in coping with the problem. We support the bill, which will come before the Senate Committee on Labor and Public Welfare this week.

Recent research indicates that most parents who abuse their children have deep emotional problems, but that the parents can be treated. Dr. C. Henry Kempe, head of the Colorado School of Medicine's pediatrics department and a leading authority on child abuse, says about 10 percent of battering parents are so mentally sick that their children should be taken from them. The other 90 percent can be helped to become adequate parents.

Two of Kempe's associates, after long research, have disproved the belief "that child abuse occurs only among 'bad people' of low socio-economic status."

Minnesota law requires hospital authorities and doctors to report suspected child-abuse cases to police and to the county welfare agency. The welfare agency is required to investigate and to prevent further abuse. In 1971, 252 cases of alleged child abuse were reported in Minnesota; in 1972, 262 cases were reported. One welfare official suspects that not all cases are reported. In addition, there is no way of estimating how many children are beaten but do not get medical attention.

Mondale says not one of the 109,000 employees of the U.S. Department of Health, Education and Welfare is working full-time on the child-abuse problem, as far as he can determine. The Nixon administration opposes Mondale's bill, largely because it believes states and local governments should solve the problem.

Mondale says that ideally he, too, would like the states and communities to solve the problem. But he notes that while officials argue over who should cope with child abuse, thousands of defenseless children are being physically battered. Bewildered, helpless children who are beaten by their parents are far removed from the niceties of which governmental agencies should intervene for them. The problem of these children deserves further study and action. We hope Mondale's bill becomes law.

CUT IN NASA AUTHORIZATION A THREAT TO OUR TECHNOLOGICAL ADVANCE

Mr. DOMENICI. Mr. President, in the very near future, the Senate will act on the appropriations bill containing the funding for the National Aeronautics and Space Administration. During hearings and in preparation for subsequent floor action on the NASA authorization bill, the Committee on Aeronautical and Space Sciences went into great depth and detail to gain complete understanding of each element in NASA's fiscal year 1974 budget request. There are some key features in this budget which I feel are very important and there is a great need of bringing them to the attention of my colleagues.

At just over $3 billion, the NASA authorization for fiscal year 1974 is the smallest sum since 1962 for this 15-year-old agency. This funding level represents slightly over 1 percent of the total Federal budget. As a result, the Nation's programs in aeronautics and space have been cut, stretched thin, and cancelled to the extent where we are at the point of risking a serious loss of momentum in our desire to maintain our lead in the realm of science and technology. As our efforts in science and applications dwindle, our Nation will undoubtedly notice a reduction in new technology; and, without that new technology as a booster for key elements of our economy, we will begin to notice a marked decline in our productivity due to a loss of jobs and people to fill them. For this reason, I ask you to seriously consider the adverse effects of a token NASA program on our great Nation.

More specifically, the Senate may be asked again to face the issue of approving the Space Shuttle. The Senate has voted on this issue yearly since 1971 and, on each occasion, has strongly supported the continuance of this key program. The wisdom of those yearly decisions has been brought home dramatically during the Skylab program, currently in progress, where man has again been substantiated as an important feature of a well-balanced program in space science and applications. Moreover, development and utilization of a reusable space transportation system has stood up exceedingly well under the technical and economic scrutiny of NASA and the GAO. Here, I feel, lies an important issue which must be understood in this respect. That issue is that the development of complex systems such as the Space Shuttle requires a lengthy time, one not to be turned on and off if we are to expect cost-efficient and successful results.

A continuing debate over the Space Shuttle has ensued for some time now. Shuttle opponents continue to put forth the argument that the Shuttle, and thereby manned space flight, will be developed and flown at the expense of space science and applications. Such opponents dwell on the position that, by building the Space Shuttle system, we will rob space science and applications funding in order to "further the cause of manned space flight." This argument is simply an overworked, out-of-date, and unsubstantial one.

The era of manned space flight per se is past and has been in our past for a considerable length of time now. Not since Projects Mercury and Gemini has a manned program had the goal of developing manned space flight techniques. Beginning with the Apollo program, the goal of all our Nation's space efforts has pushed forward to concentrate on science and/or applications. The scientific data collected during the Apollo program represents the largest quantum increase in raw data ever collected in a single scientific field of endeavor. The lunar orbit, and the data still being transmitted to earth from five nuclear-powered scientific packages implanted by the astronauts are merely cited examples of the numerous amounts of scientific knowledge we have acquired from the program; knowledge which has established enough information that lunar and planetary scientists have now gained a basic understanding of the moon's formation, an understanding which may place truths about the formation of the earth and solar system itself in our grasp.

Our Skylab program, now in progress, has approximately 200 different scientific experiments and applications projects to be performed over an approximate 8-month period. This program entails studies in solar astronomy, earth resources, biomedicine, and a myriad of other scientific and engineering areas. The main thrust of Skylab, however, which needs our fullest understanding has already taken place. In the first few days of the Skylab mission, the outlook for its success was dim; due to damage sustained during the launch phase, the laboratory was critically short of power and was overheating badly. Through the ingenuity and flexibility of the man-in-space program, a program which couples man and machine, both critical problems were overcome. The Skylab now forecasts itself to be one of great advancement and accomplishment. An unmanned Skylab program, however, would certainly have assured its own failure during its initial stages. The coupling of man and machine in the Skylab program reinforces a most flexible and efficient combination.

It is this combination of man and machine that I wish to amplify and stress the value of.

The most significant feature of this entire subject is lost in the position of being "for" or "against" manned space flight. This country now has, and will continue to need, a well-planned and well-balanced national space program. Our need for this program is not for the obvious reasons, but it is for those reasons which are pushed aside and remain unseen. The potential of space activities lies in the solution of problems which beset our earth. And, it is for this reason, I must state my support of a continued space research program. The exploration, understanding and eventual exploitation of space to monitor our earth may well hold the key for all of us to prevail in a world which needs a clean environment and clean water; a world which needs to locate and to properly manage its national resources. We cannot simply abandon the applied capabilities we have already established a foothold in gaining the mastery of—capabilities such as global weather forecasting, worldwide communications, and navigation aids. Through space capabilities, the future holds the promise that we may even be able to harness great quantities of energy from the sun for use on earth. In a deeper sense, our space program is the logical extension of man's inward and continuing quest for scientific understanding of his surroundings, his planet, and his universe.

To provide such capabilities must be the main thrust of our space science and applications. The argument here is really one of whether or not to perform space science and applications objectives with manned or unmanned vehicles. In my view, there is no doubt that man adds a dimension of flexibility which is overwhelmingly worthwhile; man has become the prime mechanism in our space program to release the vast amount of useful knowledge which now lies untapped. The only relevant questions then are the risks and costs of a manned versus an unmanned program of space science and applications. Certainly, there is a risk of men going into space to exploit its uses, but few significant "drivers" of technology in our history have been without risk. We are never without risk, even when leading our normal, everyday lives. I feel however, as I believe most Americans feel, that the risk is worth the gain in conducting our space program by the integration of man and machine. As far as the cost aspect is concerned, NASA has analyzed the cost of the Space Shuttle versus other systems using expendable boosters. This has been NASA's most complete and in-depth cost analysis ever performed for a new system proposed. As a result of this analysis however, NASA is convinced that the Shuttle will prove to be the cheapest system for performing all space missions in the time span of the 1980's.

In their analysis of NASA's cost estimates of the Shuttle, the GAO could not find any significant errors in NASA's estimates and drew the conclusion that economics should not be used as a justification for or against the Shuttle system.

In summary, the Nation must move ahead in its understanding and its use of space technology. The benefits, direct and indirect, are far too great to let them slide from our grasp by not reaffirming a firm hold of them. Given that premise—the question of the Shuttle versus expendable boosters—the Shuttle must be sought as the answer in terms of its capability, flexibility, efficiency, and cost reduction benefits.

I have every confidence that the Senate will again show evidence of its strong backing, as it always has, for our aeronautics and space program. I urge the support of each and every Member in the approval of a well-balanced and a responsible level of appropriations for NASA.

BOX CAR SHORTAGE

Mr. STEVENSON. Mr. President, over the past several months I have received

many letters from constituents who were unable to market their grain, because of the severe shortage of railroad freight cars. This is hardly a new problem—in fact it predates the establishment of the Interstate Commerce Commission. Yet we still have not found a definitive answer.

The Commerce Committee has reported S. 1149, "a bill to increase the supply of railroad rolling stock, and to improve its utilization to meet the needs of commerce, users, shippers, national defense, and the consuming public." I believe it is a good bill and am hopeful that it will prove capable of meeting the objectives stated in its title.

Mr. President, recently I spoke to a group of grain elevator operators in Danville, Ill., about S. 1149 and the possibility of improving rail service. I ask unanimous consent that those remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ADLAI E. STEVENSON

We are in the middle of one of the worst freight car shortages in history. The problem is hardly new—the very first case before the ICC in 1887 concerned a freight car shortage. This year the shortage is particularly severe and threatens both last year's crop and this year's. Harvested grain cannot be marketed and fertilizer cannot be shipped to the fields.

Small grain elevator operators have been hit hard. They cannot get boxcars. Interest charges are mounting. Penalties are being charged by purchasers. Contracts may be cancelled. Large operators get hundred unit trains while small operators get none.

The grain deal with Russia, obsolete and understaffed port facilities, inadequate rail facilities, railroad mismanagement and government inaction all contribute to the difficulty farmers have marketing their grain.

The Senate passed Resolution 59 on February 19 of this year calling on the Nixon Administration to: (1) Declare a moratorium on the disposal of commodities owned by the Commodity Credit Corporation; (2) Give farmers the option to reseal loans on farm-stored wheat and feed grains from the 1970, 1971, and 1972 crops; and (3) Appoint a special committee to report within thirty days on the "most effective practical means" of getting feed grains to farmers and stockmen and alleviate the backup at the ports.

The Administration's reaction was inadequate. The Commodity Credit Corporation continued to dump grain on the market.

All indications are that the Administration will insist on payment of Commodity Credit Corporation loans when they come due.

And the President has not appointed the special committee called for by the resolution. A study group has been established within the Department of Transportation, but it has not yet made any recommendation for action.

To aggravate the shortage, the U.S. Department of Agriculture has announced that it will put into production 40 million acres of land that have been banked until now. This is 40 million acres more that will require fertilization—and all of that fertilizer must be shipped on the same railroad system that is now overloaded. Shortages are already running at about 16,500 cars per day.

There is a serious need for a short-term solution, and Senate Resolution 59, which had my full support, recommends sound steps toward that solution.

There is also a need for a longer-range approach to the boxcar shortage.

S. 1149, which I am cosponsoring, would increase supply and improve utilization of railroad rolling stock in three significant ways.

First, it would establish a revolving fund to insure debts of railroads and car-pooling companies for the acquisition of rolling stock. Up to $2 billion would be available for insuring the unpaid principal on these bonds. Thus, the federal government would be helping railroads to get the credit they need to increase their supply of boxcars.

Second, it directs the Secretary of Transportation to spend up to $35 million over three years to establish a system that can provide the information needed to make better use of existing freight car capacity. At present, rolling stock is in use only about 12% of the time, and of that time, rolling stock is, on the average, only loaded about half the time. Clearly the railroad industry could make better use of existing rolling stock. We must still focus attention on the bottleneck that exists at our port facilities, the inadequacies of barge transportation on inland waterways and the adequacy of the railroads' track and switching equipment, but we must also use well the equipment we have.

Finally, if at the end of two years, the shortage persists, a "Railroad Equipment Corporation" would be established. This federal agency would build, buy, and own its own freight cars and contract out their operation and maintenance. This would provide a pool of surplus cars to be used by shippers during peak demand periods. The authority would establish a rate schedule for the lease of its freight cars and thereby earn enough money to cover its operating costs.

The Senate passed a bill similar to S. 1149 last year by a vote of 81–0. S. 1149 is before the Commerce Committee, of which I am a member, and should come before the Senate within a few weeks. It will have my full support and I am optimistic about its chances of success in the Congress. Unless we act, everyone loses—not just the farmer, but also the consumer. Yesterday's "long-run" solution is today's crisis.

AMERICA AND THE DOLLAR CRISIS

Mr. BUCKLEY. Mr. President, I call to the attention of our colleagues one of the first explosions I have seen of the monetary difficulties we have created by ourselves through reckless spending and overextension of credit. It is a speech delivered by Prof. G. C. Wiegand of Southern Illinois University at the Monetary Conference held at Columbia University last March. I ask unanimous consent that the text of the speech be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA AND THE DOLLAR CRISIS

(By G. C. Wiegand, Ph. D.)

(NOTE.—Is America washed up? The author of this hard-hitting, no-punches-pulled article thinks there is a good chance we are. He pinpoints hitherto unpalatable and thus widely ignored facts that have brought us to what he describes as our sorry state. He documents his case by depicting: (1) the decline of the dollar; (2) the national penchant for living beyond our means; (3) squeeze on the middle class to support the rich and the poor and (4) the consequences of seemingly unlimited credit. Is there still time to save ourselves? Professor Wiegand isn't betting either way. And to judge from the world's increasingly frequent disenchantment with the dollar, no one else is, either.)

Since the middle of February, the world's monetary markets have been in a state of growing chaos and paralysis. "Two devaluations in 14 months have shaken the confidence and the people are looking for harbors of safety", Dr. Arthur F. Burns told Congress. But where is such a harbor? There is no doubt about "the urgency of the task" of creating a new international monetary system, but fundamental differences of opinion divide the experts within the United States and throughout the world. What are the causes of the collapse of the Bretton Woods system which served the world so well for a quarter of a century? How can a more stable international monetary system be created?

The approximately $45 billion of monetary gold held by the central banks and international monetary institutions are in effect immobilized, since the central banks cannot buy gold at the official price of $42 as long as the market price is between $70 and $80, and they would be foolish to sell at the official price. The $80-90 billion of inconvertible dollar claims held by foreigners which, under the Bretton Woods agreement, were "as good as gold", and which, for the past 25 years, had been freely accepted in place of gold, are no longer freely accepted. And the same is true of the $9.3 billion Supplementary Drawing Rights, the "paper-gold" issued by the International Monetary Fund.

The world is rapidly approaching the point of having no more universally acceptable international medium of exchange to finance international trade and financial transactions, a situation obviously far more dangerous than the American public is led to believe.

Since the second devaluation of the dollar, the initiative seems to have shifted to the surplus nations, i.e. western Europe and Japan, who speak with many tongues. When Treasury Secretary George P. Shultz, upon his arrival in Paris, was asked about the seeming impasse, he replied: "I am here to listen. I have no plan." From a diplomatic-psychological point of view, this may be a change for the better since the days when Treasury Secretary Connally attempted to dictate the terms of a new international monetary system, which the surplus nations were to accept pronto—but didn't! But in the meantime, the situation has become far more dangerous, and the world is no closer to a solution than it was in August 1971, when Washington "closed the gold window," thus making the dollar inconvertible, or at the Smithsonian meeting, when the dollar was devalued for the first time. Under Secretary of the Treasury Paul A. Volcker, who for all practical purposes seems to determine American monetary policy, still clings to his preconceived notion that gold must be completely eliminated from the international monetary system, while the surplus nations seem equally determined not to base the new monetary system on another form of inconvertible paper SDR's in place of inconvertible dollars—with no adequate controls over the quantity to be issued.

WARNINGS IGNORED

Yet nobody seems prepared to spell out in clear terms that no international monetary system will work in the end as long as the leading trading nation, i.e. the United States, suffers from a basic internal disequilibruim. The world would love to use convertible dollars in reasonable quantities, but it refuses to be drowned in a flood of inconvertible paper dollars.

As far back as 1959, Professor Robert Triffin, one of the world's great experts on international finance, warned the Joint Economic Committee of Congress, that "the evolution of the past ten years (i.e. the 1950's) has now brought us to a point where (international monetary policy and domestic economic policies) have become inextricably

tangled with one another, and where we can no longer afford to ignore the impact of our internal policies upon our external position, and vice versa." A few months later, the same warning was repeated even more emphatically by the eminent French economist Jacques Rueff in a series of three articles which appeared in "Fortune".

But nothing happened!

Since then, the American balance of payments deficit has grown tenfold from $1.5 to $15 billion; the gold holdings have declined from $19 to a little over $10 billion (at the old gold price); and the nation's short term dollar obligations have skyrocketed from $20 to almost $90 billion. Obviously, the dollar is at present no longer "as good as gold", which was one of the fundamental assumptions on which the Bretton Woods gold exchange standard system was built. But it is not merely a question of an excessive amount of dollars held abroad. Even today, the ratio of American gold reserves to foreign dollar holdings is almost twice as high as the gold backing of the pound before the first World War, and the dollar dilemma has not seriously impaired America's huge economic potential. But before 1914, the world had confidence in the pound; at present it lacks confidence in the dollar, and this for the simple reason that for more than twenty years, the United States has pursued economic policies at home and abroad—which may or may not have been politically expedient and socially desirable—but which undermined the belief of the world in America's willingness to face the reality, that America was printing more dollars than we produced goods and services.

DOMESTIC REFORM COMES FIRST

All the schemes now being discussed to develop a new international monetary system will be futile unless the basic disequilibrium in the United States between supply and demand has been greatly reduced. This will not be an easy task—either from a political or a social point of view—and it involves major economic risks. The greatest difficulty, however, lies in the fact that neither Congress nor the general public seem aware of the problem, as the newspaper headlines illustrate only too clearly. "Dollar Plummets, Gold Price Soars"—"Unions to Ignore Wage Guidelines"—"Meany Suggests 7½ per cent Wage Increases"—"Senate Votes 2 per cent REA Loans"—"Albert Says Congress Will Fight Cutbacks". Add to this the announcement a few days earlier that the Federal Reserve had forced several banks to rescind a minor increase in the prime rate, at a time when the minimum lending rate of the Bank of England was 50 percent higher than the prime rate in New York, thus inviting the out-migration of short-term funds.

The collapse of the Bretton Woods system is overwhelmingly due to the fact that for more than twenty years, the United States has produced more dollars, relatively speaking, than goods and services, and has taken the attitude that it is none of the business of any foreigner—whether he holds billions of inconvertible paper dollars or not—to question domestic American policies. The artificially created excess demand produced on the one hand chronic inflation at home, and on the other a steady outflow of surplus dollars in exchange for goods and foreign assets.

In other words, America has lived above her means at least since 1950. The nation's international liquidity—not allowing for the tremendous growth of long term foreign assets—has declined by $90–$100 billion since 1950, and—probably even more important—throughout the economy, we are confronted by chronic inadequate capital formation and "deferred maintenance". We no longer have the fuel and the power we need and we have no idea how we shall pay for the oil we shall have to import from the Arab countries during the next 5–10 years. The railroads, the postal service and the inner cities are in a deplorable state. In the late 1950's, America was the largest steel exporter; today we are the largest steel importer in the world. Less than ten years ago, America had an export surplus of more than $6 billion; 1972 closed with a deficit of over $6 billion. For twenty years, we have consumed too much, in the private and in the public sector, and have saved and invested too little, until today the competitive position of large segments of the American economy is seriously threatened. This is the ultimate cause of the dollar crisis.

Since 1950, the number of public employees has risen from six to more than 13 million, and while the American economy can theoretically support 13 million bureaucrats and an increasing standard of living for the 25 million not fully productive—or unproductive—Americans who are officially classified as "poor", this would require either a substantial increase in production—which in turn would call for a much higher rate of capital formation—or a reduction of the standard of living of the great American middle class, which accounts for 60–70 per cent of the electorate, and which is not prepared to sacrifice its affluence.

Even though few politicians will admit the fact, it is the middle class—the $8,000 to $35,000 a year families—who pay for the bureaucracy and the welfare state, and since the middle class refuses to reduce its standard of living, the steady growth of taxes and the chronic inflation are offset by increased consumer borrowing and continued inadequate capital formation.

THE MIDDLE CLASS PAYS FOR BOTH RICH AND POOR

While the Japanese during the past 25 years saved between 22 per cent and 25 per cent of their Disposable Income, and the Germans 12–15 per cent, we regard 8 per cent as excessive. The results are obvious. We have developed a fantastically high standard of living for the "rich" and "poor" alike; we are supporting a wasteful public sector; but we have neglected to maintain our productive capacity on which the country's strength rests. In doing so, we have followed the road which Britain took after the war. Instead of concentrating on the rehabiliation of the country's industrial capacity, post-war Britain built a huge and costly welfare state. Germany, on the other hand, starting virtually from scratch, lived at a miserably low level for many years—but saved and invested. This is, to a large extent, the explanation for the "German economic miracle" and the chronic difficulties of the pound.

PINPOINTING WHEN WE WENT WRONG

The first dollar crisis occurred in 1960 during the presidential campaign and partly because of the wild charges and promises made by both sides. The gold price in London rose briefly to $42, corresponding to a depreciation of the dollar of 20 per cent. It was an obvious danger signal, and at that time, America was still strong enough to end the 10-year-old record of balance of payments deficits without serious dislocations of home and abroad. But instead of balancing the budget and curbing the excess credit creation, the country went on the wildest inflationary spree in the nation's history. While the ouptut of goods and services the GNP in real terms—rose by 67 per cent between 1960 and 1972, the money supply, using M–2 as a basis, increased by 110 per cent, about 50 per cent faster than the supply of goods and services. Federal Reserve credit, the basis of the inflationary boom, jumped from $29 to $78 billion; consumer loans increased by $100 billion (abt. 180 per cent), home mortgages by $200 billion (140 per cent), and the federal debt by $160 billion (well over 50 per cent), not to mention the vast increase in the corporate debt, and the debt of state and local governments.

For more than a decade, the country financed the growth of the bureaucracy, the affluence of the middle class, the rising standard of living of the "poor"—not to mention the cold war—by printing and swapping IOU's. That we did not have a much higher rate of inflation was due to the fact that out of some $270 billion of newly created money, about $70 billion flowed abroad in payment of goods, services and assets, and to protect our position as the leading power of the western world.

WE ARE ALL GUILTY

How could this continue for more than a decade?

Fearing a collapse of the worldwide boom from which they, too greatly benefited, the surplus nations "cooperated" with the deficit nations in developing ever new emergency measures: the London gold pool; the de facto "stillhalte agreement" of the surplus nations (which did not convert their dollars into gold), swap arrangements; and various camouflaged foreign exchange restrictions on the part of the United States. The two main surplus nations, Germany and Japan, in particular, felt politically and psychologically compelled to support the inflationary policies of the American government. Within the United States, politicians and union leaders clearly benefited from the "prosperity"; the middle class attained a level of affluence which would have seemed almost impossible during the 1950's. Between 1965 and 1972 per capita Disposable Income rose by 62 per cent, and between January 1970 and January 1973, i.e. the period of the growing dollar crisis, retail sales rose from $30 to $40 billion. The "poor" and the Black, meanwhile, received ever larger subsidies—financed through more credit.

THE "MORNING AFTER" IS TODAY

Now the Mardi Gras is over. Lent is upon us. The world has grown reluctant to accept more of the paper dollars we have printed so freely in recent years. America now faces the after-Mardi Gras hangover; but few people are aware of the fact. The nation has become so accustomed to living above its means, that it will be difficult for the individual families, for the bureaucracy, and for business to consume no more than the nation produces. This will involve serious political and social problems. Politicians will not find it easy—or palatable—to convince their constituents that the federal government—and ultimately the taxpayer—are not a bottomless barrel from which one can draw at will. The loud cries of governors and mayors, the screaming mobs in the streets, and the steady pressure of the bureaucracy and of special groups seem far more real and immediate problems than the future of the dollar. Nor should one underestimate the economic dangers. The American economy has grown accustomed for more than twenty years to a steady increase in credit-created demand, and a progressive lowering of the debt burden through chronic inflation. The life of a businesman is relatively easy, as long as aggregate demand exceeds supply, and he can count on having to pay back only part of his debts; the inflation takes care of the rest. It will not be easy for the consumer and the government to live within their means, but it will be equally difficult for business to operate under quite different conditions of cost and demand. There is no asurance that the American people, after twenty years of a credit-financed fool's paradise, will have the will and the strength, individually and collectively, to face the task. Yet the future of the country, and to a large extent of the free world, will be partly determined by the attitude of the American people during the next year or two.

How could a nation so resourceful, so intelligent as the American people, have permitted itself to slide into a way of life which

must ultimately destroy the nation's strength and the well-being of the great majority of the people?

WHY IT HAPPENED

Most of the American people had no idea, of course, what was happening. Those who asked questions were reassured by "the experts" that Washington had learned to "fine-tune" the economy. Besides, the experts provided a seemingly logical justification for the inflationary policies.

We inherited from the 1930's an economic doctrine which was eminently true and practical when it was first presented in 1936, in the depth of the depression, namely that the world's ills were the result of inadequate consumption and the accumulation of idle savings. But somehow, the experts, the politicians and the great mass of the people failed to see that what was true in 1936, ceased to be true on September 1, 1939, when the second World War began. Even before Pearl Harbor, the free reserves of the American banking system—the "idle savings"—had declined by 40 percent, and ever since, the world has suffered not from under consumption but from excessive demand—to pay for the hot and cold wars, the growing worldwide affluence, the welfare schemes, and the rapid population growth and high expectations of the developing countries. All these goals were financed in part through a tremendous world-wide increase in production, and for the rest by growing reliance on the printing press. In a little over 30 years, the purchasing power of all the paper money in the world on an average had declined by 70-75 per cent. The dollar alone has lost about two thirds of its domestic value since Pearl Harbor. Never in the history of mankind has there been such a widesperad and rapid depreciation of money.

WASHINGTON'S DILEMMA—THE WRONG DECADE FOR THE RIGHT CURE

Yet Washington still acts as if we are living in a depression caused by inadequate demand. The Full Employment Budget, for instance, assumes that if the government creates additional purchasing power through deficit spending, more people will spend more money, which will call for more employment, and will thus produce greater total income and taxes, until the budget is balanced at the full employment level. This "self-fulfilling" dream—a largely theoretical brainstorm of "under-consumptionist" minded economists rests largely on a false picture of the economy. At least fifty and probably seventy per cent of the unemployment in the United States is due to a variety of institutional, social and political factors which have nothing to do with inadequate demand. In fact, there is a shortage of skilled and unskilled labor. There are not enough skilled and reliable workers and probably not enough are trained while, many of the unskilled find it more advantageous to stay on relief. The more than $60 billion deficit during the past 2½ years, designed to eliminate unemployment, has obviously not done so, but it has greatly increased the inflationary pressure, and because of the wage-price stops at home, much of the surplus spending power spilled over into world markets.

NOTHING HAS CHANGED—EXCEPT OUR CIRCUMSTANCES

Yet Congress wants to continue deficit spending, union leaders demand wage increases far in excess of increases in productivity, and welfare recipients demand even higher payments. It is this complete disregard of economic rationality which was spread around the globe in fat headlines since Congress reconvened in January, rather than doubts regarding the effectiveness of Phase 3, which produced the latest dollar crisis. To be sure, Dr. Burns, in his Toronto address in December 1972, called for a "shock therapy", a possible freeze or near-freeze of all additional federal spending, and in February, he warned Congress: "I can't emphasize too much that as far as I am concerned, this is the last devaluation. That ought to be our national policy. . . . There is no room for complacency."

But in the end, who else but the Federal Reserve has created the excess demand? The vast deficits since 1971 would not have been possible, if the Federal Reserve had not acquired $10 billion of additional government securities. No doubt, a refusal of the Federal Reserve to finance the federal deficit would have resulted in a major political, if not constitutional crisis, and might have ended the pseudo-independence of the Federal Reserve, but it might also have been the "shock therapy" needed to awaken Congress and the American people to the danger of the situation.

As the "Economist" remarked: "Like childbirth, devaluation is less painful and quicker the second time." In fact, to judge by the experiences of some of the Latin American countries, devaluations can become an almost painless way of life! And the "Economist" is probably largely correct that the "United States continues to be one of the few countries in which just about everyone of importance thinks that a devaluation is lovely"; at least, it appears to most Americans as a convenient and painless way out.

DEVALUATION AND MORALITY

"The stigma of devaluation is a thing of the past." Yet, on the same page, the "Economist" pointed out that the 1971 devaluation caused a shrinkage in the value of the monetary reserves of the developing countries by about a billion dollars. It is undoubtedly "old-fashioned" to argue that the devaluation of a key currency i.e. the partial repudiation of a large nation's obligations—involves not only economic and political, but moral aspects. Back in the 14th century, a period of great social and economic upheaval, three French writers—Pierre Bois, Jean Burridan and, best-known, Nicole Oresme—condemned the policy of the French King to reduce progressively the metal content of the coin, as a form of theft, contrary to moral law! As recently as 1935, four Justices of the United States Supreme Court, protesting against the repudiation of the gold clause in private contracts, and the fact that the Federal Government "gained" $2.8 billion through the increase of the gold price, warned: "Loss of reputation for honorable dealing will bring us unending humiliation; the impending legal and moral chaos is appalling." The "Economist" may be correct that in our modern world, devaluation has lost its stigma, but there is no doubt that the probably unnecessary devaluation of the pound in 1931 represented an important milestone in decline in Britain's position in the world.

THE TIME FOR DECISION IS NOW

Yet no politician and no news commentator has pointed out to the American people, that the two devaluations of the dollar within 14 months, while the country continues to live above its means, involves not only serious economic and political consequences, but also important moral aspects.

If a man sees large cracks appearing in his house, he can have the cracks filled and painted over. But new cracks will appear, as the foundations of the house continue to shift. In the end, the man will be faced with the alternative of either rebuilding the foundations—i.e. a drastic change in the allocation of resources in the American economy—or of seeing his house collapse.

America is confronted with some of the most serious and far-reaching alternatives in its 200 years' history.

ALASKA PIPELINE

Mr. NELSON. Mr. President, early next month the Senate is scheduled to act on S. 1081, the bill which is concerned with the issue of how best to transport oil from Alaska's North Slope to the lower 48 States. I am a cosponsor of the Mondale-Bayh amendment to require an independent study of this question and to provide a mechanism for a final decision within 1 year so construction of a system to bring the North Slope oil to U.S. markets can get underway.

The Mondale-Bayh amendment focuses on two possibilities: A trans-Alaska oil pipeline and a trans-Canadian oil pipeline. Another possible North Slope oil transportation route is discussed at length in an article in this month's issue of Technology Review, a magazine published by the Massachusetts Institute of Technology Alumni Association. The article is authored by Richard A. Rice, Carnegie-Mellon University professor of transportation.

According to Professor Rice, an oil delivery system which utilized a trans-Alaska pipeline would cost $9.15 billion to build; a system with a Yukon corridor rail line from Prudhoe Bay in Alaska to the central United States would cost $7.45 billion, and the second rail possibility, a system including a Mackenzie Valley rail line from Prudhoe Bay to the central United States, would cost $5.55 billion. These estimates each include the cost of other elements in the delivery system and each include the cost of a natural gas pipeline to bring out gas from the North Slope deposits.

Professor Rice argues that the rail lines offer another substantial economic advantage, because they would be two way transportation carriers, delivering equipment and supplies to Alaska after their oil carrying runs to the lower 48 States.

I invite the attention of my colleagues and groups interested in the Alaska oil issue to the article by Professor Rice and ask unanimous consent that the article be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO REACH THAT NORTH SLOPE OIL: SOME ALTERNATIVES AND THEIR ECONOMICS

(By Richard A. Rice)

Early in 1968 exploratory drilling in the Prudhoe Bay region of the North Slope of Alaska confirmed the existence of about 10 billion barrels of recoverable oil, increasing United States oil reserves in North America by 35 per cent and prompting a series of engineering proposals for schemes to move the oil to market in the lower 48 United States.

The first proposal is for an 800-mile, 48-inch Trans-Alaska Pipeline System (T.A.P.S.), which would extend southward from Prudhoe Bay to the Port of Valdez, where it would be transferred to tankers for shipment to the West Coast of the U.S. Designed to deliver 600,000 barrels of oil per day initially, the system's capacity would be stepped up to an ultimate daily flow of 2 million barrels. The present estimated gross cost of facilities—including oil pipelines, transfer terminals, tankers, and a gas pipe-

line—from Prudhoe Bay to Chicago is more than $9 billion. A transport price of about 90 cents per barrel of crude on the West Coast is proposed, implying a price of $1.50 for oil moved to the Midwest and $1.70 to the East Coast.

A second proposal is to carry the oil in ice-breaking tankers to the East Coast by way of the Northwest Passage. To test this idea, about $40 million was spent to re-equip the tanker "Manhattan" for a trial passage through the ice. The 4800-mile trip to New Jersey was found to cost $1.00 to $1.20 per barrel—20 to 50 per cent cheaper than T.A.P.S. delivery to the same port. Nevertheless, ice-breaking and environmental problems forced the Humble Oil and Refining Co., which converted and operated the "Manhattan," to shelve the plan indefinitely. We, therefore, will not consider the Northwest Passage scheme in this article.

A third plan for delivering North Slope oil to the lower 48 states is to construct a 3200-mile trans-Canada pipeline running north of the Brooks Range and east of the Rockies down the Mackenzie River Valley through Alberta to the Great Lakes area. The total capital—for delivery of 2 million barrels per day to Chicago and for an accompanying gas pipeline—is estimated at $5.6 billion. Because the Mackenzie oil pipeline was not investigated extensively in our study, it too will not be further discussed in this article.

The fourth and fifth proposals, based on technology that has received the least attention, are heavy-duty, two-track railways—both from Alaska to Montana, one of them through the Yukon River Valley and the other through the Mackenzie River Valley. The Yukon Valley system would cost about $7.45 billion and the Mackenzie Valley system $5.55 billion, they would deliver oil to Chicago for $1.40 and $1.30 per barrel, respectively.

The report of the U.S. Department of the Interior on the environmental aspects of the T.A.P.S. route positively assured its readers that full consideration had been given to the railway mode of oil transportation in the northern climate. But it is now evident that the thinking that went into the rail concept was not serious. Therefore, much of this article, which is derived from a 30-month study of long-range transport needs for North Slope oil, is devoted to a preliminary examination of the two railway alternatives.

On economic grounds—which is all that we will consider in this article—the Mackenzie Valley railroad is the superior system. The judgment is buttressed by additional economic arguments that predict what will happen once the Prudhoe Bay oil is depleted 20 years after extraction begins in earnest.

A SET OF ASSUMPTIONS

A number of general assumptions have been implicit throughout the study, and we will note them briefly here. The first has to do with the amount of North Slope oil. Geologists' and petroleum companies' inform us that there are about 10 billion barrels valued at about $20 billion at the wellhead. If the oil is to be extracted over 20 years, a daily volume of 2 million barrels is the desired capacity. Other possible deposits of oil may lie in nearby regions: to the west of Prudhoe Bay and south of Point Barrow is the Naval Petroleum Reserve No. 4, which, one must guess in the absence of published data, contains about 20 billion barrels. Another 10 billion barrels may lie to the east of the present fields toward the Mackenzie Delta. East of the delta in Canada there are probably larger reserves, recently estimated to be 30–40 billion barrels.

It is assumed that within a year after the transport of oil from the North Slope of Alaska begins, the movement of an estimated 20–30 trillion cu. ft. of natural gas must also begin. About one-third as much gas—in terms of b.t.u.—will have to be pumped, requiring a 48-inch, 4-billion-cu.-ft.-per-day gas pipeline. A third assumption is that a multi-purpose right-of-way would be preferable if it were found to be geographically and economically possible. That is, it would be best to try to combine the oil-transporting facility and the gas-transporting facility in one right-of-way.

Ordinarily, petroleum economics come first in the planning of oil transportation. A new set of priorities has been established in the movement of North Slope oil, however, and our final assumption is that they are in the following order: environmental protection; welfare of the state of Alaska from the social, resources, and conservation points of view; overall U.S. energy problems; and economics and the welfare of the oil companies.

ALASKAN GEOGRAPHY

Almost all of the principal geographic features of Alaska are arranged in a basically east-west orientation. This includes the major coastlines, the principal mountain ranges and climatic belts, the main drainage patterns, the progression of vegetation belts, and the wildlife zones. All of these have played a key role in shaping the existing transportation network in the state, and all must also shape the mode and route that are finally chosen for the network that will move Alaska's oil and gas to consumers.

The northwestern portion of Alaska is a flat flood plain with a water table practically at the surface, marked by braided glacial streams carrying an excess of sediment. The plain is pitted by myriad small residual glacial ponds and meltwater lakes. Generally, the entire area is frozen solid from the two-ft. level down to possibly 200 or 300 ft. Basement rock may lie as deep as 300 to 1000 ft.

South of this Arctic slope are foothills and then the Brooks Range, which stretches roughly two-thirds of the way across Northern Alaska from east to west. The highest section lies to the east, where some of the peaks rise to 9000 ft.; farther west the peaks are 6000 to 7000 ft. high. Just to the east of the Brooks Range in Canada there is a low pass occupied by the Firth River at about 2000 ft. elevation. The only other crossing of such low altitude over the Brooks Range is at the head of the Anaktuvuk River Valley halfway across Alaska to the west.

South of the Brooks Range is the Yukon Basin—in the west an area of dry plateau and low mountains containing Fairbanks, Alaska's third city, and in the east a vast area of semi-frozen peat bog and muskeg that is in some places hundreds of feet deep.

Traveling south from Fairbanks, before reaching the main mountains of the Alaskan Range, one crosses the Alaskan earthquake belt—a sweeping arc that is a continuation of the Aleutian Islands.

The twin mountain ranges of southern Alaska rise to 12,000 to 18,000 ft., many of the peaks being within a few score miles of the sea. Recent glaciation has gouged deep and treacherous U-shaped valleys throughout their extent; indeed, over 95 per cent of the glacial ice now in Alaska is in the mountain ranges between Fairbanks and Seward.

Only two passes suitable for surface transportation exist in these mountains from Fairbanks to the ports of Anchorage, Seward, or Valdez. One is now used by the single-track Alaskan Railroad and the new Fairbanks/Anchorage Highway; the other is the route of the Richardson Highway from Valdez to Fairbanks. Two facts suggest the difficulty of this terrain: (1) passenger trains on the Alaska Railroad average less than 30 miles an hour over the 356-mile trip from Anchorage to Fairbanks, and (2) leaving Valdez the Richardson Highway must rise 2800 ft. in about 20 miles. This contrasts sharply with the gentler terrain of the Alaska Highway from Fairbanks southeast along the Tanana River and into the Yukon Territory of Canada to White Horse. Following the trend of the main mountain chain, the Alaska Highway route traverses far more conventional and favorable topographic and environmental conditions.

Three major route alternatives appear to exist for moving the North Slope oil out of Alaska.

THE TRANS-ALASKA ALTERNATIVE

The trans-Alaskan corridor originally proposed by the T.A.P.S. group goes from Prudhoe Bay across the Brooks Range through the Anaktuvuk Pass or the Dietrich Pass, across the Yukon River, to Fairbanks, through the difficult terrain of the Alaska Range alongside the Richardson Highway, and into Valdez. From Valdez supertankers would carry the crude oil south to Seattle, where it would be transferred to a pipeline and started eastward to the markets.

The initial survey favored the Anaktuvuk Pass, which is broad with a level floor carved by the glaciers that receded some 12,000 years ago. Because of the objections to this route by environmentalists, who worried about the annual caribou migrations there, the Dietrich Valley corridor was surveyed across the Brooks Range at 4500 ft. altitude and down to Prudhoe Bay along the Atigun and Sagavanirktok River Valleys. This higher route would be more expensive to build and much more difficult to operate and maintain. But it is not as heavily traversed by caribou and apparently is not considered by environmentalists to be a crucial wildlife area.

Along either route the oil pipeline would be accompanied by a gravel haul-road, since pipelines should be about $500,000 less expensive per mile if they are constructed alongside an existing road and less still if near a single track access railway. The combined cost of a single-track railway and a hot-oil pipeline on one right-of-way from Fairbanks to the North Slope should be about the same as that of building the pipeline alone and without the convenience of the parallel railway to move heavy materials and equipment. Thus, in choosing between the two all-Alaska routes one is led to a preference for the one over the Anaktuvuk Pass, since the high-altitude Dietrich crossing of the Brooks Range presents serious construction problems. And the most economical T.A.P.S. combination seems to be a joint single track railway and oil pipeline through the Anaktuvuk corridor.

Another difficulty with the T.A.P.S. route is that the existing railway south from Fairbanks does not continue on to Valdez but instead veers west toward Anchorage. Construction of a pipeline beside the Fairbanks-Anchorage leg of the railway considered was by the T.A.P.S. group, but the route was deemed less deirable than the route to Valdez because harbor conditions at Anchorage were felt to be not as amenable to the handling of large tankers. The T.A.P.S. planners also had to take into account mountainous terrain and permafrost in the north, severe weather and operating conditions that require proper heat for oil to pass through pipeline and pumping facilities most of the year, the very great cost of moving equipment and materials to the areas north of Fairbanks, and the possibility of a major earthquake. Even more of a hazard to a pipeline than earthquakes is the occasional damage resulting from landslides and snow slides. Crammed harbor conditions in the Valdez Arm of Prince William Sound and the task of coordinating frequent tanker movements through the 50 miles of straits and islands to the south make this alternative problematical, notwithstanding the favor it has among the T.A.P.S. planners. Other complications that contribute to the high costs of the system include the necessity of the additional sea movement, a fleet of supertankers, new superport facilities, and a second tank farm in Seattle.

An essential part of either trans-Alaska oil pipeline system is a gas pipeline taking an entirely different route—eastward from Prudhoe Bay down the Mackenzie Valley to the U.S. Aside from the economic disadvantages of two separate systems moving oil and gas out of the Prudhoe Bay fields, it is possible that the gas pipeline might be ruled environmentally infeasible; then the whole question of transporting North Slope gas would have to be restudied.

THE YUKON RAILWAY ALTERNATIVE

The proposal for a high-capacity, two track railway that would connect Alaska and Montana through the Yukon Territory and British Columbia was evolved because it avoids the caribou migration route through the Anaktuvuk Valley, bypasses the present boundaries of wildlife refuges in northeastern Alaska, and keeps clear of the very difficult terrain in the earthquake and glacier belt of the Alaska Range south of the Yukon River. This 3600-mile route seems to involve fewer environmental problems.

However, because the railway would have to climb to an altitude of about 3000 ft. and tunnel seven miles through the Brooks Range above the Sagavanirktok River, it would cost more to construct and operate than the Mackenzie railway.

Location of the gas pipeline with the oil delivery system along the Yukon corridor has the advantage that its construction would cost about $0.5-to-$1 million per mile, half the cost of a separate route east from Prudhoe Bay. However, it would appear difficult, if not impossible, to locate both the railway and the gas pipeline in the same Brooks Range tunnel. The problem of a rail accident in the tunnel and subsequent rupture of the pipeline appears almost insurmountable. For this reason, we recommend that a separate alignment for the gas pipeline be sought at the crossing of the Brooks Range. (Possibly this would involve nothing more than the pipeline climbing to a higher altitude and taking a shorter tunnel route.)

The Yukon corridor would be the shortest and most convenient route for an access and resource railway from the 48 states to Alaska—an important factor in the moving of oil field equipment from the petroleum-producing areas in the United States to the North Slope.

If the total cost and time considerations were not critical, the Yukon route would provide the best all-round solution from the United States point of view for the development of its 49th state and for the two-way movement of resources and materials.

THE MACKENZIE RAILWAY ALTERNATIVE

The third route configuration runs east from Prudhoe Bay along the Arctic shore, southeast through the Mackenzie Valley in the Northwest Territories to Alberta, and then to the U.S. The attractions of this route are many from a purely economic and geographic point of view. It is the only one that does not cross the continental divide or any mountain range. If a gas pipeline is to be built along this alignment in any case, then it seems wise to consider at least part of the same route for the oil-moving system. The Mackenzie Valley route has the shortest mileage from the North Slope oil fields to the most-likely marketing areas in Canada and the U.S.—3300 miles between Prudhoe Bay and Chicago, while the Yukon corridor spans 3600 miles and the T.A.P.S. pipeline-tanker-pipeline system 4200. It would probably be the lowest priced combined route system, notwithstanding the fact that the oil railway would drop off the Chicago-bound gas pipeline and detour 600-miles to a Montana terminal.

If Canada and the U.S. were part of the same nation, and if the weather problems on the north end of the Mackenzie route were not so extreme, it would be almost axiomatic that little consideration would be given to either of the other alternatives. The geography of this system suggests that it should be the most economical to construct and the least difficult to operate.

To provide the requisite 2 million barrels of oil per day the system would consist of a heavy-duty resource railway with two widely spaced tracks on a 40-ft.-wide graded way using heavy welded rail and whatever construction turns out to be best suited to low Arctic temperatures. On this route, grades could be limited to 1 per cent (50 ft. to the mile) and curves to a 2500-ft. radius. Tank-car unit-trains could be operated at speeds of 40 to 50 m.p.h.

One serious drawback is that the route must cross the recently established Alaskan Wildlife Reserve, although much of the problem could be avoided if the railway were located close to the Arctic Ocean, where it would interfere little if at all with the migration of caribou of the nearby plains. A raised roadway would have to be built so that it would not interfere with the permafrost or drainage of the many small streams that flow from the Brooks Range into the Arctic Ocean.

The Mackenzie corridor is a less convenient acces route from the United States to the section of Alaska south of the Brooks Range that contain other potential mineral and forest resources. A single-track extension from the Mackenzie line through the upper Porcupine Valley into central Alaska might provide an access to the center of Alaska almost as good as the Yukon corridor. The single-track extension could also be used to help solve the dilemma of the 800 miles of 48-in. pipe that has already been purchased from Japan for $100 million and stored in various locations in Alaska. Should the Mackenzie Valley railroad be selected, the pipe could be adapted for natural gas transmission. The sections stored at Valdez and Fairbanks could be moved east from Fairbanks and then southeast to a connection with the Mackenzie railway. This could be done by first building a single track access railway running east from Fairbanks and south of the Yukon River to a connection with the Mackenzie route. After the Mackenzie railway is completed, the pipe stored at Prudhoe Bay could be laid out to connect with the pipe coming from the opposite direction.

It should be mentioned here that Arctic railways and unit trains have been in successful operation in various locations. Oil and gas are transported in north-central Europe, as are mineral ores by unit-train, under geographical and traffic conditions comparable to those contemplated for Alaska and Canada. A unit-oil-train system of the type under study delivers crude oil from Montreal to the Port Huron generating station. Likewise, hundreds of miles of railroad are used above the permafrost line, some of it north of the Arctic Circle, under dense traffic and heavy snow-fall conditions, and over more difficult terrain than that proposed for the Yukon and Mackenzie lines.

This chart (based on 1973 estimates) summarizes the author's economic arguments for construction of a high-capacity railroad to bring oil from the North Slope of Alaska to the U.S. midwest by way of Canada. The initial cost of the railroad system is substantially less than that now estimated for the trans-Alaska pipeline-tanker system which would transship North Slope oil through Valdez, Alaska. The rail link offers two additional advantages: its availability for bringing supplies and machinery to the North Slope fields, and its residual value for transporting oil which may be discovered elsewhere in the western Arctic, and which is known to be in the Athabasca tar sands of Canada and the shales of some of the U.S. Rocky Mountain states. Economic development of Alaska, which the author believes would be stimulated by the two-way rail lines, is not evaluated in the chart.

[In millions of dollars]

T.A.P.S. pipeline/tanker/pipeline route: Prudhoe Bay—Valdez—Seattle—Chicago	
Crude oil pipeline cost, Arctic sections	3,000
Pipeline cost, U.S. proper	900
Railway cost, Arctic sections	—
Railway cost, Canada midsections	—
Tanker fleet cost	900
Tanker port facilities	150
First transfer, pipeline to tanker	100
First transfer, rail to pipeline	—
Second transfer, tanker to pipeline	100
Natral gas pipeline cost	4,000
Total gross facilities cost	9,150
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	—
Less residual value of the system after depletion of Prudhoe bay oil [1]	950
Adjusted 20-year commitment	3,200
Yukon Corridor high-capacity rail/pipeline route: Prudhoe Bay—Montana—Chicago:	
Crude oil pipeline cost, Arctic sections	—
Pipeline cost, U.S. proper	800
Railway cost, Arctic sections	1,500
Railway cost, Canada midsections	2,000
Tanker fleet cost	—
Tanker port facilities	—
First transfer, pipeline to tanker	—
First transfer, rail to pipeline	150
Second transfer, tanker to pipeline	—
Natural gas pipeline cost	3,000
Total gross facilities cost	7,450
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	2,500
Less residual value of the system after depletion of Prudhoe Bay oil [2]	1,475
Adjusted 20-year commitment	3,475
Mackenzie Valley high-capacity rail/pipeline route: Prudhoe Bay—Montana—Chicago:	
Crude oil pipeline cost, Arctic sections	—
Pipeline cost, U.S. proper	700
Railway cost, Arctic sections	1,200
Railway cost, Canada midsections	1,500
Tanker fleet cost	—
Tanker port facilities	—
First transfer, pipeline to tanker	—
First transfer, rail to pipeline	150
Second transfer, tanker to pipeline	—
Natural gas pipeline cost	2,000
Total gross facilities cost	5,550
Less savings to producers by use of railway for northbound equipment (15 years: 10 billion barrels at 25 cents)	2,500
Less residual value of the system after depletion of Prudhoe by oil [2]	1,175
Adjusted 20-year commitment	1,925

[1] The residual value represents the tankers, port facilities, and pipelines built in the continental U.S.

[2] The residual value represents a portion of the Alaska-Canada Canadian rail line and pipelines built in the continental U.S.

CONSTRUCTION COSTS

Normally, a double-track resource railway costs $800,000 to $1,000,000 per mile in temperate climates. It appears that routeway costs north of 55° latitude—which includes much of the construction discussed here—

would be as high as $2 million per mile. Rolling stock and repair shops would cost about $500 million per 1000 miles, not appreciably more than in benign regions.

The present estimate for the 2200-mile Yukon rail line to Whitefish, Montana, is about $3.55 billion—$2.4 billion for the finished routeway, $1 billion for rolling stock and equipment, and $150 million for a rail-to-pipeline transfer terminal. A 1500-mile crude-oil pipeline to complete the delivery to the Midwest would cost about $800 million and a gas pipeline $3 billion (see table on page 16). The total estimated cost of the Yukon system then is about $7.45 billion.

A double-track railway on the Mackenzie Valley route of about 2500 miles to Great Falls, Montana, would cost about, $2.1 billion. Grading and earthwork should be somewhat simpler here. Rolling stock and repair facilities would add about $600 million. The 3300-mile Prudhoe-to-Chicago gas pipeline would contribute $2 billion to the cost of the Mackenzie system—if it is built on the existing rail routeway. Adding a $700 million oil pipeline from Montana to Chicago and $150 million for a transfer facility brings the total to about $5.55 billion.

The current estimated cost of the T.A.P.S. oil pipeline, crossing 800 miles over two mountain ranges and three ridges between Prudhoe Bay and Valdez, is about $3 billion. This is by far the most expensive per-mile pipeline ever proposed. (One reason for the concern that stimulated the present study was the rapid rise of this estimate—from $1 billion when the T.A.P.S. plan was first announced in 1969). Standard supertankers of 100,000 tons for the fleet to operate the Seattle-Valdez route are now estimated at about $30 million each. By the time the trans-Alaska pipeline would be delivering 2 million barrels of oil (300,000 tons) daily, a fleet of 30 such vessels would be required for the 1600-mile ocean leg of the T.A.P.S. route. The separate Mackenzie corridor gas pipeline called for in the T.A.P.S. plan would cost about $4 billion—twice the cost of the same route built along an existing railway. All these figures conspire to put the T.A.P.S. route total expense at about $9.15 billion, including $900 billion for a 2000-mile Chicago-Seattle pipeline, $150 million for port facilities in Valdez, and $100 million each for Valdez and Seattle oil transfer terminals.

Thus the total initial facility investment for the main alternate routes from the North Slope to the U.S. Midwest varies from a low of about $5.55 billion for a railway system through the Mackenzie Valley to a high of $9.15 billion for the T.A.P.S. plan.

But upon depletion of the North Slope oil resources, the railway systems will have residual transportation value for the developing State of Alaska. This is hard to estimate, and a good many assumptions about economic development and future technology are involved; but, as shown in the table on page 13, our research suggests that, with an allowance for residual values, the lowest net outlay is then $4.375 billion for a Mackenzie Valley system. The highest is $8.2 billion for the T.A.P.S. system.

The commitment can be further adjusted to reflect the production savings in the North Slope oil fields from access for supplies and equipment that would be provided by the railway mode. This has the effect of lowering the field price of petroleum by about 25 cents a barrel. The readjusted lowest net commitment then is the Mackenzie rail line with $1.925 billion versus the T.A.P.S. route at $8.2 billion and the Yukon route at $3.475 billion.

AND TRANSPORTATION COSTS

Research by the Canadian Institute of Guided Ground Transport, (C.I.G.G.T.) Queens University, with support of the Canadian government and cooperation of the Canadian National Railroad, on the construction and operating details of a Mackenzie Railroad system (with an Alberta terminal) has shown that it could deliver 2,000,000 barrels of oil per day with 15 to 20 trains. If necessary, by using 30 to 40 longer trains, the railway could deliver double the estimated capacity of the T.A.P.S. pipeline or the Yukon railway. (Because the Yukon route is hillier, trains would be shorter and more frequent—perhaps 36 daily.) The additional Mackenzie capacity implies that both the existing Prudhoe reserves and new Canadian reserves could be brought out at the same time.

Oil transportation costs for the three different routes can be estimated on the basis of recent operating experience in bulk-freight unit-train movement and in large-diameter pipelines. Alaskan oil is presumed in these estimates to move first to a U.S. port-of-entry, and then to the U.S. Midwest. The projections are relatively simple to make. Since the base cost of transporting petroleum by 48 in. pipeline is already well known (25 cents per barrel per 1000 miles), only the increased pipeline construction cost factor need be applied to the delivery price. This generally amounts to about 10 cents per barrel more per 1000 miles for each increment of $600,000 per mile that a pipeline costs over a base cost of $600,000 per mile.

The transport rates tabulated on page 14 are for oil delivered from Prudhoe Bay to New Jersey. From the North Slope to Chicago, the T.A.P.S. rate would be $1.47 per barrel, the Yukon rate $1.42, and the Mackenzie rate $1.32. If the producing field is serviced by a railroad the cost of oil per barrel extracted would be $1.75. The absence of rail access would bring the field cost up to $2 per barrel. Thus, the total delivery price at Chicago would be: T.A.P.S., $3.47; Yukon, $3.17; and Mackenzie, $3.07.

In the most recent—more advanced—phases of the C.I.G.G.T. studies consideration is being given to such cost-related details as the effects of the delay in delivering Alaskan oil (a rail syystem would take about a year longer than the T.A.P.S. pipeline to construct); a carousel system (illustrated on page 18) for fast multiple-car loading and unloading of unit oil trains; and the possibility of cutting the gas-delivery cost to the Great Lakes area from $0.90 down to $0.65 per 1000 cu. ft. by using cryogenic tankcars and powering the trains with "boil-off" gas from the tankcars, as is done on liquefied-gas ships.

IMPACT ON ALASKA'S ECONOMY

Development of North Slope oil fields will accelerate the movement of the Alaska economy (the Canadian Northwest is not included in this analysis) away from its virtual dependence on federal spending, and will eventually lead it to a more balanced growth. The flow of oil, together with the greater efforts in resource exploration and development that will follow a long-awaited native claim settlement, will boost the economy and more than compensate for the decreases in military spending in Alaska that must be projected for the next decade. At the projected influx of 15 families a day into Alaska, the present population of 305,000 could double in ten years, although a rise to 425,000 by 1980 is more likely.

In the coming 10 years, the commodity-producing industries of Alaska should take a larger share of state activity. At present, 18.7 per cent of civilian employment is in this sector compared to the 40 per cent national average. Oil production will assist future resource development by providing the construction, transportation, and communication facilities in the remote areas. These distributive industries will then grow along with the industries and population they support. Since the North Slope discoveries, 1,400 companies have registered to meet the requirements for doing business in Alaska.

Presumed general per-mile pipeline costs
[$1000s per mile, including pumps, storage, etc.]

	Gas pipelines			Oil pipelines		
	36"	42"	48"	36"	42"	48"
Economical southern U.S. alignment	$250	$325	$400	$300	$400	$500
Typical alignment in northern and central U.S.	300	375	450	350	450	550
Southern Canada and Rocky Mountains	400	500	600	500	600	700
British Columbia, North Alberta, central Canada	600	700	800	700	850	1,000
Remote Middle East Turkey, Iran, Egypt	650	750	900	750	900	1,100
Central Russia and Siberia, good access	800	950	1,100	900	1,100	1,300
North-central Siberia and northern Canada	1,150	1,300	1,500	1,500	1,700	2,000
Arctic Alaska and Canadian Far North	2,000	2,200	2,500	2,700	3,100	3,500

DATA: current prices from petroleum industry journals.

The author points out that the recently completed 40-in. Trans-Alpine pipeline from Trieste to Bavaria through the eastern Alps cost $645,000 per mile. Good access to the route kept the construction cost down. The pipeline passes through three 4.5-mile tunnels, while the T.A.P.S. pipeline would climb over the high, treacherous Dietrich Pass instead of tunneling.

Could a railroad built to carry oil from Prudhoe Bay to the Midwest handle a broad range of commerce more cheaply than the existing Alaskan Railroad and water transport to the West Coast? This would depend on the location of the demand for Alaskan resources in the contiguous 48 states and on Alaska's willingness to reconsider its policy that requires primary processing in the state.

Alaska has resources out of which rail traffic could be generated. Estimates of the maximum annual allowable yield of Alaska's interior forests have ranged from 660 million to 2.3 billion board feet. Logging in the Yukon Valley between the Canadian border and Fairbanks—with estimated annual yield of some 160 million board feet valued at $25 million—has been severely limited by its inaccessibility and its distance and isolation from potential markets. These problems would be mitigated by a railroad which would be both a customer for local timber products and a means of transport to major markets. Over 650 new jobs could be created, and employment could be highest in the winter, when logging operations are facilitated by the frozen ground.

A comparison to developed areas in Canada and in the 11 western states suggests a 10-fold potential increase of non-oil-and-gas mineral production in Alaska to $300 million annually by 1990. This could be achieved if some of the present constraints on development are eased—among them lack of access to potential sites, inadequate knowledge of resource potential, and outdated and inhibit-

ing laws and policies governing mining and other development in Alaska.

The proposed rail lines would boost surveying activity in the Brooks Range and in the Yukon Valley. Substantial quantities of iron ore, coal, and other minerals, estimated to be widely distributed throughout the state, probably exist in these areas. A conservative estimate for the annual production in the Brooks-Yukon region by 1990, given a rail line, is two million tons of iron ore, one million tons of coal, and one-half million tons of other minerals—with a gross value of about $30 million.

In terms of accelerating regional development, the establishment of a direct-express rail system to central Alaska 2000 to 2500 miles from the border of the U.S. proper could be compared to the building of U.S., Canadian, and Russian rail systems of similar mileage and geographic spread in the late 19th century—as shown in the table on page 15. One may observe that northerliness apparently has not been a governing factor in the growth rates of the westerly regions in Canada and the United States after rail-access was completed.

THE TOURIST DOLLAR

Alaska's unique scenic, recreational, and wildlife attractions have produced an average 15 per cent annual increase in tourism from 1964 to 1970. The 107,000 visitors to Alaska in 1969 spent a total of $36 million, making tourism the state's fourth largest industry. At a projected average growth of 10 per cent per year, the number of tourists could reach 325,000 by 1980 and 500,000 by 1985, and expenditures $168 million (in 1969 dollars) by 1985.

These estimates seem unduly optimistic in the face of the present restraints on tourist growth—lack of appropriate facilities for housing visitors, the great distance from the lower states, and the seasonality of tourist travel to Alaska. A high-speed rail link to Fairbanks from the Midwest would eliminate some of these constraints, and it is estimated that 200,000 of the 500,000 tourists who would travel to Alaska in 1985 would utilize such a rail service for at least part of their trip. Thus $50 million in tourist expenditures and the employment of 2000 to 2500 additional Alaskans could be among the economic spinoffs from an oil railroad 12 years from now.

The railroad would benefit, too, from the tourist revenues. Pullman passengers, traveling an average 3500-mile round trip at the rate of 3c per mile, would contribute $5.3 million to annual revenues. There is also a large potential in transported vehicles. If 40,000 of the transported vehicles pay 7c per mile, 8000 pay 10c per mile, and 2000 pay a mobile home rate of 15c per mile, they will generate $9.8 million in revenues. In addition, if each of these vehicles comes with an average of three travelers, and if the average distance traveled on a round trip in 2500 miles (accounting for many one-way trips), another $5.6 million in passenger revenues would be collected. Thus total revenues to a railroad from tourist traffic might reach $20.7 million by 1985.

Considering the long-range economic welfare of Alaska, and especially the development of tourism, the scales would be tipped somewhat more toward the Yukon corridor with a railway spur to the central region of the state. This more southerly route could be operated for the tourist trade over a considerably longer season—April to October—than the Mackenzie system. It also would have considerably shorter running time, lower cost for movement of goods, and slightly better access to all of the United States.

A LONGER-TERM VIEW

Since a very substantial investment of effort, resources, and capital is about to be made to bring crude oil from the North Slope to the continental U.S., the size and worth of the Prudhoe Bay deposit needs to be put into better focus. The present estimate of these reserves represents a 35 per cent addition to the known petroleum reserves of the U.S. But the truth is that by 1985, when the U.S. may be consuming oil at the rate of 5 to 7 billion barrels a year, the Prudhoe oil will in fact amount to only a two-year supply for the nation. However, the combined, roughly estimated total reserves of the U.S. and Canadian Arctic—including the Prudhoe Bay oil—are 70–80 billion barrels. Most of it is not accessible to the T.A.P.S. oil pipeline. The Mackenzie route could conveniently serve in all of the potential North Slope oil regions.

A long-range consideration that generally is overlooked is that two of the three largest known oil deposits in the world lie near the regions traversed by the Yukon and, especially, the Mackenzie corridors. Recoverable reserves from the Athabasca tar sands of Alberta are estimated at 370 billion barrels—about the same size as the entire known Persian Gulf reserves. The shales of Colorado, Utah, and Wyoming are thought to contain about 600 billion barrels of economically recoverable oil.

The Sun Oil Company has invested $300 million in a plant to develop oil extraction from the tar sands, and according to the *New York Times* the company feels that its operation could be in the black by the time of the next round of price increases in the crude oil market. The Shale Oil Corporation, recently joined by the Standard Oil Company of Ohio and the Atlantic-Richfield Company, and aided by more than 30 years of U.S. Bureau of Mines research, has been conducting extensive experiments and pilot operations for about a decade. S.O.C. believes its descending scale of costs is now at the same level as the ascending scale for developing conventional petroleum fields.

It would seem mandatory that any new refineries and petroleum-processing facilities built to handle the flow of Arctic oil in the central and western parts of the U.S. or Canada should be closely linke- with the tar sand and oil shale formations. Montana would be a good compromise location, handy to both deposits. It would also make a convenient transfer point for the further distribution of crude oil and petroleum products to the Midwest, Rocky Mountain region, and Northwest, as well as to the East Coast. Looking beyond 1980, trans-Canadian rail routes look even more attractive.

It is therefore recommended that serious consideration be given to the alternate routes of the Yukon corridor through British Columbia and the Mackenzie corridor through Alberta. It now appears almost certain that high-capacity rail systems would be more economical to construct and operate and would yield greater residual value or follow-on utility after Prudhoe petroleum is exhausted.

Our study concludes that any decision to proceed now with construction of the trans-Alaska system from Prudhoe Bay to Valdez and thence to Seattle would be premature. Additional studies and any change in strategy for transporting the North Slope oil resources would of course further delay their utilization. But the size of the investment, the long-range planning needed to move the tremendous deposits of oil yet to be tapped in the U.S. and Canadian Arctic and tar sand and shale regions, and the issues of regional development and conservation fully justify that delay.

RETIREMENT OF HON. KEN BELIEU AS UNDER SECRETARY OF THE ARMY

Mr. HELMS. Mr. President, I view with sadness the departure of Kenneth E. BeLieu as Under Secretary of the Army. Ken's retirement is effective today, and his character and dedication are such that our Government can scarcely afford to lose his services.

I have not known Ken BeLieu as long as some other Members of this body. But I have known him long enough to become aware of the kind of man he is. In war and peace, he has been a gallant and dedicated American, a thoroughbred gentleman, and immensely capable. I confess the hope that somewhere along the line, the administration will persuade Kenneth BeLieu to return to the service of his country.

I first met Ken at the Senate prayer breakfast on a Wednesday morning shortly after I arrived in Washington this year. You learn something, Mr. President, about the men who gather around that table. I learned about Ken BeLieu's faith, and the manner in which he practices it. My late friend, Senator Dick Russell, reserved a special tribute for men whom he considered special; he would say:

That fellow is one of Nature's Noblemen.

If I may borrow Dick Russell's special assessment of very special men, I would apply it to Ken BeLieu. It fits, Mr. President. It fits.

SYLVIA PORTER ATTACKS NIXON HEALTH PROPOSAL

Mr. MUSKIE. Mr. President, the Nation's elderly are becoming more and more incensed with the Nixon administration proposal to add to their already heavy burden of medical costs by imposing new deductibles and coinsurance increases in the medicare program. This has become very apparent to me as I have presided over hearings on "Barriers to Health Care for Older Americans" as chairman of the Subcommittee on Health of the Elderly, Senate Special Committee on Aging.

Therefore, I was delighted to see that the renowned columnist on money matters and consumer interests, Sylvia Porter, has written a hard-hitting article citing some of the findings from the hearings and exposing this proposal for what it truly is: "a brutally callous way of reducing Federal budget expenses."

Miss Porter rightly points out:

Today's average elderly citizen already pays far more in direct, out-of-pocket costs for medical care than in 1966—an average of $404 in fiscal 1972, or $95 more than in fiscal 1966, before Medicare went into effect.

She adds:

The Nixon Administration is trying to cut budget costs by asking the elderly to assume in the coming fiscal year an extra $500 million and, later, an additional $1 billion in Medicare hospital costs. . . .

These Medicare cutbacks, politely referred to as a cost-sharing plan—are being proposed at a time of surging food costs, lifting of rent controls in many cities, climbing prices across the board (including out-of-pocket costs of health care not covered by Medicare), reductions or eliminations of Federal housing subsidies.

Mr. President, I want to state again my opposition to the Nixon medicare proposals, which are callous in the extreme, and I ask unanimous consent that the June 28 Sylvia Porter article "Nixon

Plan Hits at Elderly Sick" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NIXON PLAN HITS AT ELDERLY SICK

(By Sylvia Porter)

Q: What two things do the following expenses have in common?

Out-of-hospital prescription drugs, routine physical exams and immunizations, routine eye exams for glasses, hearing aids, dentures, routine dental care, orthopedic shoes, custodial nursing home care.

A: They are all "normal" medical care expenses of elderly Americans;

And they are among the key items which are not covered at all by Medicare.

For entirely appropriate and defensible economic reasons, the Nixon administration is fighting to curb the year-to-year increases in our national budget. We cannot even hope to lower the rate of annual rise in our cost of living to tolerable limits until we get our budget back under control.

But defending the budget objectives and defending the priorities in the Nixon budget are scarcely in the same sphere.

Today's average elderly citizen already pays far more in direct, out-of-pocket costs for medical care than in 1966—an average of $404 in fiscal '72, or $95 more than in fiscal '66, before Medicare went into effect.

Many medical care costs are far higher for Medicare patients than they were at Medicare's beginning eight years ago.

It is against this background that the Nixon administration is trying to cut budget costs by asking the elderly to assume in the coming fiscal year an extra $500 million and, later, an additional $1 billion in Medicare hospital costs.

Instead of today's $72 deductible from the cost of the first day hospitalization, the elderly patient would have to pay the full cost of the first day. Today's average hospital room rate is more than $72 a day—nearly as much as the minimum monthly Social benefit of $84.50.

Instead of today's free hospitalization (after the $72 deductible up to the 61st day, the patient would be required to pay 10 percent of his or her hospital costs, whatever the length of stay. Thus, if an elderly person had to spend 60 days in the hospital, the cost would be raised from today's $72 to at least $500.

The deductible under Medicare's Part B also would be raised under the administration plan—from the first $60 of doctor bills to the first $85, and the patient would be required to pay 25 percent of the costs above that, against 20 percent today.

Federal backing for such "low priority" Medicare services as dental care for the indigent—including the elderly—would be eliminated by the Nixon plan.

These Medicare cutbacks, politely referred to as a "cost-sharing" plan—are being proposed at a time of surging food costs, lifting of rent controls in many cities, climbing prices across the board (including out-of-pocket costs of health care not covered by Medicare), reductions or eliminations of federal housing subsidies.

By one count, in 1969, Medicare paid for 45 percent of total health expenses for the elderly; today that proportion is down to about 42 percent, and under the Nixon plan, would plummet to 35 percent.

Moreover, state after state has been putting through cutbacks in the Medicaid program—the "next step down" after Medicare.

To suggest what the Nixon plan could mean, a delegation from the New York City Office of Aging gave this testimony before the Senate Special Committee on Aging:

A chronic heart disease patient in New York City would be forced to pay 358 percent more in hospital costs than today and 27-percent more in doctor bills.

In the words of Nelson Cruikshank, president of the National Council of Senior Citizens, this is an "outrageous and unconscionable scheme to steal from the elderly sick."

In the words of Sen. Edmund Muskie, D-Me., chairman of the Senate Subcommittee on Health of the Elderly. "This plan could, in fact, increase costs for all concerned—the elderly, the government and the health industry—without improving the quality of health services. The increased charges might actually discourage timely care that could prevent institutionalization or prolonged treatment."

And should you also agree this is a brutally callous way of reducing federal budget expenses, you have plenty of company. According to a recent Louis Harris poll, 92 percent of the American public are opposed to this plan—making it the most unpopular of any administration cost-cutting proposal.

MARGARET CHASE SMITH

Mr. MUSKIE. Mr. President, today is the last day of Margaret Chase Smith's official association with the U.S. Senate after a distinguished 24-year term of service. She has taken this opportunity to contact her friends and associates, and I ask unanimous consent that her letter be printed in the RECORD. Senator Smith encloses a letter about her recent activities written by her long-time aide, Maj. Gen. William C. Lewis, Jr., which I think will be of great interest to my colleagues. I ask unanimous consent that General Lewis' letter also be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SKOWHEGAN, MAINE,
June 30, 1973.

DEAR FRIEND: Today marks my last day of any official association with the United States Senate after 24 years. While my status as a Senator terminated on January 3, 1973, there were certain privileges that extended for six months after that until June 30, 1973 for the purpose of permitting me assistance in closing up my Senate affairs, including the extension of mailing privileges.

So in my final act and exercise of those cleaning up and closing out activities, I am writing you to thank you for the very thoughtful expression that you made about my service in the Senate. I shall always remember your kind words and thoughts. Your kindness has done much to sustain my spirit and courage.

In the thought that you might be interested in what I have been doing since my Senate days came to an end and in what I plan for the future, I am sending the enclosed copy of a letter written by Major General William C. Lewis, Jr., my long time aide. I hope you find it of interest.

Gratefully yours,

MARGARET CHASE SMITH.

SILVER SPRING, MD.,
June 28, 1973.

Mr. WILLIAM J. CALDWELL,
Pipers's Bend
Damariscotta, Maine.

DEAR BILL: I promised you that I would write later about what Senator Smith was doing after her more than 32 years in Congress. I write now as the first six months of transition have transpired. As you will recall following her defeat she was faced with three phases of decision and action. The first was an orderly evacuation from her Senate suite and handling of her records and papers. This was completed prior to the eviction date of January 3, 1973 only by exclusive attention to the task and refraining from other time consuming activities such as news media interviews but at the price of severely condemnatory and erroneous news articles.

The second was the disposition of her papers, which had been requested by universities and colleges throughout the country. A group of prominent Americans proposed that she turn over her home in Skowhegan to let them convert it into a Margaret Chase Smith Library. She agreed to this on the condition that the project be very modest and unpretentious. Jim Webb (former NASA head, Budget Director and Under Secretary of State) was elected President of the non-profit Margaret Chase Smith Library and I was elected Treasurer in strictly non-paid positions. Contributions (which are tax deductible) are most welcome.

The third decision phase is that which has just terminated—what would Senator Smith do? After six months, it is fairly clear that she will not retire to the rocking chair to which some critics would sentence her but instead become an academician. This started developing in March when she spent three days of residency at the University of Alabama Law School, followed by lectures, speeches and rap sessions at universities and colleges in Michigan, Indiana, Massachusett and Virginia. And it was recently culminated by her affirmative response to the request of the Woodrow Wilson National Fellowship Foundation to be a Visiting Professor in residency at universities and colleges throughout the country at periods varying from a few days to several weeks at each institution.

Senator Smith ruled out a government appointment very early. She was flattered by such proposals that she be Secretary of Defense or Chief of the SALT team but viewed them as unrealistic because of the inconsistency of the President appointing someone who had been rejected by the voters. In that connection, while she appreciates the press credit given her for the Kittery Naval Shipyard not being closed, she again says this is unwarranted and unrealistic. For if as the Democrats in Massachusetts and Rhode Island claim that in political reprisal the Boston Naval Shipyard was ordered closed because Massachusetts was the only state President Nixon lost and the naval facilities in Rhode Island were ordered closed because Republican Navy Secretary Chafee was defeated in his Senate bid, then by the same political reasoning it is far more plausible that President Nixon kept Kittery open as a political reward to the Maine voters for overwhelmingly supporting him while rejecting her.

She has taken on other activities such as member of the Board of Governors of a national insurance company, advisory councilor to the American Home Economics Association, and a fourth term as Chairman of the Board of Freedom House.

Perhaps you saw her on the Ladies Home Journal "Women of the Year" Award telecast. With mistress of ceremonies, actress Rosalind Russell, she opened that program when she presented the Public Affairs Award to Representative Shirley Chisholm. In asking Senator Smith to do this, Lenore Hershey, Managing Editor of the Ladies Home Journal, told her that a two-day deadlock of the Awards Jury between Representative Chisholm and Senator Smith had been broken only when some Republican members of the jury absented themselves from the voting.

Her vibrant smile, youthful appearance and jaunty walk to the microphone in that presentation triggered two interesting develop-

ments. One was a flurry of letters wondering if this could be the same bitter recluse Margaret Chase Smith in a wheel chair as Mike Shanahan and asking for information previously characterized by A.P. reporter and advice on her successful hip surgery. The other was a flurry of feelers on TV participation.

After receiving her third honorary doctorate this year (bringing the total to 74 doctorates and one masters), she and I drove to Skowhegan where she has spent the last month at her home working on her papers and records for the Library. During this time she sandwiched in four commencement addresses in Maine. I spent two intensive weeks opening 175 crates of records that had been mailed from her Senate office in November and December, before returning to Washington to be the Senior Moderator at the National War College Defense Strategy Seminar. We made very gratifying progress on getting the records and papers catagorized, positioned and catalogued.

This brings us up to date. Now for the rest of the foreseeable year. The middle of next month Senator Smith will take a pleasure trip to an area to which she has longed to return—Scandinavia, specifically Denmark and Norway. In August she tentatively plans to visit my place in the mountains of Red River, New Mexico. After that she will return to Skowhegan preparatory to "hostessing" the next Library Board meeting on September 8 and 9 there.

Following that, she will embark on her activity as Visiting Professor of the Woodrow Wilson National Fellowship Foundation taking her to universities and colleges throughout the country for the rest of the Fall and into the Spring of 1974.

Thus, the Senate's one lone woman member for so many years, after opposition by the political arm of the Maine Teachers Association and rejection by the Maine voters because of her age, ironically has been called to a new career of teaching and close association with young people.

But if there is irony in teacher opposition and voter rejection for being too old and yet subsequently being drafted by the academic world for a career of association with young people, there is some consistency in becoming a teacher.

For Margaret Chase Smith's first job after graduating from the Skowhegan High School was teacher in a one-room rural grade school. Now she is returning to her first role as teacher but this time as a Visiting Professor at the college level nationally through she never attended college—and most gratifyingly, being warmly and enthusiastically welcomed by the students.

The November election result was keenly disappointing—but if it led to this, it was a blessing in disguise.

Sincerely,

WILLIAM C. LEWIS, Jr.

THE GAO SHUTTLE REPORT

Mr. DOMENICI. Mr. President, those who contend that the Space Shuttle will cost more than either current expendable or new expendable boosters find grist for their mill in the GAO report dated June 1, 1973.

On page 30 there is a table that gives the cost per pound of putting payloads into orbit. The GAO gives these figures as $3,100 for current expendables, $2,600 for new expendables, and $3,500 for the Space Shuttle. On the surface, this would appear to be a damaging set of figures.

However, they are not damaging because these figures are irrelevant and meaningless to a rational discussion of the Space Shuttle. I say they are irrelevant and meaningless, because the economic case for the Space Shuttle does not rely on launch costs. The economic justification for the Space Shuttle is to be found in substantial payload savings it will bring about. Savings will accrue through the use of cheaper satellites: Cheaper because they will use off-the-shelf components; cheaper because they will have less redundancy; and cheaper because they will have the ability to repair them in space or bring them back to earth for refurbishment.

Moreover, substantial savings may arise from eliminating such costly losses as the $100 million orbiting astronomical observatory and the $70 million Mariner Mars failure. These costly failures would very likely have been avoided had a Space Shuttle been available. In this connection, the repair of Skylab I is a very good demonstration of repair work that a Shuttle crew can carry out on a future malfunctioning satellite.

The best estimates available show that the Space Shuttle will save upwards of $5.2 billion and possibly as much as $15 billion.

On June 15, 1973, the Library of Congress, acting under the instructions from the House Appropriations Committee, prepared a paper entitled, "The June 1, 1973 GAO Analysis of the Shuttle Program: A Critical Assessment." This is a very fine document and I commend it to my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE JUNE 1, 1973 GAO ANALYSIS OF THE SHUTTLE PROGRAM: A CRITICAL ASSESSMENT

OVERVIEW

Mr. Thmoas D. Morris, Assistant Comptroller General, reviewed the G.A.O. Shuttle report for the Senate Committee on Appropriations on June 12, 1973. He added informal remarks to his prepared text to explain the handicap under which G.A.O. conducted its study. He cited the lack of experience and familiarity with space hardware development and space missions as a major problem. The effort, according to Mr. Morris was a learning experience.

The unfamiliarity of G.A.O. with space systems is clearly evident in many of the arguments presented in the report. It should also be noted that the points raised by G.A.O. question but do not refute the NASA-Mathematica Analyses. In several instances G.A.O. finds NASA's figures overly conservative and suggests corrections which favor the shuttle.

Finally, G.A.O. notes a second handicap to their analysis—the tight constraint of their assignment. They were instructed to analyse NASA's cost justification which favors the shuttle over alternative competing systems. *G.A.O. supports NASA's contention that these cost estimates are not the best basis for decision making and they suggest five, more important, considerations.*

They do not explore these points but do include the following apologetic note which identifies the constraints of their assignment:

"Although we think the matters I have just mentioned deserve careful consideration in the selection among the alternative systems, the task were asked to perform involved anaylsis of the cost estimates for the three systems and, accordingly, our work was directed toward cost considerations."

The most frequent argument used by opponents of the Shuttle contends that NASA is trying to buy a 5 billion dollar transportation system without explaining what it is they wish to transport—the "who needs it?" argument. NASA's problem with this argument is not their lack of mission plans—the need for the Shuttle system emerged from these plans. They have simply been unsuccessful in gaining an adequately large audience to whom they could explain these plans.

The G.A.O. report notes this issue and supports NASA by recommending Congressional review of these plans. They carefully note that the tangible and intangible values of the Shuttle project and as well as those of space payloads were beyond the scope of their report, i.e.:

" . . . We made no judgment about the economic or other worth of the missions or payloads for which the Space Shuttle Program or alternative systems would be used, nor did we consider whether NASA's selection of the Space Shuttle Program was justifiable on such non-economic grounds as advancement of space technology or national prestige. It is clear without detailed review that the economic justification for the Space Shuttle Program depends on the priorities which the Nation places on future space exploration and experimentation."

The G.A.O. emphasizes these points by repeating them in several ways throughout the report thus carefully disqualifying their specific assignment as an important tool to decision making. They emphasize, again through repetition, that larger issues be weighed:

a) The value of space activity in the Nation's future—"not just until 1990 . . . but for the indefinite future".

b) The value of potential new technology that might result from the Shuttle program.

c) Whether the Shuttle provides the flexibility and the unique capabilities which the U.S. space program should have.

d) The value of international prestige provided by the Shuttle.

e) If lives were lost in manned flight, would the space program be damaged by public reaction?

f) How valid is the contention that the Nation's space objectives can be achieved with unmanned flight?

In brief, the major portion of the G.A.O. assignment, the examination of the costs of competing space transportation systems has as its primary thrust, an emphasis on uncertainties, unknowns and unknowables of the type generally common to any large scale undertaking. However the report warns that the cost comparison section is of minor significance to the Shuttle decision. Instead, the report has an overlay of questions, asked but not answered, which are identified as central and relevant to the Shuttle decision.

One can not fail to note that the extensive exploration of many of these larger questions formed the basis for the NASA decision to pursue the Shuttle program, namely:

a) Projections of the growth in value of the uses of the space domain.

b) Projections of the increasing diversity of current and anticipated applications of space technology, both civil and military.

The G.A.O. suggestion to Congress that the Shuttle decision should emerge from an exploration of these larger issues could therefore be taken as a tacit endorsement of the Shuttle program.

REBUTTLE OF SPECIFIC POINTS

The three major points identified by G.A.O. are treated in this section. In addition, an appendix has been included, which was furnished by NASA. The appendix identifies and answers additional items from the G.A.O. report.

1. ARE FIVE ORBITERS ENOUGH?

G.A.O. states that in terms of vehicle losses, no good comparisons, relevant to the orbiter, exist. They note that the F-111 required 12 vehicles for the first 40,000 hours and assume that 581 Shuttle flights would require about the same flight hours, and possibly the same number of vehicles.

The 40,000 hour estimate for 581 flights is invalid. The engine life time of the orbiter, for example, is less than 10 hours. The orbiter experiences less than two hours of aerodynamic flight per mission. Time in orbit, in a zero "g" condition, does not contribute to structural stress or fatigue. Actual aerodynamic flight time for 581 missions would therefore be a more realistic comparison. This figure is about 1,000 hours.

NASA's 581 mission profile requires three orbiters, assuming none are lost. Five orbiters were included in the costing of the 581 mission profile, with contingency funds for one additional orbiter, should it be needed.

2. OVERLOOKED COST

Although G.A.O. identifies two areas in which they identify overlooked costs, they also have noted an amount twice as great as the sum of these overlooked items which is deductible. The net balance of the G.A.O. notations therefore reduces the total estimated Shuttle costs by about $150 million.

3. OVERRUNS

G.A.O. suggests the possibility of cost growth. Their support for this suggestion stems from their familiarity with the history of major military weapons systems.

The environment in which weapon systems are specified, developed and purchased is unlike that in which major space hardware is produced. A more relevant comparison could have been drawn from studies of space hardware development, such as that required for the Apollo program.

The Apollo program was far larger, spanned a greater period of time and was at all times a greater technological risk than the Shuttle, and also greater than any known weapon system. Yet, its final cost was well within the limits of the original cost estimates.

Mr. DOMENICI. Mr. President, one of the most telling arguments against the GAO report is on page 5 of this fine document. I refer to the section entitled, "Are Five Orbiters Enough?" Here is what this report states and I quote:

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Now, here we have a case of the GAO comparing apples and oranges. Moreover, faulty arithmetic may be involved.

I believe the report of the Library of Congress on the possibility of vehicle losses is much closer to reality than the GAO report.

CHARLES HODEL—PUBLISHER

Mr. ROBERT C. BYRD. Mr. President, in 1961 the Sunday Gazette-Mail, of Charleston, W. Va., paid the ultimate compliment to Charles Hodel, naming the publisher of the Beckley Post-Herald and the Raleigh Register as "West Virginian of the Year."

By bestowing such an honor on a competitor, the Charleston papers showed the respect that all West Virginians shared for Mr. Hodel. Now we share the loss in his passing.

Charles Hodel passed away last Saturday, June 16, 8½ years after suffering a stroke that kept him hospitalized since 1964. My sympathy goes to his family, who I am sure take great comfort in the goals he accomplished during his life.

The son of Swiss immigrants, Charles Hodel was born in New Philadelphia, Ohio, more than 84 years ago. His was a farm family, far from wealthy. In that kind of childhood, there were few material things. Yet, his immigrant ancestry and his close-to-the-earth upbringing instilled in him a pioneer spirit and a belief in the American way of life that contributed much more than material goods would have given to his later success.

At age 13, he lost a leg as a result of a fall. Even though he later described the amputation as "the low point of my life," the accident did not deter him. In his midteens he came to West Virginia as a book salesman, but became a printer for newspapers in Montgomery, Grafton, and Clarksburg. He finally became editor of what was then the Raleigh Herald.

In 1912, he was named editor of the competing weekly, the Raleigh Register; and, by 1929, he had become the owner of the Register, turned it into a daily newspaper, and had also purchased the Post-Herald.

He had also, during that period, become a prominent civic leader in Raleigh County, promoting the local rural development council, outdoor drama facilities, and improved transportation systems. It was Charles Hodel who assured a new Raleigh County Airport by using his own money to hold open the option on the needed land.

Throughout his life, Charles Hodel was a great believer in the American dream—he made believers out of many others, as well. His pride in West Virginia, and in particular the Beckley area, was matched by his dedication to making the State and county better areas in which to live.

West Virginia has lost not only one of its finest publishers, but also one of its finest citizens. I extend my condolences to Mr. Hodel's family.

NAVY DEPARTMENT ESTIMATES 14 TO 15 BILLION BARRELS OF RECOVERABLE OIL RESERVES IN NAVAL PETROLEUM RESERVE NO. 4—ANOTHER REASON WE CANNOT AFFORD TO WAIT TO BUILD THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, the Navy Department has, at my request, conducted research on the amount of recoverable oil and gas reserves in naval petroleum reserve No. 4 on Alaska's North Slope. I am informed the Navy Department estimates there are 14 to 15 billion barrels of recoverable oil reserves in petroleum No. 4. Other sources estimate between 10 and 33 billion barrels.

The Navy Department estimates 80 trillion cubic feet of natural gas in recoverable reserves there also.

Let us compare this to the proven oil and gas reserves in the Prudhoe Bay Field of the North Slope. The American Gas Association has estimated that field of the North Slope contains 26 trillion cubic feet of natural recoverable gas reserves. The American Petroleum Institute has estimated 9.6 billion barrels recoverable reserves in the Prudhoe Bay Field.

It is not hard to visualize the immense importance of the reserves in Naval Petroleum Reserve No. 4.

However, all the oil in the world will do us no good if we cannot transport it. If we cannot transport it to the rest of the country, we might as well be without it. In fact, I believe this Nation little understands the security implications of Alaska's vast oil reserves.

AMERICAN POLITICS: A PERSONAL VIEW — SENATOR McGOVERN'S OXFORD LECTURE, JANUARY 21, 1973

Mr. McGOVERN. Mr. President, following the Presidential election last November, I was invited to deliver a lecture at Oxford University. That address, given on January 21, 1973, was the subject of considerable controversy following its delivery.

Since then, however, I have had countless requests for copies of the address; it has been requested for publication in two collections of public addresses; and I have been advised that it has been used in numerous college classrooms.

In any event, I am confident the speech will stand the test of time despite the initial criticism it drew from some journalists and others.

I ask unanimous consent that the text of the address as delivered be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN POLITICS: A PERSONAL VIEW

I had hoped to be occupied elsewhere today. But the American electorate has made it possible for me to spend this time with you.

Had my fellow citizens been better acquainted with your history, they might have seen certain parallels between Richard Nixon and his namesakes who sat on the English throne.

Like Richard I, Richard Nixon has been celebrated for his foreign journeys, while his own land has been troubled and unattended.

Like Richard II, who wasted England's wealth in a failing war in Ireland, Richard Nixon has squandered America's good name in a foolish venture in Indochina.

And like Richard III, if we can believe the Tudor historians, Richard Nixon has usurped powers that are not his in law or tradition.

You have been spared a King Richard IV. We seem to have him—for four more years.

Only the voters of Massachusetts—the nation's birthplace—and of Washington, D.C.—the nation's capitol—would have had it otherwise. We have established a new political dictum: "As Massachusetts goes, so goes the District of Columbia."

Just why the American electorate gave the present administration such an overwhelming mandate in November remains something of a mystery to me. I do not expect to find a fully satisfactory answer. My supporters and I worked so incredibly hard and campaigned so vigorously and openly, that our overwhelming defeat has left us with a temporary sense of sadness and disappointment that we must learn to direct into a constructive, continuing effort to restore our hopes for America. I firmly believed throughout 1971 and early 1972 that the major hurdle to winning the Presidency was winning the Democratic nomination. I believed that any reasonable Democrat could defeat President Nixon. It now seems doubtful to me that anyone could have defeated him in 1972 unless there had been a third party effort by Governor Wallace to divert a major portion of the right wing vote from Mr. Nixon. And I am not certain that the Democratic Congress will hold the President in check for the next four years. I am convinced that the United States is closer to one-man rule than at any time in our history—and this paradoxically by a President who is not personality popular.

Fundamentally, we have experienced an exhaustion of important institutions in America. Today only the Presidency is activist and strong, while other traditional centers of power are timid and depleted. This is why one man in the White House was able for so long to continue a conflict of madness in Southeast Asia hated by so many of his countrymen.

The institution of Congress has been exhausted by Executive encroachment and legislative paralysis. For a decade, a war was waged without Congressional approval; for years, that war raged on in part due to Congressional inaction. The representatives of the people proved unwilling to end a policy opposed by the people.

But the impotence of Congress and the omnipotence of the Presidency have deeper roots and a longer history. In 1933, at the depths of the depression, Congress passed Administration bills almost before they were printed or read. It was a time of crisis. But in the years since then, the Congress has acted as though the crisis were permanent. We now accept the curious notion that the legislative initiative rests with the executive branch. Most major legislation that Congress considers originates with the Administration.

And in the last generation, Presidential activism and Congressional passivity have been even more pronounced in the field of foreign policy. Congress was not asked for approval in the 1950s before American troops were dispatched to Korea and Lebanon. The chairman of the Senate Foreign Relations Committee, who advised against the Bay of Pigs invasion, was ignored, while other members of Congress were not even consulted. The Senate was assured that the Gulf of Tonkin Resolution was no writ for a wider war; it was then used as an excuse for the widest war since 1945.

Now this tide—which has ebbed and flowed for four decades—has crested at a new high. Just before Christmas, the President, in the flush of his electoral landslide, unleashed the most barbarous bombing of the war without even forewarning the Congress. He then refused to explain it or to permit any of his subordinates to explain it—a situation which must strike you especially as strange, since not only the Foreign Secretary but the Prime Minister are regularly called to account in the House of Commons.

I only wish your government had expressed to us the moral outrage that a good friend was obligated to express against the senseless destruction of Indochina. Thank God for the eloquent and timely words of Roy Jenkins.

The President's defense for silence over this arbitrary bombardment and secret negotiations was the American doctrine of executive privilege, which is supposed to protect certain limited types of communication within the executive branch. The truth is that he was abusing executive privilege, which is not supposed to prevent review and the exercise of responsibility by the legislative branch.

Our Constitution, like yours, is an organic document. Although the first Americans sketched the essential outlines of government, they wisely left the embellishment of the relationship among its three branches to experience. Thus, the assignment of specific authority is only in a few instances explicit.

But among the rights clearly assigned to the Congress are the powers of war and peace and the power of the purse. The power to make or unmake war, however, has been stripped almost completely from the Senate and the House. And now, for the first time, the executive has mounted a serious challenge to the Congressional control of appropriations. Perhaps the Congress invited this attack by a complacent acquiescence in the Vietnam disaster; in any case, the battle is on, and the Congress is losing.

Last fall, we submitted to the President a bill to clean up our nation's waterways. He vetoed the bill, and we passed it again over his veto. He then simply refused to spend the money as Congress directed. The success of this tactic was followed by the impoundment of funds for other domestic programs. Most incredibly, at the end of the last legislative session the President demanded that the Congress rubber stamp such impoundments in advance. He asked us to agree to set a budgetary ceiling within which the sole power of appropriation was reserved to the executive branch. Even more incredible was the speed with which the House of Representatives approved this request, and its relatively narrow defeat in the Senate. And after Congress refused the President this authority, he just took it. One wonders why he even bothered to ask.

This is not the way of a government of laws or even of men, but of one man. Today the United States is moving dangerously in that direction. The Congress seems incapable of stopping what it opposes or securing what it seeks. It has been described by a Republican Senator as a "third or fourth rate power" in Washington. And it may be fairly asked whether the Congress of the United States in the seventh decade of this century is in peril of going the way of the House of Lords in the first decade. The difference is that the diminution of the Lords made English government more democratic, while the diminution of the Congress makes American government more dictatorial.

And the exhaustion of the Congress is matched by the exhaustion of the political parties.

The Republican Party, reduced to utter vassalage by the White House, offers little more than administrative reorganization. They offer the politics of efficiency—but to what end and impact? Their answer to the transportation crisis is to rearrange the Department of Transportation. Their answer to desperate social needs is to reduce and rename social programs. Their answer to the threat of racism is the malignancy of benign neglect. Their answer to the housing crisis is a moratorium on new public housing.

And at the same time, the loyal opposition is neither loyal to a specific set of ideas nor effective in its opposition. The Democratic Party is in peril of becoming a party of incumbency out of power, much like the Whigs of the 19th Century—a party with no guiding principles, no programs, living only from day to day, caring only for the perequisites of office, doing nothing, and worse, not caring that nothing is done.

Though important and, I believe, enduring reforms have opened the Democratic Party to broader citizen participation, the purposes for which it stands remain disputed and undefined. For twenty-eight of the last forty years, those purposes were set by Democratic Presidents in the White House. Today, the party consists largely of fragments and factions, often still divided along the same lines as in 1968, when proadministration and anti-war forces contended for its soul.

At the same time, the Democratic constituency has declined; in both of the last national elections, the Democratic candidate could count only about 40% of the vote. I believe the Democratic party is still the best hope for most Americans. Yet I know that we have failed to convey the Democratic appeal to millions who are not racist, but afraid; who do not seek a demagogue, but will settle for one if no more constructive leader seems to hear or heed them.

And what is the response of the Democratic Party and its major ally in organized labor? Not a determined effort to shape a constituency for change, but an exhausted armistice with the status quo. In 1973, the party itself is no longer a challenging source of ideas and innovation in society. Indeed, in the midst of the quarrels and the contention, the safest course for party officials has been to emphasize that they are interested, not in the ideology, but in the technology of politics.

Without principles, there is no party. And a nation cannot be led nobly or even decently by a collection of politicians whose highest purpose is power.

But perhaps the most discouraging development of recent years is the exhaustion of the institution of the press.

Under constant pressure from an administration that appears to believe that the right of a free press is the right to print or say what they agree with, the media have yielded subtly but substantially. During the campaign, I was subjected to the close, critical reporting that is a tradition in American politics. Indeed, even routine staff squabbles were widely reported and difficulties in the selection of a vice presidential nominee were treated as a momentous crisis although no damage was done to the Nation. This kind of close press attention to the details of my campaign was not always comfortable, but it was, perhaps, inevitable, if not essential. Yet Mr. Nixon escaped a similar scrutiny. With a few notable exceptions, the press never really laid a glove on him, and they seldom told the people that he was hiding or that his plans for the next four years were hidden. Six days after the Watergate gang was run to the ground, Mr. Nixon invited reporters into his office, and submitted to the only interrogation his managers allowed during the fall campaign. Not a single reporter could gather the courage to ask a question about the bugging and burglary of the Democratic National Committee. Much of this can be blamed on the White House press corps itself. As one wrong question, and a reporter may find himself cut off altogether, thus ending his repose in one of the most coveted assignments a journalist can draw.

Now, with the election over, the executive branch has tightened the pressure on the media. For example, the administration has expressed an intention to punish offending television networks by depriving their stations of licenses. Already, the White House has dismantled the Public Broadcasting System whose public affairs presentations the President found irritating. And much of the press has responded by retreating. It has

catalogued the slashes in domestic programs and the plans for arbitrary, insensitive governmment—but it has not even noticed anything amiss in the fact that these steps were concealed or denied before the election. There are, of course, brave reporters, newspapers, and television channels ready to take the heat; but there are countless others who have left the kitchen for a more confortable, uncritical existence in the antechamber of this administration. They are trying to get along by going along. The more wrong-headed and irresponsible of our syndicated columnists, especially, are far more interested in cultivating their dubious "sources" on the inside than they are in presenting accurate information or thoughtful judgments. Fortunately, their reading audience is small and increasingly wary of ill-informed gossip.

But the exhaustion of American institutions is matched by an exhaustion of the American spirit.

This even touches some liberal intellectuals, traditionally the most tireless group in America. Today you can hear such liberals saying that government cannot make any real difference for good in the lives of people—that whatever it touches will turn to failure. And they are reluctant to resume the imperfect but important social progress interrupted by the Vietnam war. Instead they seem almost happy to fulfill the prophecy of W. R. Inge, the Gloomy Dean, that he who would marry the spirit of the age soon finds himself a widower. And they seem to draw a curious personal consolation from the evidence that appeals to the idealism and morality of America were rejected in 1972 by the majority of Americans.

Indeed, these once liberal voices now tell us that we should not try to save our cities, cure the causes of crime, eradicate poverty or admit our error in Vietnam. They say that if we are part of the solution, then we are also part of the problem. Their motto appears to be: "Nothing ventured, nothing lost." They seem to be searching for the lowest common denominator of the current political mood.

The same disspirit envelops millions of other Americans. They have followed a bloody trail of disappointment from a sunny street in Dallas to a decade of senseless killing in Indo-China. Three times they have voted for peace; and each time they have been given more war. They were oversold on the social experiments of the 1960s; now they are wary of buying even sensible and essential social progress from any political leader. They see government as at best an annoyance, at worst an enemy, and they wish it would just leave them alone. Broken promises have ended in broken power. Public officials are viewed principally as annoying tax collectors or as social planners disrupting established social, racial and ethnic patterns of life.

To my mind, this mood was central to the outcome of the 1972 election. For example, the commentators have suggested that credibility was among my principle difficulties during the campaign. I agree, but not with the proposition that people did not believe me. I think they *did* believe that I would do what I said, and they were afraid. They sensed that I really intended to reduce our swollen military establishment and to demand genuine reform of the tax code. They knew that I meant it when I said we were coming out of Indo-China lock, stock and barrel with no delays for face-saving exercises. Many looked back at the debris of the last decade, and they feared that once again, they were about to be called to new efforts to strengthen our society; they were not ready to expend that effort.

So to me the central challenge for the future of American politics is to end the paralysis of institutions and ease the apprehensions of the electorate. The United States must find a way to replace exhaustion with energy, cynicism with hope, resignation with determination, destructive anger with constructive activism.

That is so easy to say, so hard to do.

I no longer think it can be done merely by calls to greatness or appeals to idealism, no matter how eloquent. Americans have been told until they are tired of hearing it that they shall overcome, that they can move their country forward, that they can have a great society, that they can seek a newer world or find the lift of a driving dream—or even bring America home to its founding ideals. This kind of summons has value; indeed, in my view, Americans are desperately anxious to believe in a transcendent, almost mystical purpose. But they are also skeptical now of any such summons unless the signs of progress are apparent.

As I discovered in the last campaign, it is not even enough to outline proposals in specific detail. The only way to reawaken faith in the system is for government and politicians to restore it step by step, through substantive advances that mean something to people. They must see their sons home from Vietnam, their neighborhood crime rate reduced, their taxes used to build better lives instead of bigger bureaucracies, their children educated in decent schools and their illnesses cared for at reasonable cost. The progress must be visible, sure and steady. The words of politicians must be matched by effort.

This requires above all else a determined effort to improve and strengthen the institutions in America that are supposed to serve the citizens of America. After a decade of disillusion, institutions may be unfashionable things. But institutions are not evil, they are neutral; and they are indispensable instruments of change in society. More often than not, the ebbs and tides of history are determined by the nuts and bolts of government.

In modern times, when American liberals have recognized that truth, they have tended to see it in terms of the Presidency. Only a few years ago, liberal scholarship still celebrated the strong executive and sought to strengthen it even more. Now we have learned that the presidency, too, is a neutral instrument—that power in the White House can be abused as well as used.

Twice now our answer has been an attempt to change the person in the Presidency. Both times we have ended in at least as much difficulty as we were before. It is now almost four years until the next national election. It is also time to ask whether American progressives should continue to rely on a quadrennial chance to capture what is becoming an elective dictatorship.

We may lose again as we have before. And liberty is the real loser when so much authority is vested in a single office.

There will be plenty of time to prepare for the next campaign. But now is the time for a determined effort to change, not the person in the White House, but the power of the Presidency. American liberals must reverse the forty year trend toward a stronger President and return to the two hundred year old tradition of shared power. It is time to renew the Constitution, the Bill of Rights and the Declaration of Independence.

The Supreme Court is subject to fate and executive appointment, with only the Senate standing between the court and an ideological coup. So the true priority is to protect the place of the Congress in the federal system. We must seek a pluralism of power, where Congress and the President guard and prod each other.

Some political scientists claim that this is the wrong aim. They say: Only the President can lead because only the President has a mandate. But Congress has a collective mandate, made by a blend and balance of the regional interests reflected in each member's election. And that collective mandate is as useful and necessary as the President's. The Congress can work to check the Executive and to move the country. It can seek cooperation with the President; it can also shape a kind of cooperative tension with him that can make change happen. In the words of an ancient philosopher: "That which is in opposition is in concert, and from things that differ comes . . . harmony."

In pursuit of a pluralism of power, the Congress has powerful weapons at its disposal. And after executive provocation without peer or precedent, the legislative branch at long last seems ready to act.

Now the Congress must exert its authority to achieve a full measure of influence. For example, when the legislation that allows the President to control wages and prices comes up for renewal, the Senate and the House should not issue another blank check. We should include safeguards to assure that profits, dividends and interest rates are never again permitted a special break while the wages of workers bear the full burden.

But the Congress should not wait for such opportunities. It should mount a consistent and coherent effort, founded on its foremost power—control over appropriations. James Madison wrote in *The Federalist Papers*, number 58:

"The power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure."

This insight is borne out in the history of your own land. For five centuries, from Edward I to George III, English liberty was purchased piece by piece by the Parliamentary power of the purse. And in 1973, the Congressional power of the purse can sustain American liberty.

It can be used to stop the abuse of executive privilege. Part or perhaps all of an appropriation could be conditioned on the administration's consent for the appropriate officials to testify before House and Senate committees.

It can be used to stop executive wars by whim. The Congress must refuse to fund conflicts it has not declared or even decided to fight. From the tragedy and travail of Vietnam, the Congress at least must learn the truth of Edmund Burke's warning: "A conscientious man would be cautious how he dealt in blood." American ideals have been depreciated. American wealth has been sunk. Human lives have been wasted, and Indochina itself has been consumed in the contest. The United States must fight when the course is right. But never again should the Congress allow young American lives to be lost in an undeclared, ill-defined war for the defense of a corrupt dictator anywhere in the world.

And these steps are only a beginning. For if the Congress is to assume a role of leadership, it must have not only the negative power to review and reverse policy, but also the positive power to make policy in the first place. It must know enough—so it will not hear the reply that the President always knows best. It must be structured for integrated decision making—so it will not hear the reply that only the President can pull all the pieces together.

First, the Congress should establish a unified budget assessment mechanism. The Senate and House should establish a committee to estimate revenues, set a general level of expenditures, and establish priorities to relate specific appropriation decisions to that general level. This committee should have sufficient resources of expertise and information. There is no reason to let the President control the budget because he has the only Office of Management and Budget.

Second, the Congress should establish a policy. With members drawn from the Appropriations, Foreign Relations and Armed Services Committees, such a unified committee could offer a thoughtful and sensible alternative to executive proposals. This committee, too, should have the necessary resources. If the President can have two State Departments, the Congress can have at least one agency to provide information and recommendations about foreign affairs and defense policy.

Third, the Congress should adjust the seniority system. No other legislative body in the Western World uses length of service as the sole standard for place and power in its committees. If the Congress is to carry out its collective mandate, it must do what the mandate means, not what a few individuals from safe districts want. An activist, effective Congress must reflect the popular will. It cannot do so unless the members freely elect committee chairmen.

Finally, the Congress should defend its powers as it extends them. It must consider and choose from a number of alternatives to cancel or control the impoundment of its appropriations. Only then can the Congress assure the execution of the policies it has enacted.

So if the Congress has the will, there is a way to exercise positive leadership. For the long term, the question is—in what direction?

I am convinced still that the society to which America should aspire is a liberal one. To those who charge that liberalism has been tried and found wanting, I answer that the failure is not in the idea, but in the course of recent history. The New Deal was ended by World War II. The New Frontier was closed by Berlin, Cuba and an imaginary missile gap. And the Great Society lost its greatness in the jungles of Indochina.

Of course, liberal programs will sometimes fail anyway, for human decisions are frail always. Government is the creation of men and encompasses the weaknesses of men. Plans can be poorly executed—though a Congress with sense and a bit of intelligence can work to prevent that. But that government is best, I believe, that best serves the demands of justice. So what Americans should seek is a system in which the principles of civil equality and individual liberty have the highest claim on statesmanship. We must renew our devotion to personal freedom and personal privacy. We must strive to provide a decent standard of life for all citizens and to redistribute wealth and power so each citizen has a fair share. And along with this must come a foreign policy which puts humanity and morality ahead of Cold War myths and the prestige of leaders who would rather compound error than face reality.

And an institutional revival of the Congress not only can lead America in a new direction; it can also spark a similar institutional revival outside government.

Where power is pluralistic rather than presidential, the press will not have so much to fear from the executive branch. It could institute reforms such as the rotation of correspondents at the White House and among candidates in a national election, and the assignment of political reporters and not just "regulars" to the President during a campaign.

There are also hopeful signs of a reawakening in the Democratic Party. The party is scheduled to hold biennial conferences to set national policy, with the first one next year.

And as Democrats look ahead to 1976, they can be encouraged by the enduring gains of 1972. For I believe my campaign set the manner in which future candidates must seek the Democratic nomination—openly, candidly, not with the traditional strategy of saying as little as possible, but with a pledge to seek and speak the truth. I believe we also set a standard for the conduct of future campaigns—which will have to reveal their contributors and represent the people rather than special interests. And, hopefully, Americans will not again accept wiretapping, Watergates, and the spectacle of a candidate hiding in the White House. Instead, they will expect at least a commitment to correct wrongs rather than committing them. Finally, I believe our campaign set forth the great issues that will dominate the debate of the 1970s, ranging from tax reform to a rational military budget.

And millions of Democrats, whether they are ordinary citizens or Senators, are anxious to carry the banner. I have faith that their energy and efforts can end the exhaustion of the electorate, enlist the country in a coalition of conscience as well as self interest, and expand the 29 million votes the national ticket won in 1972 into a majority that is right as well as new.

In 1972, I was the beneficiary of the most devoted, idealistic campaign workers ever assembled. They provided the energy and the tough-minded attention to issues and political organization that enabled me to win the Democratic Presidential nomination against all the odds makers and political prophets. They did not prevail in November; they remain, however, closest to the enduring spirit of the nation that we ought to honor in the year of our bicentennial, 1976. They are the most effective, dynamic political force in American politics today. No one will win either the Democratic Presidential nomination in 1976 or the subsequent Presidential election as a Democrat without the active support of this superbly motivated, public-spirited force of Americans.

But as I have noted, the next election is four years away. For the immediate future, the key is the Congress. It must take the initiative and provide the inspiration. It must cure the paralysis and procrastination that have earned it the doubt, the disrespect, and the cynicism of the American people. The New York Times recently described the President as a leader who "behaves with the aloofness of a Roman emperor." It is useful to remember that no Roman emperor was crowned until the Roman Senate abdicated.

Before most of you were born, the late Henry Luce described this time in history as the American century. Since then, the United States has learned the hard way that you cannot colonize centuries any more than you can colonize countries. But I would still like to believe that my country has something of value to offer to a beleagured world.

It is not just our wealth and our technology—though that we should share with those who need it.

And it is not the terrible gift of another Guernica in Indochina.

And surely it is not our power to unleash a nuclear reign of terror, to give the earth a last shimmering moment of light before the endless night.

Throughout our history, America's greatest offering—as I said in accepting the Democratic presidential nomination—has been as "a witness to the world for what is noble and just in human affairs." This is what summoned the dock workers of Manchester to support Abraham Lincoln and the cause of liberty during our Civil War. And this is what America must restore. If we fail, other generations who are not free will look back and say that things cannot be any other way.

So in my mind, the challenge of the American future is to revive our institutions and resume our progress at home while we act abroad with "a decent respect for the opinions of mankind."

NEW TECHNOLOGY IN THE FOREST PRODUCTS INDUSTRY

Mr. PACKWOOD. Mr. President, earlier this month, my staff assistant responsible for covering the forest products industry received a telephone call from a firm in Wilmington, Del.

The purpose of this call was to alert me to the potential for development of a radically new technology for logging. In this day and age, when each of us is becoming increasingly concerned over the future of our environment, present methods of logging are coming under increasing challenge for the manner in which they affect the forest environment. An allied difficulty with the prevailing method of logging involving construction of an extensive road network is that the major capital investment required tends to make certain harvesting methods economically disadvantageous even though they may be preferable from an environmental standpoint.

Also, the capital investment needed for a road network makes it uneconomical in many instances to practice proper forest management in the form of precommercial and commercial thinning operations in the forest.

The many disadvantages of extensive road-oriented logging have contributed to increased interest in such other harvesting techniques as balloon and helicopter logging. Each of these methodologies, however, has its own disadvantages: Relative lack of control and stability in the case of balloons and relatively extreme expense in the case of helicopters.

It is in response to this increasingly vexacious problem of how this nation will be able to continue to meet the needs of our citizens for lumber and other wood products while, at the same time, doing all we can to protect the environment from which the trees must come, that the All American Engineering Co. in Wilmington began research on the Aerocrane.

I have asked several friends of mine in the forest products industry—people who are, without question, some of the best informed professionals in the world—to review the Aerocrane concept and advise me as to its feasbility for wide-spread use in the forest products industry. Preliminary reports have been sufficiently encouraging as to the soundness of the proposal that I would like to call it to the attention of my colleagues at this time.

I ask unanimous consent that the attached report on the Aerocrane concept be printed in its entirety in the RECORD. I urge my colleagues to review this report as I am becoming increasingly convinced that it holds great promise for overcoming the inherent and internal conflicts built into current logging methods.

There being no objection, the report

was ordered to be printed in the RECORD, as follows:

THE ALL AMERICAN ENGINEERING AEROCRANE
A NEW CONCEPT IN SHORT-RANGE AERIAL TRANSPORTATION OF TIMBER

(NOTE.—Figures referred to are not printed in the RECORD.)

Reduced to simple terms, the basic problems in logging all relate to transportation. High weights, awkward loads, poor footing, near vertical ground contours, and remote locations only begin to tell the story of the transportation problems in timber harvesting. With the possible exception of mining, no other industry faces the full range of transport problems.

The construction of a major road network is paramount in any timber harvesting operation. Modern logging requires that roads be built to within 1,000 feet of every tree harvested. In one square mile of forest this can mean over 12 linear miles of roads. When the logging operation is being done in mountainous areas (where we now harvest about 50% of our saw lumber) these roads are extremely expensive and create a serious erosion problem. This vital road network is often the major target of environmental action groups.

Logging operations in the past have often resulted in serious damage to the surprisingly delicate forest environment. Even the more moderate environmentalists have grounds for complaint against some poorly logged areas. The pendulum of human action/reaction is now swinging to the extreme of barring *all* roads. Such an action could, with present lumber prices and harvesting methods, stop all logging.

The U.S. economy is highly dependent upon lumber and a cessation of logging cannot be allowed to occur. However, even quite reasonable road restrictions will force timber harvesting costs even higher. The result of higher harvesting costs means higher lumber prices at home and reduced exports, thus furthering the economic impact.

What can be done about the significant problem of lumber needs versus environmental concern?

One answer is to break the transportation bottleneck by airlifting entire trees out of the forest.

Aerial transportation of entire trees would eliminate the need for the extensive road network now required.

The selective harvesting of only the best lumber would increase the production efficiency of saw mills. Also, the 25% to 50% of each harvested tree now left in the woods (branches, needles and tops) *might* be usable as a zero sulfur fuel or particle board material.

Normal aerial lift systems lack the ability to selectively remove whole trees within any reasonable range. Present-day helicopters have inadequate payload capability to lift the weight of an entire tree (approximately 100,000 lbs.). Balloon cable systems can certainly be constructed to support 100,000 lbs., but the constant upward thrust under no load conditions requires massive ground winches and tiepoints that severely limit the ability of the system to select only the desirable trees. It is clear that a new method must be found if aerial whole tree harvesting is to become possible.

In 1972 the proposed USFS project "Falcon" came to the attention of All American Engineering Company, a subsidiary of All American Industries, Inc. (Amex), Wilmington, Delaware. Project "Falcon" was intended to investigate innovate aerial timber harvesting methods. This program was of great interest to All American, the world leader in aerial pickup and retrieval systems.

All American was founded in 1938 by the late Richard C. DuPont to supply an airmail in-flight and delivery service to communities in the Middle Atlantic States. After an eight year record of better than 90% reliability, the service was changed to a passenger operation now known as Allegheny Airlines.

The energy absorbing winch systems developed to allow the airmail bags to be safely brought aboard the aircraft were expanded in World War II for multiple glider pickup, personnel evacuation and clandestine operations.

Continued development of energy absorbing techniques led to aircraft arresting systems and aerial recovery methods now used world wide for parachute payload recovery systems for returning satellites and unmanned aircraft (reconnaissance drones).

With the extensive aerial cargo handling systems experience gained over the last 35 years, All American began a program to investigate aerial timber harvesting. After reviewing timber harvesting operations, All American concluded that the available aerial systems (balloons and helicopters) did not offer an optimum solution to the problem of aerial logging. What appeared to be needed was a combination balloon and helicopter with the best features of both. All American's engineers began design of such a hybrid system. The "Aerocrane", shown in Figure 1, is the result of that effort.

The Aerocrane concept of a balloon/helicopter combination offers a method of economically airlifting heavy loads. An Aerocrane sized to lift 100,000 lbs. as a slingload is illustrated in Figure 1. The diameter of the central sphere is 150', the four wings are 112' long and 18' wide. With an estimated total of 5,000 horsepower in the four wing-mounted engines, the Aerocrane can achieve a forward speed of 42 mph with a full load of 100,000 lbs. As a point of comparison, the largest U.S. helicopter has 9,000 installed horsepower and a maximum slingload capability of 25,000 lbs.

The interior of the central sphere is naturally divided into eight equal segments by the internal structure that supports the wing pivot points (Figure 2). Eight ballonets (Figure 3) will be used to contain the helium, and the remaining internal space pressurized with air to maintain the spherical shape of the main envelope.

The wings are supported by cables secured to the north/south axis framework of the internal structure.

In operation, the wing-mounted turbo-prop engines cause the entire balloon/wing assembly to rotate at about 10 rpm. This rotation of the four large wings generates an aerodynamic thrust of 60,000 pounds.

The control cab is isolated from the rotating sphere by a swivel joint so the cab remains stationary.

The aerostatic lift generated by the buoyancy of the gas is established (by selection of the correct size envelope) to support the entire weight of the vehicle *plus* an additional 40,000 lbs. Thus the combined aerodynamic thrust of 60,000 lbs. (established by selecting wing size and horsepower) and aerostatic lift provide a slingload specification of 100,000 lbs.

When the Aerocrane releases the cargo, the rotating assembly is so controlled (by varying wing pitch angle) to produce a downward aerodynamic thrust (60,000 lbs) sufficient to overcome the net upward lift (40,000 lbs.) of the aerostatic sphere and translate in the desired direction.

With a top speed of 42 mph the Aerocrane can operate with adequate efficiencies in winds up to 30 mph. (A chart outlining the efficiency factor is shown in Figure 4.) When wind velocities exceed this value the two-point mooring system of Figure 5 is used.

By mooring the Aerocrane as shown with lines approximately 500 feet long, the Aerocrane can "ride out" winds up to 100 knots (115 mph) in perfect safety.

In actual timber operations, the Aerocrane can harvest selected trees over a circular five square mile area and deliver these trees to a central landing area at a rate of up to 10 very large trees (up to 100,000 lbs. each) per hour. Only one road (to the landing) is needed. This road need only to be equivalent to the radius of the circular area or about 1.75 miles instead of the 60 miles of road normally needed to harvest an area of this size. With no slash (waste lumber) left in the forest and no roads, the environmental impact is very small. In fact, whole tree aerial logging can be planned and conducted in such a manner as to eliminate many environmental hazards such as disease, fire and other natural causes.

The 100,000 payload Aerocrane may be the model most useful in timber harvesting, but this is not nearly the largest model possible. In contrast to the problems in "scaling up" a helicopter, the Aerocrane gets better as it gets bigger. An Aerocrane capable of lifting 500,000 pounds is quite feasible and could probably be built using readily available engines. Figure 6 projects the performance of larger Aerocranes. The illustrated example indicates an Aerocrane capable of lifting 220,000 lbs. would have a sphere diameter of 195', use 12,500 hp and translate at 49 mph.

How real is the concept? Any competent aeronautical engineer can verify the basic physics involved. What is needed is a change in standard harvesting techniques (already under attack) and the business program to begin. The need is of such a magnitude that the logging industry must react with boldness and imagination. The Aerocrane is the answer to the aerial logging problem. Now is the time to institute requirements and standards for whole tree logging.

ESTIMATED COSTS OF OPERATION 100,000 LB. PAYLOAD AEROCRANE

(Estimated initial cost—$2,000,000)

Yearly fixed costs

Depreciation (7 years to 15% of purchase)	$243,000
Insurance	320,000
Property damage and Liability	10,000
Pilots salaries	135,000
Mechanics salaries	75,000
Taxes	5,000
Total	788,000

Maintenance and overhead (in dollars per flight hour)

Engines (5,000 HP, $35/hr. ea. engine)	$140.00
Propellers	10.00
Consumables and Reparables	50.00
Wings	10.00
All others (radios, etc.)	50.00
Fuel 2,400 lbs/hr @ $.033/lb	80.00
Per flight hour	340.00

At 2,000 hours per year (40 weeks, 50 hours per week)

Fixed costs	$788,000.00
Operating costs (2,000 hours x $340)	680,000.00
Engine overhaul	112,000.00
$750 per hour or	1,580,000.00

If a sufficient quantity of trees that contained a total of 20,000 board feet could be delivered to the landing each hour by the Aerocrane, the costs of Aerocrane operation would be $37.50 per thousand board feet. It would appear probable that 6 or 7 selected trees could easily meet this rate of delivery.

In many logging areas the following cost per MBF might be possible using the Aerocrane and whole tree logging techniques.

Falling and bucking*	$5.00
Truck haul (to mill)	12.00
Aerocrane	37.50
Slash disposal**	2.00
Per MBF	56.50

*This is average cost of current operating; bucking costs should be lower at landing operation.

**Simpler operation due to delivery of entire tree to landing.

This assumption is based on the use of a landing located on an existing road.

This cost of $56.50 per MBF compares well with the average harvesting cost of $48.00 (USFS data) for Region VI, Oregon and Washington in 1970. Data from a helicopter logging operation monitored by the USFS (Report by V. W. Brinkley, Logging Engineer, USFS) shows costs in excess of $100.00 per MBF. Data on balloon logging is not available but costs are estimated to be between $70.00 and $90.00 per MBF.

Of course, there have been many logging operations in the past that were conducted at less cost. However, with the industry under (often successful) court attack by environmentalists and new laws severely restricting easily available timber harvesting sites, roadless aerial logging may well be the only avenue open to future large scale timber harvesting.

Given that whole trees can be delivered to the landing, it would seem possible to utilize some portion of the material now wasted (slash) in current operations. This portion of the tree could provide a zero sulphur fuel at a delivered price of about $.60 per million BTU's (comparable to low sulphur coal). Other uses might be for particle board or charcoal manufacture.

FULL UTILIZATION OF TIMBER RESOURCES

Current timber harvesting methods impress even the casual observer with the large quantities of waste material left completely unutilized. Clear cutting harvesting methods produce substantial amounts of cut trees that cannot be economically removed as well as the limbs and tops of trees that are actually removed for timber. When this operation is compared to the high efficiency of other industries such as meat packing where everything but the "squeal" is utilized, it is evident that a major effort is needed in this area.

If an entire tree were delivered to a processing station near the harvest area, the overall weight would be around 50,000 lbs. for some of our major lumber species. Of this weight, about 25,000 lbs. can be cut into logs and shipped directly to the saw mill. The balance of the material is in the form of limbs and needles. A very obvious use for this material is a low sulfur fuel.

Recent air quality standards have focused on the element sulfur as a major source of pollution. As a result, many power-generating facilities have been forced to burn low sulfur fuels. As the sulfurous content of wood is virtually zero, the possibility of the use of the waste material as fuel from timber harvesting should be considered. Our forests provide a very effective solar energy conversion system provided we fully utilize the fuel value therefrom.

As a point of comparison, coal with a sulfur content between 1 and 3% is currently available for about $15.00 per ton delivered. This coal typically provides about 12,500 BTU's per pound. On this basis the cost to the user is $0.60 per million BTU's.

Data obtained from "The Use of Wood as Fuel" (USDA Bulletin #753) indicates a cord of yellow pine (90 cu. ft.) weighs 4,770 lbs. green and 3,240 lbs. when the moisture has been reduced to 12% of gross weight. The dried wood would then have a total of 26 million BTU's or 8,000 BTU's per pound.

The drying process removed 1,530 lbs. of water, and, assuming 1,000 BTU's per pound of water, required about 200 lbs. of the dried wood to provide the energy for the drying.

Using the above ratios, 25,000 lbs. of limbs and needles from the average tree could be dried to 17,000 lbs. of fuel. About 1,000 lbs. of the dried fuel would be needed to provide the energy, so a net figure would be 16,000 lbs. of fuel produced from the material now wasted from each tree actually removed for lumber. As some portion of the fuel will be needed for other power needs of the processing station and as various losses inevitably occur, a reasonable figure might be a net of 10,000 lbs. of dried fuel (8,000 BTU's per pound) produced from the material now wasted from each complete tree delivered to the processing station.

A rough estimate of processing costs can be made. (25,000 lbs. of waste timber):

	Cost per ton	Total cost
Chipping—Equipment, Vermeer Manufacturing Co. model 671; specs, steam powered, 10 tons per hour; $27,000 purchase price:		
Labor: 2 men at $7 per hour each	$1.40	
Maintenance at $2.50 per hour (manufacturer's estimate)	.25	
Depreciation (5-year life) (25,000 lb)	.23	
Subtotal	1.88	$23.50
Drying (energy supplied from wood fuel) (25,000 lbs)	$0.12	$1.50
Storage and handling (17,000 dired wood)	.25	2.12
Truck shipment of 10,000 lb (5 tons) of dried wood fuel 50 miles at 0.05 per ton per mile	2.50	12.50
Subtotal		39.62
10 percent G. & A		3.96
Subtotal		43.50
10 percent profit		4.35
Total (or $9.57 per ton)		[1] 47.85

[1] Cost to process 25,000 lb of green wood into 10,000 delivered pounds of 8,000 Btu per pound fuel.

As each ton of wood fuel will contain 16,000,000 BTU's, the cost per million BTU's of wood fuel with virtually zero sulfur will be $0.598, very close to the present price ($0.60) of 1 to 3% sulfur coal.

By 1978 present air quality laws will restrict the sulfur percentage in coal to between .7 and .76% (about 14 lbs. per ton). By the laws of supply and demand, coal meeting this specification will be more expensive than coal containing higher percentages of sulfur. If we assume that coal containing 3% sulfur will be available at $10.00 per ton we can postulate a composite fuel using 3% sulfur coal and zero sulfur wood that would meet air quality standards.

Item	Quantity (in pounds)	British thermal units per pound	Estimated price per ton	Pounds of sulfur per ton	Total British thermal units (millions)	Pric
h sulfur coal (3 percent)	470	13,700	$10.00	14	6.44	$2.35
ood fuel	1,530	8,000	9.57	0	12.24	7.32
Average 9,340 British thermal units per pound (or $0.517 per million British thermal units)				14	18.68	9.67

There is a good probability that this composite fuel could be burned in standard coal furnaces at a 14% savings even over present prices of low sulfur coal.

Many users of coal receive this fuel by rail. If the wood were processed as described earlier and trucked to a rail loading point on the route used to supply coal to the user, an interesting system might be possible. The transportation loop could begin with returning empty rail cars from the user of the fuel. These cars could be used to ship the dried wood fuel to the high sulfur coal mine. The wood fuel could be mixed with the coal in the grinding process in the correct proportions. The composite fuel could then be shipped to the user to begin the transportation loop again.

Given that entire trees can be harvested and delivered to a processing station, the above analysis offers one posibility of utilizing everything but the "rustle". Other possibilities would include charcoal and particle board material. This kind of marketing could turn the expense of "slash" disposal (now better than 10% of harvesting costs) to a profitable enterprise.

ELECTED MAYOR AND CITY COUNCIL FOR THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, the Senate has already granted unanimous consent that Calendar No. 195, S. 1081, be made the pending business before the Senate goes into recess.

The Senate will come in at 10 o'clock on Monday, the 9th of July, and I ask unanimous consent that at the conclusion of morning business on that date, Calendar No. 208, S. 1435, a bill to provide an elected mayor and city council for the District of Columbia, and for other purposes, be laid before the Senate as the first track item, to be followed, when disposed of, by the so-called Alaska pipeline bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 1759. An act authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1972. An act to further amend the United States Information and Educational Exchange Act of 1948;

H.R. 6187. An act to amend section 502(a) of the Merchant Marine Act, 1936;

H.R. 7670. An act to authorize appropri. ations for the fiscal year 1974 for certain maritime programs of the Department of Commerce;

H.R. 8537. An act to amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes;

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes; and

S.J. Res. 128. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore.

THE CONFERENCE ON CONTINUING APPROPRIATIONS, 1974

Mr. FULBRIGHT. Mr. President, I just want to say a word or two about the conference report on the continuing resolution, since I might not otherwise have an opportunity, under the circumstances that prevail here.

On the continuing resolution, as Senators know, the Senate adopted an amendment, offered by myself, to limit funding of foreign aid under the resolution, economic and military, to salaries and necessary expenses. I want to put some figures in the RECORD concerning the conference agreement.

The fiscal year 1973 under the old continuing resolution expenditure level, according to Representative PASSMAN, is $2,630,221,000. The 1974 budget request was $3,026,682,000.

The continuing resolution as passed by the House, and sent to the Senate, allowed spending at a rate of $2,453,821,000. The conference agreed on an annual rate of $2,200,000,000. While it is not as much a reduction as I would have liked, I hope that the conference action will help create a situation that will help insure that an authorization and an appropriation bill be passed this year.

I very much object to the practice of allowing indefinite funding of a large program like this under a continuing resolution. The foreign aid program has been kept going for a full year now without the passage of authorization in appropriations bills. I think that this is some progress, and I hope very much that that will be a sufficient incentive to get legislation.

The Senate has passed the authorization bill on military assistance. The hearings have been held on economic assistance and markup is scheduled. It is ready to be acted on in committee in the near future.

Mr. President, now to another matter, the cutoff of funding for U.S. military involvement in Indochina. The language of the compromise accepted by the conference reads as follows:

Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

The language of the Senate provision which was adopted last night, instead of "combat activities," used the words ". . . to finance the involvement of United States military forces in hostilities."

I wish to assure the Senate that, in my opinion, there is no substantive difference in the two versions.

I believe it is accurate to say that the House Members did not see any substantive difference between their wording and the wording of the Senate provision.

I would have preferred the language of the Senate as a matter of choice, as I think the words that we used, "to finance the involvement of U.S. military forces in hostilities," is a preferable way to express our position, but there is not any difference in the real meaning of the two versions insofar as the objective we have in mind is concerned, which is ending American military involvement in Indochina.

I hope that the press or anyone else will not try to read into this situation that there is a difference. It is really just two ways to express the same intent, without there being any substantive difference.

I wanted that in the record on this point.

Mr. President, in the conference report on the State Department authorization bill, there will be this language, that the House and the Senate conferees agreed to yesterday:

Notwithstanding any other provisions of law, on or after August 15, 1973, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, and Cambodia unless specifically authorized hereafter by the Congress.

Notwithstanding any other provisions of law or the enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended to finance funds of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized by the Congress.

So that language, in effect, is very much like the provision the Senate adopted last night. But again I say, the difference in the Senate amendment, adopted last night, and the conference agreement, is largely a semantic difference. I am inclined to think that it represents simply the well known and persistent determination of the House of Representatives to have its way, even when there is no distinction in the substantive issues involved.

But as long as we preserve the substance of the legislation, I suppose we will have to be content.

Mr. President, let me conclude by saying that I want to express my satisfaction at the action taken by both the Senate and the House.

This will be, I hope, the end of a very long and tragic involvement of this country in Indochina.

I do not want to review the course of its history. But I was present and participated in the passage of the Gulf of Tonkin resolution. I have always felt that the Senate—and I along with the Senate—was the subject of misrepresentation of facts in the Gulf of Tonkin matter and of the intentions on the part of the then administration.

I believe that I, along with my other colleagues, acted under a misunderstanding of the intentions of the administration, and also of the factual situation that existed at that time in the Gulf of Tonkin—or the events which were alleged to have happened that were represented to be the provocation for the action that we took.

Now, after all these years, and many struggles on the part of many Members of this body to change that policy, Congress has at last taken action which will end our involvement in the war.

I believe that the whole country will be relieved to see this unfortunate and tragic adventure come to an end.

It will then give us an opportunity to direct our attention and our resources to the rebuilding of our economy, which is sadly in need of rebuilding at the present time. On all sides, we see deficiencies, all the way from energy—even today—to food supplies.

My belief is that this enormous diversion of resources to the war and to other military commitments abroad have greatly distorted the economy. I do not think that we can remove so much of our resources to nonreproductive activities without having to pay the price.

Inflation, depreciation of the dollar, and other economic difficulties are traceable to this long period of excessive expenditures on warfare and military activities.

So I think we can all now resolve to try to put our minds to rebuilding our country and to restoring the unity of our people in a common purpose.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 9, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports between 10 a.m. and 3 p.m. on Friday, July 6, 1973.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8410.

The PRESIDING OFFICER (Mr. FANNIN) laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 8410) to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes", which was in lieu of the matter proposed in the Senate amendment, insert:

SEC. 240. (a)(1) Paragraph (1) of section 502 of the Social Security Act is amended by striking out "each of the next 4 fiscal years" and inserting in lieu thereof "each of the next 5 fiscal years".

(2) Paragraph (2) of section 502 of such Act is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

(3) Section 505(a)(8) of the Social Security Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(4) Section 505(a)(9) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(5) Section 505(a)(10) of such Act is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1974".

(6) Section 508(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(7) Section 509(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(8) Section 510(b) of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974".

(b) Title V of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL ALLOTMENTS

"SEC. 516. (a)(1) For each fiscal year (commencing with the fiscal year ending June 30, 1975), there shall (subject to paragraph (2)) be allotted to each State (from funds appropriated for such fiscal year pursuant to subsection (b)) an amount, which shall be in addition to and available for the same purposes as the allotments of such State (as determined under section 503 and 504), equal to the excess (if any) of—

"(A) the amount of the allotment of such State (as determined under section 503 and 504) for the fiscal year ending June 30, 1973, plus the amounts of any grants to such States under section 508, 509, and 510, over

"(B) the amount of the allotment of such State (as determined under sections 503 and 504) for such fiscal year which commence after June 30, 1973.

"(2) No State shall receive an allotment under this section for any fiscal year, unless such State (in the administration of its State plan, approved under section 505) has in effect arrangements which the Secretary finds will provide for the continuation of appropriate services to population groups previouly receiving services from funds made available (for the fiscal year ending June 30, 1974) to such State pursuant to sections 508, 509, and 510.

"(b)(1)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated for each fiscal year (commencing with the fiscal year ending June 30, 1975) such amounts as may be necessary to enable the Secretary to make the allotments authorized under subsection (a).

"(B) Nothing contained in subparagraph (A) shall be construed to authorize, for any fiscal year, the appropriation under this subsection of any amount which is in excess of the amount by which—

"(i) the amount authorized to be appropriated under section 501 for such year exceeds

"(ii) the total amounts appropriated pursuant to section 501 for such year.

"(2) If, for any fiscal years, the total amount appropriated pursuant to paragraph (1) is less than the total amount allotted to all States under subsection (a), then the amount of the allotment of each State (as determined under subsection (a)) shall be reduced to an amount which bears the same ratio to the total amount appropriated pursuant to paragraph (1) for such fiscal year as the amount of the allotment of such State (as determined under subsection (a)) bears to the total amount allotted to all States under subsection (a) for such fiscal year."

(c)(1) In the case of any State, if for the fiscal year ending June 30, 1974, the sum of—

(A) the amount of the allotment which such State would have received under section 503 of the Social Security Act for such year (if subsection (a) of this section had not been enacted), plus

(B) the amount of the allotment which such State would have received under section 504 of such Act for such year (if subsection (a) of this section had not been enacted),

is in excess of the sum of—

(C) the aggregate of the allotments which such State received (for the fiscal year ending June 30, 1973) under such sections 503 and 504, plus

(D) the aggregate of the grants received (for the fiscal year ending June 30, 1973) under sections 508, 509, and 510 of such Act, then, for the fiscal year ending June 30, 1974, there shall be added to the allotments of such State, under sections 503 and 504 of such Act, in such proportion to each such allotment as the State shall specify, an amount equal to such excess.

(2)(A) There are (subject to subparagraph (B)) hereby authorized to be appropriated, for the fiscal year ending June 30, 1974, such amounts as may be necessary to make the increase in allotments provided for in paragraph (1).

(B) Nothing contained in subparagraph (A) shall be construed to authorize, for the fiscal year ending June 30, 1974, the appropriation under this paragraph of any amount which is in excess of the amount by which—

(i) the amount authorized to be appropriated under section 501 of such year, exceeds

(ii) the total amounts appropriated pursuant to section 501 for such year.

(3) If, for the fiscal year ending June 30, 1974, the amount appropriated pursuant to the preceding provisions of this subsection is less than the total of the amounts authorized to be added to the allotments of States (as determined under paragraph (1)), then the amount to be added to the allotment of each State shall be reduced to an amount which bears the same ratio to the amount so appropriated for such year as the amount to be added to the allotment of such State (as determined under paragraph (1)) bears to the total of the amounts to be added to the allotments of all States (as determined under paragraph (1)).

SEC. 5. Section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following: "Effective with respect to compensation for weeks of unemployment beginning before January 1, 1974, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State by law may provide that the determination of whether there has been a State 'off' indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and may provide that the determination of whether there has been a State 'on' indicator beginning any extended benefit period shall be made under this subsection as if (i) paragraph (1) did not contain subparagraph (A) thereof, (ii) the 4 per centum contained in subparagraph (B) thereof were 4.5 per centum, and (iii) paragraph (1) of subsection (b) did not contain subparagraph (B) thereof. In the case of any individual who has a week with respect to which extended compensation was payable pursuant to a State law referred to in the preceding sentence, if the extended benefit period under such law does not expire before January 1, 1974, the eligibility period of such individual for purposes of such law shall end with the thirteenth week which begins after December 31, 1973."

SEC. 6. (a) Section 6096 of the Internal Revenue Code of 1954 (relating to designation by individuals of income tax payments to Presidential Election Campaign Fund) is amended to read as follows:

"SEC. 6896. DESIGNATION BY INDIVIDUAL

"(a) IN GENERAL.—Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $1 or more may designate that $1 shall be paid over to the Presidential Election Campaign Fund in accordance with the provisions of section 9006(a). In the case of a joint return of husband and wife having an income tax liability of $2 or more, each spouse may designate that $1 shall be paid to the fund.

"(b) INCOME TAX LIABILITY.—For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown in his return) allowable sections 33, 37, 38, 40, and 41.

"(c) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate.

Such designation shall be made in such manner as the Secretary or his delegate prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

(b) Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended to read as follows:

"Sec. 9006. Payments to Eligible Candidates.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Presidential Election Campaign Fund'. The Secretary shall, as provided by appropriation Acts, transfer to the fund an amount not in excess of the sum of the amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096.

"(b) TRANSFER TO THE GENERAL FUND.—If, after a Presidential election and after all eligible candidates have been paid the amount which they are entitled to receive under this chapter, there are moneys remaining in the fund, the Secretary shall transfer the moneys so remaining to the general fund of the Treasury.

"(c) PAYMENTS FROM THE FUND.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

"(d) Insufficient Amounts in Fund.—If at the time of a certification by the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary or his delegate determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amounts withheld by reason of the preceding sentence shall be paid when the Secretary or his delegate determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligible candidates of all political parties, the amounts so withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement."

(c) Sections 9003(b)(2), 9007(b)(3), and 9012(b)(1) of the Internal Revenue Code of 1954 are each amended by striking out "9006(c)" and inserting in lieu thereof "9006(d)".

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1972. Any designation made under section 6096 of the Internal Revenue Code of 1954 (as in effect for taxable years beginning on before January 1, 1973) for the account of the candidates of any specified political party shall, for purposes of section 9006(a) of such Code (as amended by subsection (b)), be treated solely as a designation to the Presidential Election Campaign Fund.

Mr. LONG. Mr. President, H.R. 8410 as it passed the Senate included a social security benefit increase; an increase in supplemental security income payments; provisions concerning social services, medicaid, maternal and child health, and unemployment insurance; a spending limitation; impoundment provisions; an important change in the presidential election campaign financing checkoff system; and a provision to prevent the use of funds for combat activities in Cambodia and Laos.

Two days ago, the Senate conferees on H.R. 8410 met with the House conferees; and since all of the Senate amendments were nongermane to the House bill under the House rules, they could not agree to any of them in conference. This is why the conferees report back in technical disagreement. As the Senate knows, the House by a small margin defeated the proposal agreed on by the House-Senate conferees.

Therefore, House and Senate conferees met again this morning on H.R. 8410. The conferees agreed that three amendments would be added to the House bill. The three amendments concerned extended unemployment compensation benefits, maternal and child health, and the presidential campaign financing checkoff provision. All other provisions of the Senate bill—those concerning social security, supplemental security income, social services, medicaid, spending limitation, impoundment, and the Eagleton amendment on Cambodia and Laos—have been dropped from this bill.

Let me describe what the amendments accepted by the House do.

UNEMPLOYMENT COMPENSATION

Extended unemployment insurance benefits—for 3 months in addition to the 6 months of regular benefits—may be paid in States with relatively higher unemployment. Under present law, a State to be eligible must have an insured unemployment rate of at least 4 percent; the unemployment rate must be at least 20 percent greater than during the comparable period of the prior 2 years; and there must be a 13-week period between the end of one State extended benefit period and the start of another. The Senate bill contained a provision which would have permanently eliminated the second and third requirements. In other words, under the Senate provision, any State with an insured unemployment rate of 4 percent or more would have been eligible to participate in the extended benefit program.

The House conferees were unwilling to go as far as the Senate amendment, but we were able to get them to go at least part of the way. Under the provision agreed to by the conferees, States will be able to participate in the extended benefit program until January 1, 1974, if their rate of insured unemployment is at least 4.5 percent, without regard to their unemployment rate in the prior 2 years, and without regard to whether 13 weeks have expired since the last State extended benefit period. Once a State begins paying out extended benefits, the extended benefit period will not end until the State's insured unemployment rate drops below 4 percent.

MATERNAL AND CHILD HEALTH

Under present law, 50 percent of appropriations under the maternal and child health program are for formula grants to States; 40 percent for special project grants; and 10 percent for research and training grants. The project grant authority is scheduled to terminate on June 30 of this year, after which 90 percent of the funds appropriated will be for formula grants to States. The House conferees accepted the Senate provision extending the authorization for project grants for another year and providing for a transition in funding to a State-coordinated program. The amendment was accepted in the way the Senate sent it to the House.

PRESIDENTIAL CAMPAIGN CHECKOFF

Senators will recall the amendment offered by Senator HUMPHREY and modified by an amendment I offered. I am, of course, referring to the presidential election campaign checkoff provision. Senator HUMPHREY's amendment required the checkoff provision be placed on the front page of the income tax return form. He also would have required the Secretary of the Treasury to provide appropriate publicity with respect to the campaign checkoff each year. The amendment I offered to his provision converted the campaign checkoff to a nonpartisan checkoff.

I am happy to say that the Members of the House have agreed to this basic provision. However, some slight modifications were made in the provision. The amendment before the Senate provides that the checkoff provision can either be on the front of the tax return or on the side of the return where the taxpayer's signature is required. This gives the Treasury some flexibility in the style of the form itself, but still requires the checkoff where it will readily come to the taxpayers' attention.

We omitted from the Internal Revenue Code the requirement that the Treasury give publicity to the checkoff. However, we received assurances from the Secretary of the Treasury that the checkoff will get a great deal of publicity year after year. There was some reluctance to add a provision of this type to the Internal Revenue Code, and with the assurance we receved from the Secretary of the Treasury, we believed that it was unnecessary.

We retained with only technical changes the Senate provision which required the checkoff to be in a nonpartisan form. This is essential if we are to have a simple checkoff on the return itself and also if we are not to disclose to the IRS the political affiliation of the taxpayer.

IMPOUNDMENT PROCEDURES AND EXPENDITURE LIMITATION

I would like to mention two provisions that the House conferees were unwilling to accept.

We were not successful in obtaining an

agreement from the House conferees on the issue of an expenditure ceiling and an anti-impoundment procedure. The Senators will recall that the expenditure ceiling under our version of the bill would have been $268.7 billion and would have provided, with the exception of a series of uncontrollable items, that any reduction made in order to bring expenditures down to the ceiling would have been made on a pro rata basis.

The impoundment procedure would have required reports on impoundment from the President, the review of these reports by the Comptroller General and his report to Congress of these impoundments which do not comply with the antideficiency law. These impoundments within 60 days thereafter would become null and void if Congress did not approve of them.

The House conferees were unwilling to include these provisions in our agreement because other committees of the House are working on different answers to this spending ceiling problem and also the problem of controlling impoundments. The House conferees felt very strongly that the House should have an opportunity to work its will on these matters.

I discussed this problem with Senator MUSKIE who, as Senators know, has been one of the leaders, along with Senator ERVIN, in this matter; and also with Senator ROTH. Senator ERVIN, however, was out of town, and I could not reach him. I believe that Senator MUSKIE fully understands the difficulty we faced in this matter and why the matter is not in the agreement we reached with the House conferees.

There will be plenty of opportunities to consider these matters somewhat later in this session of Congress after the House has had an opportunity to present its views to the Senate. I am sure there will be other opportunities to add measures of these types to "must" legislation which will come before the Senate later this year.

The other measures that were originally included in the Senate bill we propose to handle on other bills. The Cambodia-Laos measure, I believe, has been resolved by the House and Senate on the appropriations bill. That bill has been sent to the President for signature. Both Houses have resolved their differences on other proposed legislation that is going through other committees.

The remainder of these measures we sought to handle in connection with the Renegotiation Act, which has been sent to conference and will come before the Senate shortly. We have yet to handle separately the matter brought before us by the Senator from South Dakota (Mr. MCGOVERN). We propose to handle that measure by discharging the Committee on Finance from further consideration of a minor bill, if the Senate will permit us to do so, and amending that bill.

The tariff bill I am referring to is H.R. 2261, and we propose to send the McGovern amendment to the House as an amendment to that bill. A part of the need for doing so is that the House objected vociferously yesterday even to being asked to vote in one amendment on so many bills.

That way we will send the price control amendments involving agricultural products to the House of Representatives on this other measure, and the chairman of the Ways and Means Committee, Mr. MILLS, has assured me that he will use his best efforts to see to it that this matter is resolved, hopefully favorably, in the House, if it is in his power to persuade the powers that be over there. He will certainly have to clear the bill with the House Agriculture Committee to have that amendment accepted, but he will seek to move it through the House, and resolve it in that fashion.

Mr. President, I think we have before us a very good bill. I would urge all Senators to support it. I move that the Senate concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. FANNIN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE) and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS), is absent because of illness.

On this vote, the Senator from Washington (Mr. MAGNUSON) is paired with the Senator from North Carolina (Mr. ERVIN). If present and voting, the Senator from Washington would vote "yea" and the Senator from North Carolina would vote "nay".

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea".

Mr. TOWER. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Massachusetts (Mr. BROOKE), the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from Wyoming (Mr. HANSEN), the Senator from Pennsylvania (Mr. SCOTT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

Also, the Senator from Tennessee (Mr. BROCK), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), are necessarily absent.

If present and voting, the Senator from Vermont (Mr. AIKEN), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 63, nays 2, as follows:

[No. 267 Leg.]

YEAS—63

Allen	Fannin	Mondale
Baker	Fulbright	Montoya
Bartlett	Gravel	Nelson
Bayh	Gurney	Nunn
Beall	Hart	Pell
Bennett	Hartke	Percy
Bible	Haskell	Proxmire
Buckley	Hathaway	Randolph
Burdick	Helms	Ribicoff
Byrd, Harry F., Jr.	Hollings	Saxbe
	Huddleston	Schweiker
Byrd, Robert C.	Hughes	Scott, Va.
Cannon	Humphrey	Stafford
Case	Inouye	Stevens
Church	Jackson	Stevenson
Cook	Long	Taft
Cranston	Mansfield	Talmadge
Curtis	Mathias	Tower
Dole	McClellan	Tunney
Domenici	McGovern	Young
Dominick	McIntyre	
Eagleton	Metcalf	

NAYS—2

Chiles	Hatfield

NOT VOTING—35

Abourezk	Goldwater	Packwood
Aiken	Griffin	Pastore
Bellmon	Hansen	Pearson
Bentsen	Hruska	Roth
Biden	Javits	Scott, Pa.
Brock	Johnston	Sparkman
Brooke	Kennedy	Stennis
Clark	Magnuson	Symington
Cotton	McClure	Thurmond
Eastland	McGee	Weicker
Ervin	Moss	Williams
Fong	Muskie	

So the motion to concur was agreed to.

SUSPENSION OF DUTY ON CERTAIN ISTLE

Mr. LONG. Mr. President, the House will act shortly and send to the Senate the work of the conferees on the renegotiation bill which includes the social security amendments we have agreed on.

From the point of view of the Senate, I believe that this was a successful conference. It was not overwhelmingly suc-

cessful, but I would say that it was very successful.

However, there was one amendment that we could not obtain approval of on that bill because it was not relevant to the social security nor was it relevant to the renegotiation bill.

However, the House indicated they would consider it if we would send it to them on a bill that the House could have a separate vote on.

The chairman of the Ways and Means Committee and his cohorts on that committee will use their best efforts to see that the measure will pass the House as well. We have in the Finance Committee a bill which passed the House last year, and passed the House again this year. It passed the Senate last year, except that it picked up so many amendments that it was objected to, because it was in the process of becoming a "Christmas tree," and therefore it never had the opportunity to become law. I am satisfied that there will be no objection to it.

In order that it might be considered and serve as a vehicle to which the McGovern amendment could be sent back to the House, I ask unanimous consent that the Committee on Finance be discharged from further consideration of H.R. 2261 and that it be reported to the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2261) to continue for a temporary period the existing suspension of duty on certain istle.

The PRESIDING OFFICER. Without objection, the Committee on Finance will be discharged from further consideration of the bill; and, without objection, the Senate will proceed to its consideration.

Mr. LONG. Mr. President, this is the bill to which we wish to attach the McGovern amendment. The McGovern amendment is not overwhelmingly supported by the administration. I believe it has the overwhelming support of the Senate, so much so that I believe it will be appropriate that we have a rollcall vote on the McGovern amendment; and I think it will have the support of the House.

The amendment has all the logic in the world, in my judgment, to recommend it, and I hope that for the purpose of demonstrating the support of the McGovern amendment, the Senate will have the opportunity to vote on it.

Therefore, I send to the desk the McGovern amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end thereof add the following new section: "the Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"' § 203A. Agricultural commodities

"The President shall make appropriate adjustments in the maximum price which may be charged under the provisions of Executive Order 11723 (dated June 13, 1973) for any agricultural commodity (at any point in the distribution chain) as to which the Secretary of Agriculture certifies to the President that the supply of the commodity will be reduced to unacceptably low levels as a result of the freeze and that alternative means for increasing the supply are not available.' ".

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from Alabama (Mr. SPARKMAN), the Senator from Wyoming (Mr. MCGEE) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS), the Senator from Missouri (Mr. SYMINGTON), the Senator from Rhode Island (Mr. PASTORE), the Senator from Iowa (Mr. CLARK), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. TOWER. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from Wyoming (Mr. HANSEN), the Senator from Pennsylvania (Mr. SCOTT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Delaware (Mr. ROTH) are absent on official business.

Also, the Senator from Tennessee (Mr. BROCK), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

If present and voting, the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 61, nays 1, as follows:

[No. 268 Leg.]

YEAS—61

Allen	Eagleton	McIntyre
Bartlett	Fannin	Metcalf
Bayh	Gravel	Mondale
Beall	Gurney	Montoya
Bennett	Hart	Nelson
Bible	Hartke	Nunn
Buckley	Haskell	Pell
Burdick	Hatfield	Percy
Byrd, Harry F., Jr.	Hathaway	Proxmire
	Helms	Randolph
Byrd, Robert C.	Hollings	Schweiker
Cannon	Huddleston	Scott, Va.
Case	Hughes	Stafford
Chiles	Humphrey	Stevens
Church	Inouye	Stevenson
Cook	Jackson	Taft
Cranston	Long	Talmadge
Curtis	Mansfield	Tower
Dole	Mathias	Tunney
Domenici	McClellan	Young
Dominick	McGovern	

NAYS—1

Ribicoff

NOT VOTING—38

Abourezk	Fulbright	Packwood
Aiken	Goldwater	Pastore
Baker	Griffin	Pearson
Bellmon	Hansen	Roth
Bentsen	Hruska	Saxbe
Biden	Javits	Scott, Pa.
Brock	Johnston	Sparkman
Brooke	Kennedy	Stennis
Clark	Magnuson	Symington
Cotton	McClure	Thurmond
Eastland	McGee	Weicker
Ervin	Moss	Williams
Fong	Muskie	

So Mr. MCGOVERN's amendment was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MCGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, the bill to be read the third time.

The bill was read the third time.

Mr. HUGHES. Mr. President, I wish to ask the chairman of the committee a question. What is the bill?

Mr. LONG. The Senate is considering the istle fiber bill. This bill would extend the suspension of duty on istle fiber from September 5, 1972, until September 5, 1975. The principal use of istle fiber is in the manufacture of brushes.

The istle fiber part of the bill is not as important as the McGovern amendment which would say that the price of chickens shall exceed the cost of feed.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 2261) was passed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORT

Mr. CANNON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to file a report on Friday, July 6, between the hours of 10 a.m. and 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPANSION OF AMERICAN TRADE WITH NONMARKET ECONOMY COUNTRIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 266, Senate Joint Resolution 131.

The PRESIDING OFFICER. The resolution will be stated by title.

The resolution was stated by title, as follows:

A joint resolution (S.J. Res. 131), to express a national policy with respect to the services between the United States and nonmarket economy countries.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 131) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 131

Joint resolution to express a national policy with respect to the expansion of commerce in goods and services between the United States and nonmarket economy countries

Whereas the exchange of goods and services between the United States and nonmarket economy countries can result in mutually advantageous trade and benefits;

Whereas both the United States and the nonmarket economy countries possess commodities and services which would be important items in their foreign commerce;

Whereas economic and commercial cooperation could lead to improved political relations, a better understanding of the international trading community, and an increased commitment to a stable world order;

Whereas an improved export performance could result in an increase in the number of jobs within the United States, thereby stimulating the American economy;

Whereas the American standard of living can be maintained and raised by a fair and free interchange of goods and services;

Whereas the total amount of trade between the nonmarket economy nations and industrialized Western countries was $15 billion in 1971; and

Whereas the United States share of this trade was only 4 per centum in 1971: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the United States to encourage and support efforts to expand American trade with nonmarket economy countries, consistent with sound economic and commercial principles and with our national commitment to a peaceful and just global order; to undertake long-range planning for large-scale cooperative projects with nonmarket economy countries, particularly in the areas of energy, agriculture, capital development, and consumer production; and finally to broaden contacts between the United States and nonmarket economy countries in the arts and humanities, science, politics, law, and other noneconomic areas.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I understand that the House has completed its work on the continuing resolution and that it will be here very shortly. I would urge Members to stay pretty close to the Chamber and other buildings in which Senators have offices. I understand there may be more votes.

UNANIMOUS-CONSENT AGREEMENT ON S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as it is called up and made the pending business before the Senate, there be a time limitation on S. 1328, dealing with high-speed ground transportation system the time to be equally divided between the majority leader and the minority leader, or their designees, and provided further, that there be one-half hour on any amendment, debatable motion or appeal, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONSIDER S. 1328 ON MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 9, 1973, at the close of the period for the transaction of routine morning business, the Senate proceed to the consideration of S. 1328 in lieu of S. 1435.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR ACTION TO BE TAKEN DURING ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the period of adjournment of the Senate over to July 9, 1973, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives, and that such messages be referred to the appropriate committee, and that the Vice President or the president pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXTENSION OF THE DEBT LIMIT

Mr. CURTIS. Mr. President, I rise to make a comment relative to the extension of the debt limit. My purpose for rising is to pay tribute to and to compliment the chairman of the Committee on Finance, the Senator from Louisiana (Mr. LONG).

Mr. TALMADGE. Mr. President, may we have order so that we may hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. Mr. President, the importance of extending the debt limit at this time cannot be overstated. Actually to call the bill a debt limitation is a misnomer. We create the debts when we spend money. This is a bill to authorize the Secretary of the Treasury to issue necessary bonds to pay for our spending, so it is one of those necessary things. The authority for the Treasury Department to issue the necessary Government bonds expires tonight. To have that authority lapse could create chaos for this Government.

After a few days it could mean that valid obligations against the United States might not be paid. It could mean that necessary funds to operate veterans hospitals, to pay social security benefits, to do many other necessary things, as well as meet Federal payrolls, might not be available.

It was very important that the authority contained in the debt limit bill be extended, and extended on time.

The distinguished chairman of the Committee on Finance has displayed his usual talents for compromise and his legislative genius, his ability to get an agreement, and still, at the same time, to advance the legislation that the Senate has enacted.

This bill, when it passed the Senate, contained a number of amendments relating to social security and other matters in which a great number of Senators were interested. Largely through the skill of our distinguished chairman (Mr. LONG), those amendments, after the action by the House in rejecting the conference report, were withdrawn and placed on another bill that I believe will be completed today.

So in the main—in fact, subject to just a small compromise that must be expected with the House—the conferees have carried out the wishes of the Senate. At the same time, it has been done in such a manner that it is not an impediment upon the debt ceiling bill. I believe this is a real public service. I believe the chairman should be commended for it. I commend him for his statesmanship, his fairness, and his impartiality in bringing that about.

Mr. TALMADGE. Mr. President, will my distinguished friend from Nebraska yield?

Mr. CURTIS. I yield.

Mr. TALMADGE. Mr. President, I desire to associate myself with the remarks of my friend and colleague on the Finance Committee, the distinguished Senator from Nebraska.

I have served on the Senate Finance Committee now for 14½ years. I have attended many conferences between the Senate Finance Committee and the House Ways and Means Committee.

Likewise, I have attended many conferences between the Committee on Agriculture and Forestry of the Senate and its counterpart in the House of Repre-

sentatives. I do not think I have ever seen a conference that has been handled with more dignity, more ability, and more dispatch under trying situations than the conferences on the debt limit and the Renegotiation Act with which the Senate was confronted.

As the Senator from Nebraska has pointed out, the other body rejected the compromise last evening, and so we had to start from scratch. We have worked out a compromise that we think will be satisfactory not only to both bodies of the Congress but to the President of the United States. I think that was due largely to the work, diligence, and skill displayed by the chairman of the Finance Committee.

Mr. CURTIS. I thank the Senator.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. DOMINICK. I just wanted to make a couple of comments on the opening statement of my very distinguished and close friend from Nebraska. The words "debt limit" have always meant, as far as I can see, that that is all the debt you are going to have. At least, that is what I thought until such time as I got to Congress, and in the 13 years that I have now been in Congress, we have raised the debt limit at least once a year, usually three times a year, and it becomes a movable finish line. You never get to the finish.

For the life of me, I do not see why we continue to perpetrate this hoax on the American people by saying that we in the Congress have put a limit on the amount of debt which can be sustained or that the Government can go ahead and obligate itself for. It just seems to me it is wrong to have a debt limit in this situation. We either ought to have a debt limit which we abide by or we ought to eliminate it entirely and put the blame on Congress when we exceed what our responsibility is, because that is where the responsibility lies.

I have full admiration for their ability to work out what the Senator from Nebraska and the Senator from Louisiana exercised in conference. I am not talking about that. What I am saying is that the total rigamarole we go through once, twice, three, or four times a year in connection with the debt limit is just plain nonsense. It does not work as far as we are concerned. There has never been a limit, and it makes the public believe that we have one when in fact we have never had one.

Mr. CURTIS. I thank the Senator for his observation. There is a great deal of substance in the point of view he has expressed. The debt ceiling certainly is not a ceiling on spending. It is not a ceiling on our debts. If obligations go unpaid, they are debts, and we create those obligations by our day-to-day voting, followed by the executive's spending money. While it might be debated whether or not periodically there should be a review of the Treasury Department's authority to issue bonds, certainly there should be some revision in order to make this matter clear and meaningful, and the distinguished Senator from Colorado has made a fine contribution.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to my chairman.

Mr. LONG. Mr. President, I want to thank Senators for their generous tributes to the Senator from Louisiana. This is a matter that could not have been compromised had it not been for the very fine work done by all the conferees, and I particularly have in mind the Senator from Utah (Mr. BENNETT), who pointed out to me, and to others, that there was every prospect that this bill could be vetoed and that the so-called debt limit bill, which was a bill to permit the Government to borrow money to continue operations, could very well fail of passage by an inability to override. As a result, that there could be fiscal chaos in this land, with consequences far worse than any of us at this point could anticipate—a very irresponsible thing for the Congress to permit and something that should be avoided at all costs if statesmanship could prevail.

The people of the Nation have a right to expect responsibility from us. I am deeply grateful to my colleagues, the Senator from Nebraska, the Senator from Utah, the Senator from Georgia, and the Senator from Connecticut, who worked so tirelessly and devotedly to help us resolve this matter.

Every Senator here, I am sure, did the best he could to give the Nation the best of his devotion and efforts. It is fortunate that we have some very able colleagues on the House side, not the least of which, of course, is the distinguished chairman of the Ways and Means Committee (Mr. MILLS), the very able ranking Republican member, Mr. SCHNEEBELI, who played their role in seeing that this matter was resolved.

Whereas I thought we were separating two bills so that one would be signed into law and the other vetoed, it now appears that both will be signed, as the Senator has indicated. I am told the minority leader in the other body, Mr. FORD, speaking for the minority on the House side, stated that both bills will be signed into law. We will have the Renegotiation Act, with the social security amendments on it, before us shortly. This is something which could not have been worked out without the help of the Senator from Nebraska as well as our other colleagues on the committee, and I greatly appreciate their help.

Mr. BENNETT. Mr. President, will the Senator yield to me?

Mr. LONG. I yield to my colleague.

Mr. BENNETT. Mr. President, I think what has gone on in the last 24 hours is a demonstration of the manner in which all members of the Finance Committee and the Ways and Means Committee face their responsibilities, face the tasks and the risks that are inherent in our jurisdiction over the income of the U.S. Government.

I, too, feel that the Senator from Louisiana (Mr. LONG), as chairman of the Finance Committee, is a worthy successor in the long list of chairmen of the Finance Committee that have presided over that committee in the more than 22 years in which I have been a member of the committee.

I think the country is fortunate that the men on both sides of the Capitol who have this responsibility can lay aside partisanship and personal political advantage to work out the rather complicated and often technical problems we face.

I would have said last night, along with the chairman of the committee, that we faced two vetoes in a very difficult situation. Because everyone went after his job with good will, we now find ourselves with two bills which, I think, will solve the problem, and the President will sign them and the country will have escaped another financial crisis.

Mr. CURTIS. Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I have listened with interest to the colloquy between the various members of the Committee on Finance. And I was pleased to note the relationship which exists between that committee and the executive branch of the Government in the consideration of bills which are of prime importance.

I think this is another indication of the new spirit of cooperation between the administration and the Congress. It took a lot of talk and a little give here and a little take there to arrive at a mutually satisfactory arrangement by means of which, if I understood the remarks of the distinguished Senators today, the debt limit bill will be agreed to with the additions and so will the extension of the Renegotiation Act with the additions.

Mr. President, I would hope that this accommodation and understanding and partnership between the two branches of the Government will continue. If it does it will be in the best interests of both and the country will be better served.

I could not on yesterday bring myself to vote for the substitute on the Vietnam war, a substitute which sets a time certain for the end of American hostilities in all of Indochina. Even though I could not bring myself to change my position in good conscience, nevertheless I recognize that even that was an accommodation which certainly brought forth fruit, because it was adopted overwhelmingly.

I want to say that I hope the spirit of cooperation and partnership and accommodation, with each branch of the Government recognizing the individual responsibilities of the other, will continue and what has happened this week is but a harbinger of what is yet to come.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RUSSIANS HAVE ONLY U.S. CREDIT FOR CURRENCY

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times of Tuesday, June 26, 1973, discussed Chairman Brezhnev's visit to the United States in an editorial entitled "Ruble Diplomacy."

The editorial emphasized the Soviet need for American credits and pointed out the irony in this.

I ask unanimous consent that the editorial to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RUBLE DIPLOMACY

During his entire visit here, Leonid I. Brezhnev repeatedly underlined his enormous interest in large-scale American credits for the long-term development of Siberia's resources. It remained for Mr. Brezhnev's public spokesman, Leonid I. Zamyatin, head of Tass, to underline the political significance of what the Soviet leader had in mind.

At a news conference last week, Mr. Zamyatin told reporters that long-term trade agreements "create a tremendous potential of trust." He then added that "it is always easier to settle such questions" as the reduction of strategic arms "when there exists trust." Mr. Zamyatin was evidently hinting, and none to subtly, that large-scale American credits were the *quid pro quo* expected for cooperation in halting the arms race.

There is enormous irony in all this. The Soviet Union has for decades denounced American capital investment in and credits to other countries. The standard Soviet line has always been that such credits and investment are means of "economic enslavement" of the recipients. Oceans of inky tears have been spilled by Soviet propagandists lamenting the unhappy fate of Arabs "saddled" with American oil investments, Latin Americans "afflicted" with American investments in copper or other raw materials, and West Europeans "burdened" with American investments in modern manufacturing.

Historically the Soviet Union has long urged the countries so "victimized" to expropriate American investments, evict American businessmen and technicians, and refuse any demand for payment of principal or interest. Castro's behavior toward American investors and investments in Cuba has been the perfect realization of the traditional Soviet attitude.

How then is one to explain Mr. Brezhnev's sudden enlightenment as to the virtues of American credits, and Mr. Zamyatin's conversion to the belief that long-term credits mean long-term international "trust." Mr. Brezhnev provided the answer obliquely during his long luncheon monologue to a blue-ribbon group of American capitalists last Friday. Women, he explained, are all for trade in consumer goods. Then he added: "We men are all right, we can get by just wearing one old coat on our shoulders, but the women all want to change their clothes at least three times a day." What he seemed to be saying was that he, too, is stuck with the international revolution of rising expectations, and that consumer demands are putting pressure on him he cannot satisfy without American capital.

It is gratifying that the leader of the Soviet Union understands the advantages of international trade and finance. However, in such matters trust is a two-way street. Mr. Zamyatin argues that the debtor who has received large credits tends to trust his creditor. But if he were more used to capitalist ways, Mr. Zamyatin would know that the creditor must first have trust in the would-be debtor.

Mr. HARRY F. BYRD, JR. Mr. President, the Columnist William F. Buckley, Jr., had a column along the same line which said that the Russians have nothing to buy from us except through American credit. I ask unanimous consent that this column, published in the Richmond News Leader of June 25, 1973, be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

RUSSIANS HAVE ONLY U.S. CREDIT FOR CURRENCY

(By William F. Buckley, Jr.)

NEW YORK.—Mr. Brezhnev says he simply cannot understand why any American legislator would want anything to stand in the way of improved relations with the Soviet Union in general, and improved commercial relations with the Soviet Union in particular. Specifically he argues against the Jackson Amendment, which would deny commercial advantages to the Soviet Union unless it repealed the emigration tax which it levies in particular against Jews who desire to emigrate to Israel.

In pursuit of this goal, Mr. Brezhnev invited top legislative leaders to lunch and talked to them for several hours. His approach was what one might call Russian Heavy. To Senator Frank Church he said, "I have seen pictures of you and I always knew I would like you when I met you." Senator Church did not wince, although no doubt it crossed his mind that the men Brezhnev has liked during his long public career have been those who have shown themselves professionally adept at tyranny, partners in the enterprise described by Mr. Henry Kamm of *The New York Times* a year or so back as "the greatest assault ever mounted upon the human spirit."

The term "improved" relations is one that puzzles, mostly because it has come to be used fetishistically. Beginning with the material order, what is it the Soviet Union has that we want? It is in moments of such stress as this that words like "bauxite" cross one's lips.

Okay, and what else? Gas—ten years from now. If we want gas that badly, why not use some of our own, even at the risk of squirting a can of oil on some Alaskan tundra? Gold? We have gone out of the business of buying gold. Dollars, yes. But the Soviet Union has no dollars. The Soviet Union has to come to American corporations to borrow dollars.

If Brezhnev in a swain of enthusiasm decided to elope with the United States, there is absolutely nothing material he could supply us with by way of dowry. Don't you understand, the Russians have nothing to buy things from us with. They have only American credit. All that they can do for us is prospective. What we can do for them is immediate. And the Communists want our help immediately because they are in a hell of a jam economically, and one is just cynical enough to suspect that if they were not in such an economic jam, Mr. Brezhnev would find the profile of Senator Church less alluring.

What can the Soviet Union give us of an extra-material kind? Well: cultural exchange. Have we not just finished signing a cultural exchange agreement? Yes, and it's the same old thing again. Better than nothing, but the equivalent of sending a packet of bandaids into Hiroshima. A few dozen graduate students, one or two exhibitions in nine Russian cities, maximum 28 days per city. The cultural agreement is phrased that "both countries" agree to so many students and "both countries" to so many art shows.

Hell, we couldn't care less if the Soviet Union sent over 100,000 students, if every ballet dancer in Russia set out for America, if Pravda brought in a million copies a day of its Orwellian concentrate. The fact of the matter is: You can't buy a single American periodical in Moscow. The *Voice of America* and *Radio Liberty* beamed into Russia are still jammed, which is a deteriorated condition over that of 1968, which is when jamming was reimposed. Organic progress towards coexistence requires the free flow of information. Brezhnev has shown no interest whatever in this.

Finally we stand to gain from Russian freedom for the captive nations, which subject if it were raised in Brezhnev's presence would cause him to go home shaking his fist. And we have to gain genuine demilitarization. On this score, the Soviet Union skunked Richard Nixon in SALT I, reducing us to an inferior status and freezing Soviet superiority in certain fields. Thanks to yet another amendment by Jackson (what would we do without him?) the Senate is on record as opposed to any further polarization of strength in SALT II, concerning which Brezhnev has not been heard to say a public word. And, of course, to the extent we help him with our economic credits, we ease the strain on the Soviet Union's productive capacity for the manufacture of—arms.

"Grandmother, what big teeth you have!" Senator Church might have replied to Mr. Brezhnev.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes; that the House receded from its disagreement to the amendment of the Senate No. 13 to the bill and concurred therein; and that the House receded from its disagreement to the amendment of the Senate No. 12 to the bill and concurred therein, with an amendment, in which it requested the concurrrence of the Senate.

CONTINUING APPROPRIATIONS JOINT RESOLUTION—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on House Joint Resolution 636, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FANNIN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 636) making continuing appropriations for the fiscal year 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of today.)

Mr. McCLELLAN. Mr. President, the managers on the part of the House and the Senate met this morning at 10:30 and reached a final agreement on the 14 amendments in the resolution.

I have before me the statement on the part of the managers of the Senate, and I will be glad to answer any questions the Members may have on this conference report.

The most controversial amendment in this bill related to combat activities by U.S. forces in Indochina. The conferees have adopted language in this regard which is similar to that which was included in the second supplemental appropriation bill which was approved in both bodies, yesterday.

It was the consensus of the Conferees that we should have language consistent with that which has already been passed by both Houses. Otherwise, Mr. President, we might find ourselves faced with the dilemma of conflicting provisions which might be susceptible of varying interpretations.

The provision agreed to reads as follows:

Sec. 108. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

The other major action by the Conferees related to the Fulbright amendment.

Senator FULBRIGHT'S amendment would have limited foreign aid to the payment of salaries and essential expenses and cut off any new program obligations.

The conferees agreed to continue the program, but at the reduced level of $2.2 billion, to be spent in quarterly increments.

Mr. President, I move the adoption of the conference report.

Mr. YOUNG. Mr. President, I rise to support the motion of the distinguished chairman of the Appropriations Committee, the Senator from Arkansas (Mr. McCLELLAN). I think he has explained very well the conference action. It was unanimous. I do not think there is any major change, or at least nothing of any consequence. I hope that the conference report will be agreed to and urge the support of all my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the conference report (putting the question).

The conference report was agreed to.

Mr. MANSFIELD. Mr. President, let the RECORD show that I voted "No."

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 110. Unless specifically authorized by Congress, none of the funds herein appropriated under this joint resolution or heretofore appropriated under any other Act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam)."

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 12.

The motion was agreed to.

Mr. MANSFIELD. I vote "No."

The PRESIDING OFFICER. What is the will of the Senate?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE YEAS AND NAYS ON S. 2047 AND S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on final passage on S. 2047 and S. 1328, with one show of hands.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on those two bills. They will not be brought up today.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT ON S. 2047

Mr. ROBERT C. BYRD. I ask unanimous consent that at such time as S. 2047 is called up and made the pending business before the Senate, there be a time limitation on the bill of 1 hour, to be equally divided between and controlled by the distinguished majority leader and the distinguished minority leader; that time on any amendment in the first degree be limited to 1 hour, except time on one amendment by Mr. EAGLETON, to be limited to 2½ hours, 1 hour to be under the control of Mr. EAGLETON and 1½ hours to be under the control of Mr. HARRY F. BYRD, JR.;

That time on any amendment to an amendment, debatable motion, or appeal be limited to 30 minutes; and that the agreement be in the usual form.

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, has this been cleared with the minority?

Mr. ROBERT C. BYRD. It has.

Mr. TOWER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR MONDAY, JULY 9, AND TUESDAY, JULY 10, 1973

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that upon the disposition on Monday, July 9, of S. 1328, it be in order for the majority leader or his designee to proceed to the consideration of S. 2047, and that the unfinished business, the so-called Alaska pipeline bill, be temporarily laid aside and remain in a temporarily laid-aside status until the disposition of one or both of those bills or until the end of that day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on Tuesday next, after the conclusion of routine morning business and prior to the taking up of the second track item, which presumably will still be the Alaska pipeline bill, the Senate proceed to the consideration of S. 1435, the so-called District of Columbia home rule bill, and that the unfinished business remain in a temporarily laid aside status on that date until the disposition of the home rule bill or until the close of the day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 262) providing for an adjournment of the House of Representatives from June 30, 1973 to July 10, 1973, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for 2 years; and that the House receded from its disagreement to the amendment of the Senate No. 2 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

ADJOURNMENT OF THE TWO HOUSES FOR THE INDEPENDENCE DAY HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 262.

The Presiding Officer laid before the Senate the concurrent resolution (H. Con. Res. 262), which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, June 30, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, July 10, 1973.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MANSFIELD. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 4 strike out (1973.) and insert: 1973, and that when the Senate adjourns on Saturday, June 30, 1973, it stand adjourned until 10 o'clock antemeridian, Monday, July 9, 1973.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 262), as amended, was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Saturday, June 30, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, July 10, 1973, and that when the Senate adjourns on Saturday, June 30, 1973, it stand adjourned until 10 o'clock antemeridian, Monday, July 9, 1973.

The title was amended, so as to read: "concurrent resolution providing for an adjournment of the two Houses over the Fourth of July Holiday, 1973."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the concurrent resolution (H. Con. Res. 262) be temporarily held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. What is the will of the Senate?

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR S. 2047 TO BE THE FIRST TRACK ITEM OF BUSINESS ON MONDAY, JULY 9, 1973, IN LIEU OF S. 1328

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Monday, July 9, 1973, upon the close of morning business, the Senate proceed to the consideration of S. 2047 as the first track item, and that the previous order providing for consideration of S. 1328 at that time be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF RENEGOTIATION ACT OF 1951—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 7445, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FANNIN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) to amend the Renegotiation Act of 1951 to extend the Act for two years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of today.)

Mr. LONG. Mr. President, H.R. 7445 as it passed the Senate extended the Renegotiation Act for 1 year, and included a social security benefit increase; an increase in supplemental security income payments; provisions concerning social services, medicaid, and maternal and child health; and included a provision proposed by the Senator from South Dakota (Mr. McGOVERN) relating to the freeze on prices for agricultural commodities.

The Senate conferees on H.R. 7445 have met with the House conferees. Except for the change from a 2-year extension to a 1-year extension of the Renegotiation Act, the Senate provisions were nongermane under the House rules, and the conference report has been brought back in technical disagreement. But the conferees did agree on a set of provisions which I feel the Senate conferees can be quite pleased with. Let me describe these provisions.

SOCIAL SECURITY PROVISIONS

Benefit increase.—The Senate bill provided for a cost-of-living increase to become effective next April. The Senate will recall that we originally passed an increase effective next January. The increase would be set at the percent by which the cost of living has risen between June 1972 and June 1973, estimated to be a 5.6 percent increase.

The House conferees were willing to accept the 5.6 percent increase, but insisted that the effective date be moved from April 1974 back to June 1974. Under the bill agreed to by the conferees, 30 million persons will receive an additional $1.9 billion in increased benefits.

I should like to pay special tribute to the Senator from Connecticut (Mr. RIBICOFF) for his initiative in proposing that the first social security cost-of-living increase become effective earlier than January 1975. I would like to thank him for his excellent support in conference that enabled us to prevail on so many of these amendments benefiting the aged, blind, and disabled. I know he was quite disappointed that the conferees would not agree to a January 1974 effective date.

Mr. RIBICOFF. Mr. President, will the Senator yield at this point?

Mr. LONG. I yield

Mr RIBICOFF. I wish to commend our distinguished chairman for his outstanding work in behalf of the Senate on social security legislation. I cannot help expressing disappointment in the failure of the House to accept the Ribicoff-Long proposal for the social security increase.

In going home every weekend and talking to my people in the State of Connecticut, I have been deeply disturbed about the condition of the social security beneficiaries. They are building social security benefits to pay for their everyday living costs. We have had a fantastic escalation in the cost of living during the past year, to the extent that the situation in which our elderly citizens found themselves is disturbing. So I brought to the attention of our distinguished chairman the need for an increase in benefits now instead of January 1, 1975.

The Committee on Finance went along with our proposal and passed it on to the Senate, to become effective January 1, 1974. I believe that the vote in this body was 86 to 7 to make the social security benefit increase effective as of January 1, 1974.

When we went to conference, there was a great deal of resistance from the House conferees, and there was a compromise of April 1, 1974. To the chagrin of the Senate conferees as well as the House conferees, the other body rejected the compromise as of April 1, 1974.

We went back to conference this morning. The Senate conferees kept insisting at least for the April 1, 1974, date, but to no avail.

Again, I am deeply disappointed, because what we are really talking about is that for the average retired worker without dependents, we are raising the rate from $161 a month to $170 a month, a mere nine dollars. For couples, it would go up from $277 a month to $293 a month, amounting to $16. For widows with two children, we are changing the benefits from $388 a month to $410 a month or an increase of $22.

Of course, we have been able to give substantial increases and substantial benefits; but, unfortunately, they will not take effect until June 1, 1974.

The Senate conferees, in view of the action of the House, had no alternative. But the Senate conferees, I believe, did a magnificent job. I do want to express disappointment in the action of the House and its insensitivity to the problems we recognize in the Senate.

My commendation goes to our distinguished chairman because he, too, had a disappointment because his SSI benefits, affecting some 5 million aged, blind, and infirm, will not go into effect until June 1, 1974. I know how hard he fought for the increases to go into effect on those dates, because it would affect

many millions in our 50 States. But here, too, the House would not yield, and the benefits to this group of beneficiaries will go into effect on July 1, 1974. We did not have any alternative.

My commendation, again, to the brilliant leadership of our chairman, who worked so hard to sustain the Senate position. Overwhelmingly, the Senate positions have been sustained in the last two conferences, and it was unfortunate that we could not get our way entirely when it came to the social security and SSI benefits.

Mr. LONG. I thank the Senator.

INCREASE IN EARNINGS LIMITATION

The Senate bill included an increase in the amount a person can earn with no reduction in social security benefits. Under the Senate bill, this amount would have been increased from $2,100 per year up to $2,400. The Senate earlier voted an increase in the earnings limit up to $3,000 per year. The conferees agreed to raise the earnings limit to $2,400, beginning next January. This provision will mean an additional $300 million in social security benefits for beneficiaries whose work gives them some earnings.

INCREASE IN TAXABLE WAGES

To pay for the increase in the earnings limitation, the conferees agreed to raise taxable wages under social security from $12,000 in 1974 to $12,600. Thereafter, taxable wages will rise automatically as wages rise generally, under the provisions of law enacted last year.

ADOPTED CHILDREN

A proposal suggested by Senator BYRD of West Virginia would have eliminated the requirement in present law that an adopted child, in order to be eligible for social security benefits, have lived with his adoptive parent at least 1 year before the parent retired or became disabled. The Senate bill this time included a limited version of this that the conferees had earlier agreed to. Under the provision agreed to by the conferees, a child adopted by his grandparents will be eligible for social security benefits if he has lived with his grandparents—whether or not they are receiving benefits—and if his natural parents are dead or disabled.

SUPPLEMENTAL SECURITY INCOME

The Senate bill would make some very significant changes in the new Federal supplemental security income program scheduled to become effective next January. I am pleased to say that the House conferees went along with every one of the provisions in the Senate bill.

Unfortunately, the House conferees insisted on a later effective date for one of the major provisions in the Senate bill.

The bill agreed to by the conferees, like the Senate bill, would increase monthly SSI payments from $130 to $140 for an individual and from $195 to $210 for a couple. Under the Senate bill this increase would have been effective beginning next January. The conferees insisted that the effective date be moved back to July 1974. I consider this delay very unfortunate, but we were unable to prevail.

The conferees agreed to the Senate provision which would cover "essential persons" now receiving aid to the aged, blind, or disabled—typically the spouse under age 65 of a person over age 65.

Under the Senate bill, States would be required for at least 1 year to supplement the Federal SSI payment to assure that no current recipient would have his payments reduced when the SSI program goes into effect next January. The provision agreed to by the conferees would extend this requirement indefinitely rather than limiting it to 1 year. Under the bill agreed to by the conferees, as under the Senate bill, an exception is made for cases where the State constitution prevents compliance with this requirement.

The conferees accepted the section of the Senate bill under which the Secretary of Health, Education, and Welfare provides a preference in employment to qualified State and local employees who will be displaced when the new SSI program goes into effect. Finally, the conferees accepted the Senate provision allowing blindness to be determined by an optometrist under the new SSI program, as it is under present State programs of aid to the blind.

Mr. President, more than 5 million persons will receive $325 million in higher SSI payments during the first 12 months under the bill the conferees agreed to because of the higher SSI payments levels. Another 125,000 essential persons will be eligible for $100 million in SSI payments. And under the bill, all present recipients of aid to the aged, blind, and disabled will be protected against a cut in their monthly payment when the new SSI program goes into effect next January.

MEDICAID PROVISIONS

PROTECTING MEDICAID RECIPIENTS FROM LOSS OF ELIGIBILITY

Unless the law is changed, a number of persons will face a loss of their medicaid eligibility when the SSI program goes into effect next January. To prevent this, the Senate bill protected "essential persons," persons in medical institutions, and blind and disabled medically needy persons against loss of medicaid eligibility. I am pleased to say that the House conferees accepted all of these provisions.

EXTENSION OF 1972 MEDICAID SAVINGS CLAUSE

Last year's social security bill contained a savings clause continuing medicaid eligibility for persons who would otherwise have become ineligible because the 20 percent social security increase in 1972 raised their incomes above the eligibility level for cash assistance payments. The House conferees agreed to accept the Senate provisions extending this savings through June 1975.

REPEAL OF LIMIT ON NURSING HOME PAYMENTS

The House conferees also agreed to accept the Senate provisions repealing a section in present law which limits to 5 percent the annual increase in allowable average per diem costs for skilled nursing home and intermediate care facilities.

SOCIAL SERVICE

HEW REGULATIONS POSTPONED

Last year the Congress put a $2.5 billion limitation on Federal funds for social services. In May of this year the Department of Health, Education, and Welfare published social services regulations which we in the Senate felt were far out of line with congressional intent and even out of line with specific provisions of law.

The Senate bill would have postponed for 6 months the effective date of these regulations to allow the Congress time to consider statutory changes in the provisions of law affecting social services. The conferees agreed to suspend for 4 months HEW's authority to issue new social services regulations. However, that 4-month period may be shortened if new changes are proposed by the Department of Health, Education, and Welfare before that time and are approved by a majority of the Committee on Finance and a majority of the Ways and Means Committee.

The purpose of the conferees, Mr. President, was to give the Department another chance to issue social services regulations which will be consistent with the statute and congressional intent. We will be going over the proposed new regulations with a fine-tooth comb to make sure they do this before we approve them. So that the Department has a good idea what some of our concerns are, I want to detail for the record some of the major problems as we discribed them in our committee report:

1. *Family planning services.*—Last year the Congress required States both to offer and promptly provide family planning services to all appropriate AFDC recipients desiring them, and indicated congressional priority for family planning services by increasing Federal matching for these services from 75% to 90%—for persons likely to become dependent on welfare as well as those already on the rolls. Congressional priority is also shown clearly by the inclusion of family planning services in the list of services which can be provided without regard to whether a person is receiving welfare. Yet the regulations permit Federal funds for services to persons not now on welfare only if they "are likely to become applicants for or recipients of financial assistance under the State plan within six months" (Section 221.6(b)(3) of the regulations). Under the regulations, either no family planning services can be provided to persons not now on welfare, or else the only kind of family planning services for which Federal matching would be available in such a case would be abortion (since a woman would have to be 3 months pregnant in order to be likely to become dependent on welfare within 6 months).

2. *Child Support.*—Federal law requires States, as a part of their plan for aid to families with dependent children, to attempt to establish the paternity of children born out of wedlock, to locate fathers who have deserted their families, and to try to collect support payments from these fathers. All of these provisions of Federal law require legal services, yet the HEW regulations (Section 221.9(b)(14)) define Federally matchable legal services as including only "the services of a lawyer in solving legal problems of eligible individuals to the extent necessary to obtain or retain employment. This excludes all other legal services."

3. *Alcoholism and drug abuse.*—Last year's limitation on social service funds listed five high priority categories of services which could be provided without regard to whether the recipient of services was on welfare or not. Included in the high priority list were "services provided to an individual who is a drug addict or alcoholic, but only if such services are needed (as determined in ac-

cordance with criteria prescribed by the Secretary) as part of a program of active treatment of his condition as a drug addict or alcoholic" (section 1130(a)(2)(D) of the Social Security Act). Certainly, a major aspect of treatment of alcoholics and drug addicts involves medical care. Yet the HEW social services regulations (section 221.53(1)) preclude Federal matching for medical services except when related to family planning or to medical examinations which are required for admission to child care facilities or for persons caring for children under welfare agency auspices.

4. *Services for the mentally retarded.*—The 1972 legislation similarly list as a high priority item "services provided to a mentally retarded individual (whether a child or an adult), but only if such services are needed (as determined in accordance with criteria prescribed by the Secretary) by such individual reason of his condition of being mentally retarded" (section 1130(a)(2)(C) of the Social Security Act). Despite this clear statement in the law providing priority for services for mentally retarded persons, these services are not specifically included in the list of services allowable under the new regulations. The regulations only provide that day care services can be made available when appropriate for eligible mentally retarded children (section 221.9(b)(3)) and that until December 31, 1973, other types of eligible services may be provided to mentally retarded individuals without regard to the restrictions on the definition of "potential recipient."

5. *Services to strengthen family life.*—Federal law requires States as a part of their plan for aid to families with dependent children to develop a program of family services defined in section 40(d) of the Social Security Act as "services to a family or any member thereof for the purpose of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence." Yet the HEW regulations (section 221.8(a)) permit Federal financial participation only for services which support the attainment of the goals of self-support or self-sufficiency.

6. *Mandatory services for the aged.*—In 1962, the Congress added a provision to the old-age assistance program authorizing 75% Federal matching for social services to the aged. In addition, the law stated (section 3(c)(1) of the Social Security Act) that in order for a State to qualify for this 75% matching, the State plan for old-age assistance had to provide that "the State agency shall make available to applicants for or recipient of old-age assistance under such State plan at least those services to help them attain or retain capability for self-care which are prescribed by the Secretary." Under the former regulations, the Secretary required States to provide information and referral services, protective services, services to enable persons to remain in or return to their homes or communities and services to meet health needs (such as assistance in obtaining medical care and in arranging transportation to obtain medical care).

Under the new regulations a State need provide only one of the "defined services which the State elects to include in the State plan" (section 221.5(a)). One of these defined services is "special services for the blind." Thus in contradiction to the clear language and intent of the law which has been in effect for a decade, the regulations would no longer require States to provide services to the aged which will help them to attain or retain capability for self-care.

7. *Former and potential welfare recipients.*—Another feature written into the Social Security Act in 1962 authorized 75 percent Federal matching for social services for former or potential welfare recipients, with the Secretary permitted to specify the time periods within which an individual was to be considered a former or potential recipient. For example, under aid to families with dependent children, 75 percent Federal matching is authorized for services "which are provided to any child or relative who is applying for aid to families with dependent children or who, *within such period or periods as the Secretary may prescribe*, has been or is likely to become an applicant for or recipient of such aid (emphasis added; section 403(a)(A)(ii) of the Social Security Act). Similar language is found in the programs of aid to the aged, blind, and disabled.

The prior regulations specified that former recipients were those who had received assistance within the past two years, while potential recipients were those likely to become dependent on assistance within five years. The new regulations set the period for former recipients at three months and for potential recipients at six months, but in the latter case they go considerably further than the regulatory authority conferred by the statute by setting specific income limits related to welfare payment levels and requiring that applicants for services meet an assets test related to the cash assistance assets test and payment level (section 221.6(c)(3) of the regulations as modified on June 1, 1973).

SERVICES FOR THE AGED, BLIND AND DISABLED

Under the social services limitation we enacted last year, at least 90 percent of the funds spent on social services must go for services to persons receiving public assistance; an exception is made for certain high priority services. The Senate bill included a provision to exempt services for the aged, blind, and disabled from the 90 percent requirement. I am pleased to say that the House conferees agreed to this provision also.

M'GOVERN PRICE FREEZE AMENDMENT

Mr. President, as I discussed earlier, the conferees were unwilling to accept the McGovern amendment on the price freeze for agricultural commodities. The Senate has already passed the measure a second time as an amendment to the istle fiber bill.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HELMS. The distinguished Senator from Louisiana and the distinguished Senator from Connecticut discussed the social security benefits. I do not think anything was said about the effective increase in the social security tax. Would the Senator like to discuss that?

Mr. LONG. Yes. To pay for the increase in the earnings limitation, the conferees agreed to raise taxable wages under social security from $12,000 in 1974 to $12,600. Thereafter, the taxable wages will rise automatically as wages rise generally under provisions enacted last year.

Mr. HELMS. I have done a little study of this matter, and in the RECORD of 2 or 3 days ago, on page 21582, I note this sentence in the bill:

> Nothing in this section shall be construed to authorize any increase in the contribution and benefit rates.

This is what the Senate approved originally? Is that correct?

Mr. LONG. Yes.

Mr. HELMS. The point I am making is that the effective increase——

Mr. LONG. May I explain? The Senate added an amendment increasing the social security earnings limit. The House insisted upon increasing revenues to pay for the provision by increasing the wage base. This was also strongly advocated by the Secretary of the Treasury, for budgetary reasons, and it was in considerable measure because of the fiscal responsibility involved in the action of the conferees that we are now advised that the President will be urged by this Cabinet member to sign the bill, and that the probability is that he will sign it.

Mr. HELMS. I hope the Senator will not misunderstand my inquiry. I fervently believe in the concept that Congress ought to provide money for everything it appropriates, instead of going into debt. I am the original balanced budget man, as the Senator knows.

What I should like to point out is that neither the Senate nor the House, if my recollection is correct, had the increase included in the original bill. Is that correct?

Mr. LONG. That is correct.

Mr. HELMS. The distinguished Senator from Connecticut, in fact, said on the floor:

> This 5.6-percent increase in benefits would not require an increase in the Social Security tax or the taxable wage base. It would be financed completely out of the large surplus in the Social Security trust fund.

I suggest to my friend from Louisiana that perhaps that "large" surplus is not so large after all.

The point I am making, and I shall be brief, is that the social security tax hits hard at the middle income wage earner. I hope that in the future when we increase taxes in any form we will keep that in mind. I say that in the frame of reference that I thoroughly approve of our being fiscally responsible in assessing taxes to cover expenditures. I think in the past there has been too much of this business of appropriating money that the Government does not have.

Mr. LONG. The tax increase which, of course, takes the form of increasing the amount of wages, taxable, is a House amendment to the Senate amendment.

Mr. HELMS. I understand.

Mr. LONG. The addition of this by the House in considerable measure, probably contributed to the fact that the House agreed to the legislation by an overwhelming vote. The added fiscal responsibility, which is implicit in the measure on which we are now acting, undoubtedly plays its part in having a legislative proposal which failed of enactment on yesterday to one which passed the House by an overwhelming vote today.

I am very pleased that where men differed so vehemently and stringently 24 hours ago we managed to arrive at a point where there is not much controversy in the bill.

Mr. HELMS. I commend the Senator from Louisiana and all others connected with the legislation, because it is fiscal responsibility.

If I may shift from the trust fund situation to the non-trust fund, I am alarmed that the national debt is costing us $40,000 a minute, 60 minutes an hour, 24 hours a day, 365 days a year.

Really, I rose to compliment the Sena-

tor from Louisiana on the fiscal responsibility that has been shown.

Mr. LONG. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed in the said amendment, insert:

TITLE II—PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

PART A—INCREASE IN SOCIAL SECURITY BENEFITS

COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

SEC. 201. (a)(1) The Secretay of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of his section, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the percentage by which the Consumer Price Index prepared by the Department of Labor, for the month of June 1973 exceeds such index for the month of June 1972.

(2) The provisions of this section (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after May 1974 and prior to January 1975, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after May 1974 and prior to January 1975.

(b) The increase in social security benefits authorized under this section shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that the amount of such increase shall be based on the increase in the Consumer Price Index described insubsection (a).

(c) The increase in social security benefits provided by this section shall—

(1) not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(2) not (except for purposes of section 203(a)(2) of such Act, as in effect after May 1974) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this section shall be construed as authorizing any increase in the "contribution and benefit base" (as that term is employed in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(d) Nothing in this section shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after December 1974, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after December 1974. The recognition of the existence of the increase in benefits authorized by the preceding subsections of this section (during the period it was in effect) in the application, after December 1974, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after December 1974.

SEC. 202. (a) Pargraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof "$200".

(b) The first sentence of paragraph (3) of section 203(f) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$175" and inserting in lieu thereof "$200".

(d) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

SEC. 203. (a)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Section 211(b)(1)(H) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(3) Sections 213(a)(2)(ii) and 213(a)(2)(iii) of such Act are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(4) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(b)(1) Section 1402(h)(1)(H) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(2) Effective wtih respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "$12,600".

(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(4) Effective with respect to remuneration paid after 1973, section 3125 of such Code is amended by striking out the dollar amount each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$12,600".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,600".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(7) Effective with respect to taxable years beginning after 1973, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar amount and inserting in lieu thereof "$12,600".

(c) Section 230(c) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92-336 are each amended by striking out "$12,000" and inserting in lieu thereof "$12,600".

(e) The amendments made by this section, except subsection (a)(4), shall apply only with respect to remuneration paid after, and taxable years beginning after, 1973. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1973.

(f) Effective June 1, 1974, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions in the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

PART B—PROVISIONS RELATING TO FEDERAL PROGRAM OF SUPPLEMENTAL SECURITY INCOME

INCREASE IN SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 210. (a) Section 1611(a)(1)(A) and section 1611(b)(1) of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) are each amended by striking out "$1,560" and inserting in lieu thereof "$1,680".

(b) Section 1611(a)(2)(A) and section 1611(b)(2) of such Act (as so enacted) are each amended by striking out "$2,340" and inserting in lieu thereof "$2,520".

(c) The amendments made by this section shall apply with respect to payments for months after June 1974.

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR ESSENTIAL PERSONS

SEC. 211. (a)(1) In determing (for purposes of title XVI of the Social Security Act, as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified individual (as defined in subsection (b)), with respect to any period for which such individual has in his home an essential person (as defined in subsection (c))—

(A) the dollar amounts specified in subsection (a)(1)(A) and (2)(A), and subsection (b)(1) and (2) of section 1611 of such Act, shall each be increased by $840 ($780 in the case of any period prior to July 1974) for each such essential person, and

(B) the income and resources of such individual shall (for purposes of such title XVI) be deemed to include the income and resources of such essential person;

except that the provisions of this subsection shall not, in the case of any individual, be applicable for any period which begins in or after the first month that such individual—

(C) does not but would (except for the provisions of subparagraph (B)) meet—

(i) the criteria established with respect to income in section 1611(a) of such Act, or

(ii) the criteria established with respect to resources by such section 1611(a) (or, if applicable, by section 1611(g) of such Act).

(2) The provisions of section 1611(g) of the Social Security Act (as in effect after December 1973) shall, in the case of any qualified individual (as defined in subsection (b)), be applied so as to include, in the resources of such individual, the resources of any person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for the aid or assistance referred to in subsection (b)(1).

(b) For purposes of this section, an individual shall be a "qualified individual" only if—

(1) for the month of December 1973 such individual was a recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI of the Social Security Act, and

(2) in determining the need of such individual for such aid or assistance for such month under such State plan, there were taken into account the needs of a person (other than such individual) who—

(A) was living in the home of such individual, and

(B) was not eligible (in his or her own

right) for aid or assistance under such State plan for such month.

(c) The term "essential person", when used in connection with any qualified individual, means a person who—

(1) for the month of December 1973 was a person (described in subsection (b)(2)) whose needs were taken into account in determining the need of such individual for aid or assistance under a State plan referred to in subsection (b)(1) as such State plan was in effect for June 1973.

(2) lives in the home of such individual,

(3) is not eligible (in his or her own right) for supplemental security income benefits under title XVI of the Social Security Act (as in effect after December 1973), and

(4) is not the eligible spouse (as that term is used in such title XVI) of such individual or any other individual.

If for any month after December 1973 any person fails to meet the criteria specified in paragraph (2), (3), or (4) of the preceding sentence, such person shall not, for such month or any month thereafter be considered to be an essential person.

MANDATORY MINIMUM STATE SUPPLEMENTATION OF SSI BENEFITS PROGRAM

SEC. 212. (a)(1) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) to be eligible for payments pursuant to title XIX, with respect to expenditures for any quarter beginning after December 1973, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") whereby the State will provide to individuals residing in the State supplementary payments as required under paragraph (2).

(2) Any agreement entered into by a State pursuant to paragraph (1) shall provide that each individual who—

(A) is an aged, blind, or disabled individual (within the meaning of section 1614(a) of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972), and

(B) for the month of December 1973 was a recipient of (and was eligible to receive) aid or assistance (in the form of money payments) under a State plan of such State (approved under title I, X, XIV, or XVI, of the Social Security Act)

shall be entitled to receive, from the State, the supplementary payment described in paragraph (3) for each month, beginning with January 1974, and ending with whichever of the following first occurs:

(C) the month in which such individual dies, or

(D) the first month in which such individual ceases to meet the condition specified in subparagraph (A); except that no individual shall be entitled to receive such supplementary payment for any month, if, for such month, such individual was ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A), (2), or (3), 1611(f), and 1615(c) of such Act.

(3)(A) The supplementary payment referred to in paragraph (2) which shall be paid for any month to any individual who is entitled thereto under an agreement entered into pursuant to this subsection shall (except as provided in subparagraph (D)) be an amount equal to (i) the amount by which such individual's "December 1973 income" (as determined under subparagraph (B)) exceeds the amount of such individual's "title XVI benefit plus other income" (as determined under subparagraph (C)) for such month, or (ii) if greater, such amount as the State may specify.

(B) For purposes of subparagraph (A), an individual's "December 1973 income" means an amount equal to the aggregate of—

(i) the amount of the aid or assistance (in the form of money payments) which such individual would have received (including any part of such amount which is attributable to meeting the needs of any other person whose presence in such individual's home is essential to such individual's well-being) for the month of December 1973 under a plan (approved under title I, X, XIV, or XVI, of the Social Security Act) of the State entering into an agreement under this subsection, if the terms and conditions of such plan (relating to eligibility for and amount of such aid or assistance payable thereunder) were, for the month of December 1973, the same as those in effect, under such plan, for the month of June 1973, and

(ii) the amount of the income of such individual (other than the aid or assistance described in clause (i)) received by such individual in December 1973, minus any such income which did not result, but which if properly reported would have resulted in a reduction in the amount of such aid or assistance.

(C) For purposes of subparagraph (A), the amount of an individual's "title XVI benefit plus other income" for any month means an amount equal to the aggregate of—

(i) the amount (if any) of the supplemental security income benefit to which such individual is entitled for such month under title XVI of the Social Security Act, and

(ii) the amount of any income of such individual for such month (other than income in the form of a benefit described in clause (i)).

(D) If the amount determined under subparagraph (B)(i) includes, in the case of any individual, an amount which was payable to such individual solely because of—

(i) a special need of such individual (including any special allowance for housing, or the rental value of housing furnished in kind to such individual in lieu of a rental allowance) which existed in December 1973, or

(ii) any special circumstance (such as the recognition of the needs of a person whose presence in such individual's home, in December 1973, was essential to such individual's well-being),

and, if for any month after December 1973 there is a change with respect to such special need or circumstance which, if such change had existed in December 1973, the amount described in subparagraph (B)(i) with respect to such individual would have been reduced on account of such change, then, for such month and for each month thereafter the amount of the supplementary payment payable under the agreement entered into under this subsection to such individual shall (unless the State, at its option, otherwise specifies) be reduced by an amount equal to the amount by which the amount (described in subparagraph (B)(i)) would have been so reduced.

(b)(1) Any State having an agreement with the Secretary under subsection (a) may enter into an administration agreement with the Secretary whereby the Secretary will, on behalf of such State, make the supplementary payments required under the agreement entered into under subsection (a).

(2) Any such administration agreement between the Secretary and a State entered into under this subsection shall provide that the State will (A) certify to the Secretary the names of each individual who, for December 1973, was a recipient of aid or assistance (in the form of money payments) under a plan of such State approved under title I, X, XIV, or XVI of the Social Security Act, together with the amount of such assistance payable to each such individual and the amount of such individual's December 1973 income (as defined in subsection (a)(3)(B)), and (B) provide the Secretary with such additional data at such times as the Secretary may reasonably require in order properly, economically, and efficiently to carry out such administration agreement.

(3) Any State which has entered into an administration agreement under this subsection shall, at such times and in such installments as may be agreed upon between the Secretary and the State, pay to the Secretary an amount equal to the expenditures made by the Secretary as supplementary payments to individuals entitled thereto under the agreement entered into with such State under subsection (a).

(c)(1) Supplementary payments made pursuant to an agreement entered into under subsection (a) shall be excluded under section 1612(b)(6) of the Social Security Act (as in effect after December 1973) in determining income of individuals for purposes of title XVI or such Act (as so in effect).

(2) Supplementary payments made by the Secretary (pursuant to an administration agreement entered into under subsection (b)) shall, for purposes of section 401 of the Social Security Amendments of 1972, be considered to be payments made under an agreement entered into under section 1616 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972); except that nothing in this paragraph shall be construed to waive, with respect to the payments so made by the Secretary, the provisions of subsection (b) of such section 401.

(d) For the purposes of subsection (a)(1), a State shall be deemed to have entered into an agreement under subsection (a) of this section if such State has entered into an agreement with the Secretary under section 1616 of the Social Security Act under which—

(1) individuals, other than individuals described in subsection (a)(2)(A) and (B), are entitled to receive supplementary payments, and

(2) supplementary benefits are payable, to individuals described in subsection (a)(2)(A) and (B) at a level and under terms and conditions which meet the minimum requirements specified in subsection (a).

(e) Except as the Secretary may by regulations otherwise provide, the provisions of title XVI of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972), including the provisions of part B of such title, relating to the terms and conditions under which the benefits authorized by such title are payable shall, where not inconsistent with the purposes of this section, be applicable to the payments made under an agreement under subsection (b) of this section; and the authority conferred upon the Secretary by such title may, where appropriate, be exercised by him in the administration of this section.

(f) The provisions of subsection (a)(1) shall not be applicable in the case of any State—

(1) the Constitution of which contains provisions which make it impossible for such State to enter into and commence carrying out (on January 1, 1974) an agreement referred to in subsection (a), and

(2) the Attorney General (or other appropriate State official) of which has, prior to July 1, 1973, made a finding that the State Constitution of such State contains limitations which prevent such State from making supplemental payments of the type described in section 1616 of the Social Security Act.

PREFERENCE FOR PRESENT STATE AND LOCAL EMPLOYEES

SEC. 213. The Secretary of Health, Education, and Welfare, in the recruitment and selection for employment of personnel whose services will be utilized in the administration of the Federal program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act), shall give a preference, as among applicants whose qualifications are reasonably equal (subject to any preferences conferred by law or regulation on individuals who have been Federal employ-

ees and have been displaced from such employment), to applicants for employment who are or were employed in the administration of any State program approved under title I, X, XIV, or XVI of such Act and are or were involuntarily displaced from their employment as a result of the displacement of such State program by such Federal program.

DETERMINATION OF BLINDNESS UNDER SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 214. Section 1633 of the Social Security Act (as enacted by section 301 of the Social Security Amendments of 1972) is amended—

(1) by inserting "(a)" immediately after "SEC. 1633.",

(2) by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (b), the Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) In determining, for purposes of this title, whether an individual is blind, there shall be an examination of such individual by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

PART C—SOCIAL SERVICES

SOCIAL SERVICES REGULATIONS POSTPONED

SEC. 220. (a) Subject to subsection (b), no regulation and no modification of any regulation, promulgated by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") after January 1, 1973, shall be effective for any period which begins prior to November 1, 1973, if (and insofar as) such regulation or modification of a regulation pertains (directly or indirectly) to the provisions of law contained in section 3(a)(4)(A), 402(a)(19)(G), 403(a)(3)(A), 603(a)(1)(A), 1003(a)(3)(A), 1403(a)(3)(A), or 1603(a)(4)(A), of the Social Security Act, unless such regulation or modification has been approved, prior to its being proposed, by the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b)(1) The provisions of subsection (a) shall not be applicable to any regulation relating to "scope of programs", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.0 of the regulations (relating to social services) proposed by the Secretary and published in the Federal Register on May 1, 1973. There shall be deleted from the first sentence of subsection (b) of such section 221.0 the phrase "meets all the applicable requirements of this part and".

(2) The provisions of subsection (a) shall not be applicable to any regulation relating to "limitations on total amount of Federal funds payable to States for services", if such regulation is identical (except as provided in the succeeding sentence) to the provisions of section 221.55 of the regulations so proposed and published on May 1, 1973. There shall be deleted from subsection (d)(1) of such section 221.55 the phrase "(as defined under day care services for children)"; and, in lieu of the sentence contained in subsection (d)(5) of such section 221.55, there shall be inserted the following: "Services provided to a child who is under foster care in a foster family home (as defined in section 408 of the Social Security Act) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed by such child because he is under foster care.".

(3) The provisions of subsection (a) shall not be applicable to any regulation relating to "rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam", if such regulation is identical to the provisions of section 221.56 of the regulations so proposed and published on May 1, 1973.

(c) Notwithstanding the provisions of section 553(d) of title 5, United States Code, any regulation described in subsection (b) may become effective upon the date of its publication in the Federal Register.

SEC. 221. Section 1130(a)(2) of the Social Security Act is amended—

(1) by striking out "of the amounts paid (under all of such sections)" and inserting in lieu thereof "of the amounts paid under such section 403(a)(3)"; and

(2) by striking out "under State plans approved under titles I, X, XIV, XVI, or part A of title IV" and inserting in lieu thereof "under the State plan approved under part A of title IV".

PART D—PROVISIONS RELATING TO MEDICAID

COVERAGE OF ESSENTIAL PERSONS UNDER MEDICAID

SEC. 230. In the case of any State plan (approved under title XIX of the Social Security Act) which for December 1973 provided medical assistance to persons described in section 1905(a)(vi) of such Act, there is hereby imposed the requirement (and such State plan shall be deemed to require) that medical assistance under such plan be provided to each such person (who for December 1973 was eligible for medical assistance under such plan) for each month (after December 1973) that—

(1) the individual (referred to in the last sentence of section 1905(a) of such Act) with whom such person is living continues to meet the criteria (as in effect for December 1973) for aid or assistance under a State plan (referred to in such sentence), and

(2) such person continues to have the relationship with such individual described in such sentence and meets the other criteria (referred to in such sentence) with respect to a State plan (so referred to) as such plan was in effect for December 1973.

Federal matching under title XIX of the Social Scurity Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

PERSONS IN MEDICAL INSTITUTIONS

SEC. 231. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for all (or any part of) the month of December 1973—

(1) was an inpatient in an institution qualified for reimbursement under title XIX of the Social Security Act, and

(2)(A) would (except for his being an inpatient in such institution) have been eligible to receive aid or assistance under a State plan approved under title I, X, XIV, or XVI of such Act, or

(B) was, on the basis of his need for care in such institution, considered to be eligible for aid or assistance under a State plan (referred to in subparagraph (A)) for purposes of determining his eligibility for medical assistance under a State plan approved under title XIX of such Act (whether or not such individual actually received aid or assistance under a State plan referred to in subparagraph (A).

shall be deemed to be receiving such aid or assistance for such month and for each succeeding month in a continuous period of months if, for each month in such period—

(3) such individual continues to be (for all of such month) an inpatient in such an institution and would (except for his being an inpatient in such institution) continue to meet the conditions of eligibility to receive aid or assistance under such plan (as such plan was in effect for December 1973), and

(4) such individual is determined (under the utilization review and other professional audit procedures applicable to State plans approved under title XIX of the Social Security Act) to be in need of care in such an institution.

Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

BLIND AND DISABLED MEDICALLY INDIGENT PERSONS

SEC. 232. For purposes of section 1902(a)(10) of the Social Security Act, any individual who, for the month of December 1973 was eligible (under the provisions of subparagraph (B) of such section) for medical assistance by reason of his having been determined to meet the criteria for blindness or disability (established by a State plan approved under title I, X, XIV, or XVI of such Act), shall be deemed to be a person described as being a person who "would, if needy, be eligible for aid or assistance under any such State plan" in subparagraph (B)(i) of such section for each month in a continuous period of months (beginning with the month of January 1974), if, for each month in such period, such individual continues to meet the criteria for blindness or disability so established by such a State plan (as it was in effect for December 1973). Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals eligible for such assistance under this section.

EXTENSION OF SECTION 249E OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 233. Section 249E of the Social Security Amendments of 1972 is amended by striking out "October 1974" and inserting in lieu thereof "July 1975".

REPEAL OF SECTION 225 OF SOCIAL SECURITY AMENDMENTS OF 1972

SEC. 234. (a) Section 1903 of the Social Security Act is amended by striking out subsection (j) thereof (as added by section 225 of Public Law 92-603).

(b) The amendment made by subsection (a) shall be applicable in the case of expenditures for skilled nursing services and for intermediate care facility services furnished in calendar quarters which begin after December 31, 1972.

PART E—PROVISIONS RELATING TO CHILD'S SOCIAL SECURITY INSURANCE BENEFITS

BENEFITS FOR ADOPTED CHILDREN

SEC. 240. (a) Section 202(d)(8)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof "or (III) if he is an individual referred to in either subparagraph (A) or subparagraph (B) and the child is the grandchild of such individual or his or her spouse, for the year immediately before the month in which such child files his or her application for child's insurance benefits, and".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

Mr. LONG. Mr. President, I move that the Senate concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. TOWER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to; and at 4:25 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 5:07 p.m. when called to order by the Presiding Officer (Mr. FANNIN).

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, 1947

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1423.

The PRESIDING OFFICER (Mr. FANNIN) laid before the Senate the amendment of the House of Representatives to the bill (S. 1423) to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services, which was to strike out all after the enacting clause, and insert:

That section 302(c) of the Labor Management Relations Act, 1947, is amended by striking out "or (7)" and inserting in lieu thereof "(7)" and by adding immediately before the period at the end thereof the following: "; or (8) with respect to money or any other thing of value paid by any employer to a trust fund established by such representative for the purpose of defraying the costs of legal services for employees, their families, and dependents for counsel of their choice: Provided, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds; Provided further, That no such legal services shall be furnished: (A) to initiate any proceeding directed (i) against any such employer or its officers or agents except in workman's compensation cases, or (ii) against such labor organization, or its parent or subordinate bodies, or their officers or agents, or (iii) against any other employer or labor organization, or their officers or agents, in any matter arising under the National Labor Relations Act, as amended, and this Act; and (B) in any proceeding where a labor organization would be prohibited from defraying the costs of legal services by the provisions of the Labor-Management Reporting and Disclosure Act of 1959.".

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from New Jersey (Mr. WILLIAMS), I move that the Senate disagree to the amendment of the House, on S. 1423 and ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. FANNIN) appointed Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. EAGLETON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. STAFFORD, Mr. SCHWEIKER, and Mr. TAFT, conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 262) providing for an adjournment of the House of Representatives from June 30, 1973, to July 10, 1973.

FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The PRESIDING OFFICER (Mr. FANNIN). Pursuant to the previous order, the Senate will proceed to the consideration of Calendar No. 195, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Lands Right-of-Way Act of 1973".

DEFINITIONS

SEC. 2. As used in this Act:

(a) "Right-of-way" means an easement, lease, permit, or license to occupy, use, or traverse Federal lands granted for the purposes listed in this Act.

(b) "Federal lands" means all lands owned by the United States except (1) lands in the National Park System, (2) lands in the National Wildlife Refuge System, (3) lands on the Outer Continental Shelf, (4) lands in the National Wilderness Preservation System, and (5) lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States.

(c) "Holder" means any State or local governmental entity or agency, individual, partnership, corporation, association, or other business entity receiving a right-of-way under this Act.

(d) "Secretary" means the Secretary of the Interior.

(e) "Agency head" means the head of any Federal department or agency other than the Secretary of the Interior having jurisdiction over Federal lands.

TITLE I—RIGHTS-OF-WAY ON FEDERAL LANDS

AUTHORIZATION TO GRANT RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 101. (a) Except as provided in subsection (b) of this section, the Secretary is authorized to grant, issue, or renew rights-of-way over, upon, or through the Federal lands for—

(1) Pipelines and other systems for the transportation of oil or natural gas and storage and terminal facilities in connection therewith;

(2) Reservoirs, canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other facilities and systems for the impoundment, storage, transportation, or distribution of water;

(3) Pipelines and other systems for the transportation or distribution of liquids and gases, other than oil, water, and natural gas, and for storage and terminal facilities in connection therewith;

(4) Pipelines, slurry and emulsion systems, and conveyor belts for transportation and distribution of solid materials, and facilities for the storage of such materials in connection therewith;

(5) Systems for generation, transmission, and distribution of electric energy, except insofar as the Federal Power Commission has jurisdiction under the Act of June 10, 1920, as amended (16 U.S.C. 796, 797);

(6) Systems for transmission or reception of radio, television, telegraph, and other electronic signals, and other means of communication;

(7) Roads, trails, highways, railroads, canals, tramways, airways, livestock driveways, or other means of transportation; and

(8) Such other necessary transportation or other systems which are in the public interest and which require rights-of-way over, upon, or through the Federal lands.

(b)(1) Where the surface of all of the Federal lands involved in a proposed right-of-way is under the jurisdiction of one Federal agency or department, the agency head is authorized to grant, issue, or renew the rights-of-way for the purposes set forth in section 101(a) over, upon, or through the Federal lands involved.

(2) Where the surface of the Federal lands involved is administered by two or more Federal agencies or departments, the Secretary is authorized, after consultation with the agencies or departments involved, to grant, issue, or renew rights-of-way over, upon, or through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies or departments having jurisdiction over Federal lands for the purpose of avoiding duplication, assigning responsibility, expediting review of rights-of-way applications, issuing joint regulations, and assuring a decision based upon a comprehensive review of all factors involved in any right-of-way application. Each agency head shall administer and enforce the provisions of this Act, appropriate regulations, and the terms and conditions of rights-of-way insofar as they involve Federal lands under the agency head's jurisdiction.

(c)(1) Pipelines and other systems authorized under subsection (a)(1) of this section shall be constructed, operated, and maintained as common carriers. The owners or operators thereof shall accept, convey, transport, or purchase, without discrimination, oil or natural gas produced from Federal lands in the vicinity of the pipeline in such proportionate amounts as the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable. The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality, however, where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

(2) The Secretary shall at all times be authorized, whenever he has reason to believe that any such owner or operator subject to section 101(c)(1) is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor or the Secretary may, by proceeding as provided in section 106 of this Act, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

(3) The Secretary or agency head shall require prior to granting, issuing, or renewing a right-of-way, that the applicant submit and disclose any or all plans, contracts, agreements, or other information or material he deems necessary to a determination, in accordance with the provisions of this Act, as to whether a right-of-way shall be granted, issued, or renewed and the terms and conditions which should be included in the right-of-way. In the case of oil and natural gas pipelines required information may include, but is not limited to: (A) conditions for, and agreements among owners or operators regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal's throughput capacity in response to actual or anticipated increases in demand; (B) conditions for adding or abandoning intake or offtake points or facilities; and (C) minimum shipment or purchase tenders.

(4) If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head prior to granting a right-of-way pursuant to this Act shall require the applicant to disclose the identity of the participants in the entity. Such disclosures shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

(d) Nothing in this Act shall be deemed to limit in any way the authority of the Secretary or agency head to make grants, issue leases, licenses, or permits, or enter into contracts under other provisions of law, for purposes ancillary or complementary to the construction, operation, maintenance, or termination of any facility authorized under this Act.

REVIEW BY ATTORNEY GENERAL

SEC. 102. (a)(1) The Secretary or agency head shall not grant, issue, or renew a right-of-way, not exempted under subsection (d) of this section, until the Secretary or agency head has given the Attorney General a reasonable opportunity of not more than ninety days to comment as to whether the particular facilities, project, or activity involved with the right-of-way would tend to create or maintain a situation inconsistent with the antitrust laws. Whenever the granting, issuance, or renewal of such a right-of-way is contemplated by the Secretary or agency head he shall publish notice of the application in the Federal Register and shall transmit promptly to the Attorney General notice of the application, the probable terms or conditions thereof, and the purposes for which the right-of-way has been requested.

(2) Communications from the Attorney General to the Secretary or agency head pursuant to this subsection shall be advisory only, and the failure of the Secretary or agency head to implement any recommendation of the Attorney General hereunder shall not create a cause of legal action challenging the grant, issuance, or renewal of a right-of-way. Nor shall the advice, opinions, or recommendations hereunder operate in any manner or at any time as a defense to any legal action under the antitrust laws.

(b) Under request made by the Attorney General, the Secretary or agency head shall furnish or cause to be furnished to the Attorney General such information as the Secretary or agency head may possess, have access to, or have knowledge of, and which the Attorney General determines to be appropriate or necessary to enable him to give the advice required by this section. The Attorney General shall have full authority to obtain from any such applicant for such right-of-way all information he deems necessary by civil investigative demand under the Antitrust Civil Process Act (15 U.S.C. 1312 et seq.).

(c) The advice of the Attorney General shall be reviewed by the Secretary or agency head and made available for public inspection.

(d) The Secretary and appropriate agency heads, with the approval of the Attorney General, may exempt from any of the requirements of this subsection classes or types of grants or renewals which they determine would not have any substantive impact under the antitrust laws as specified in subsection (a) of this section.

(e) If the Attorney General determines that operations under the right-of-way may violate the antitrust laws of the United States, he may institute legal action thereunder to enjoin such violation.

(f) Nothing contained in this Act shall impair, amend, broaden, or modify any of the antitrust laws or limit or prevent the application of any such laws to any person under the provisions of this Act.

(g) As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 232, 38 Stat. 730); as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

RIGHT-OF-WAY CORRIDORS

SEC. 103. (a) In order to minimize adverse environmental impacts and to prevent the proliferation of separate rights-of-way across Federal lands, the Secretary shall, in consultation with other Federal and States agencies review the need for a national system of transportation and utility corridors across Federal lands and submit a report of his findings and recommendations to the Congress and the President by July 1, 1975. Following such review, the Secretary shall by July 1, 1976, to the extent practical and appropriate, designate such corridors and require that rights-of-way be confined to them. In designating such corridors and in determining whether to require that rights-of-way be confined to them, the Secretary shall take into consideration National and State land use policies, environmental quality, economic efficiency, national security, safety, and good engineering and technological practices. The Secretary shall issue regulations containing the criteria and procedures he will use in designating such corridors. Any existing transportation and utility corridors may be designated as part of the national system without further review.

(b) Except for rights-of-way for which the Secretary or agency head has granted exclusive use in the past, or where exclusive use is determined by the Secretary or agency head, on the basis of the criteria in section 103(a) to be necessary, the Secretary or agency head shall wherever practicable require applicants for rights-of-way under this Act to utilize rights-of-way in common. The Secretary shall, by regulation, establish standards for requiring and granting rights-of-way in common which may include requirements for compensation to an existing holder for any modification of his facilities required by the common use: Provided, That this section does not prohibit the Secretary or agency head from granting, issuing, or renewing rights-of-way prior to the promulgation of regulations.

GENERAL PROVISIONS

SEC. 104. (a) The Secretary or agency head shall specify the boundaries of each right-of-way as precisely as is practicable. Each right-of-way shall be limited to the ground which the Secretary or agency head determines: (1) will be occupied by facilities which constitute the project for which the right-of-way is given, (2) to be necessary for the operation or maintenance of the project, and (3) to be necessary to protect the environment or public safety. The Secretary or agency head may authorize the temporary use of such additional lands as he determines to be reasonably necessary for the construction, operation, maintenance, or termination of the project or a portion thereof, or for access thereto.

(b) The Secretary or agency head shall determine the duration of each right-of-way or other authorization to be granted, issued, or renewed pursuant to this Act. In determining the duration the Secretary shall, among other things, take into consideration the cost of the facility and its useful life.

(c) Rights-of-way granted, issued, or renewed pursuant to this Act shall be given under such regulations or stipulations, in accord with the provision of this Act or any other law, and subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, maintenance, and termination.

(d) The Secretary or agency head, prior to granting a right-of-way pursuant to this Act for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way which shall comply with stipulations or with regulations issued by the Secretary or agency head. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be imited to: (1) requirements to insure that activities in connection with the right-of-way will not violate applicable air and water quality standards nor applicable transmission, powerplant, and related facility siting standards established by or pursuant to law; (2) requirements designed to control or prevent (A) damage to the environment (including damage to fish and wildlife habitat), (B) damage to public or private property, and (C) hazards to public health and safety; and (3) requirements to protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be regularly revised. Such regulations shall be applicable to every right-of-way granted pursuant to this Act, and may be applicable to existing rights-of-way or rights-of-way to be renewed pursuant to this Act.

(e) Mineral and vegetative materials, including timber, within or without a right-of-way, may be used or disposed of in connection with construction or other purposes only if authorization to remove or use such materials has been obtained pursuant to applicable laws

(f) No right-of-way shall be issued for less than the fair market value thereof as determined by the Secretary or agency head. The

Secretary or agency head may, by regulation or prior to promulgation of such regulations, as a condition of a right-of-way, require an applicant or holder of right-of-way to reimburse the United States for all reasonable administrative and other costs incurred in processing an application and in inspection and monitoring of construction, operation, and termination of the facility: *Provided, however,* That rights-of-way may be granted, issued or renewed to State or local governments or agencies or instrumentalities thereof, or to nonprofit associations or nonprofit corporations which are not themselves controlled or owned by profitmaking corporations or business enterprises, for such lesser charge as the Secretary or agency head finds equitable and in the public interest.

(g) The Secretary or agency head shall promulgate regulations specifying the extent to which holders of rights-of-way under this Act shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way. The regulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liabilities, damages, or claims arising in connection with the right-of-way.

(h) Where he deems it appropriate, the Secretary, or agency head may require a holder of a right-of-way to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or by any rule or regulation of the Secretary.

(i) The Secretary or agency head shall grant, issue, or renew a right-of-way under this Act only when he is satisfied that the applicant has the technical and financial capability to construct the project for which the right-of-way is requested, and in accord with the requirements of this Act.

TERMS AND CONDITIONS

SEC. 105. Each right-of-way shall contain such terms and conditions as the Secretary or agency head deems necessary to (a) carry out the purposes of this Act and rules and regulations hereunder; (b) protect the environment; (c) protect Federal property and monetary interests; (d) manage efficiently Federal lands which are subject to the right-of-way or adjacent thereto and protect the other lawful users of the public lands adjacent to or traversed by said right-of-way; (e) protect lives and property; (f) protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purpose; and (g) protect the public interest in the Federal lands.

SUSPENSION OR TERMINATION OF RIGHT-OF-WAY

SEC. 106. Abandonment of the right-of-way or noncompliance with any provision of this Act, condition of the right-of-way, or applicable rule or regulation of the Secretary, or agency head may be grounds for suspension or termination of the right-of-way if, after due notice to the holder of the right-of-way and an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed upon condition, event, or time. If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way for violation of its terms and conditions is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding. Prior to commencing any proceeding to suspend or terminate a right-of-way the Secretary or agency head shall give written notice to the holder of the ground or grounds for such action and shall give the holder a reasonable time to resume use of the right-of-way or to comply with the Act, condition, rule, or regulation, as the case may be. Deliberate failure of the holder of the right-of-way to use the right-of-way for the purpose for which it was granted, issued, or renewed, for any continuous two-year period, shall constitute a rebuttable presumption of abandonment of the right-of-way: *Provided, however,* That were the failure of the holder to use the right-of-way for the purpose for which it was granted, issued, or renewed for any continuous two-year period is due to circumstances not within the holder's control the Secretary or agency head is not required to commence proceedings to suspend or terminate the right-of-way.

RIGHTS-OF-WAY FOR FEDERAL AGENCIES

SEC. 107. (a) The Secretary or agency head may reserve for the use of any department or agency of the United States a right-of-way over, upon, or through Federal lands, subject to such terms and conditions as he may impose. The provisions of this Act shall be applicable to such rights-of-way.

(b) Where a right-of-way has been provided for the use of any department or agency of the United States, the Secretary or agency head shall take no action to terminate, or otherwise limit, that use without the consent of the head of that other department or agency.

CONVEYANCE OF LANDS

SEC. 108. If under applicable law the Secretary or agency head decides to transfer out of Federal ownership by patent, deed, or otherwise, any Federal lands covered in whole or in part by a right-of-way, the lands may be conveyed subject to the right-of-way; however, if the Secretary or agency head (where all the Federal lands involved are under the jurisdiction of one Federal agency or department) determines that retention of Federal control over the right-of-way is necessary to assure that the purposes of this Act will be carried out, the terms and conditions of the right-of-way complied with, or the Federal lands protected, he shall (1) reserve to the United States that portion of the lands which lies within the boundaries of the right-of-way, or (2) convey the lands, including that portion within the boundaries of the right-of-way, subject to the right-of-way and reserving to the United States the right to enforce all or any of the terms and conditions of the right-of-way, including the right to renew it or extend it upon its termination and to collect rents.

EXISTING RIGHT-OF-WAY

SEC. 109. Nothing in this Act shall have the effect of terminating any rights-of-way or rights-of-use heretofore issued, granted, or permitted by any Federal agency, and such rights-of-way or rights-of-use are hereby confirmed in accordance with their terms. However, with the consent of the holder thereof, the Secretary or agency head may cancel such a right-of-way and in its stead issue a right-of-way pursuant to the provisions of this Act.

STATE STANDARDS

SEC. 110. The Secretary or agency head shall respect State standards for right-of-way construction, operation, and maintenance if those standards are more stringent than Federal standards and if the Federal lands are adjacent to State lands.

PUBLIC PARTICIPATION

SEC. 111. The Secretary or agency head by regulation shall establish procedures, including public hearings where appropriate, to give Federal, State, and local government agencies and the public adequate notice and an opportunity to comment upon (1) the designation of transportation and utility corridors, and (2) right-of-way applications filed after the date of enactment of this Act.

RULES AND REGULATIONS

SEC. 112. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

EFFECT ON OTHER LAWS

SEC. 113. (a) Nothing in this Act shall be construed to amend, repeal, modify, or change in any way the requirements of section 102(2)(C) or any other provision of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852).

(b) After the date of enactment of this Act, no right-of-way for the purposes listed in the Act shall be granted, issued, or renewed over, upon, or through Federal lands except under and subject to the provisions, limitations, and conditions of this Act: *Provided,* That any application for a right-of-way filed under any other law prior to the date of enactment of this Act may, at the applicant's option, be considered as an application under this Act or the Act under which the application was filed. The Secretary or agency head may require the applicant to submit any additional information he deems necessary to comply with the requirements of this Act.

(c) Nothing in this Act shall be construed to preclude the use of Federal lands for highway purposes pursuant to sections 107 and 317 of title 23, United States Code.

LIMITATIONS ON EXPORT OF NORTH SLOPE CRUDE

SEC. 114. (a) Any crude oil produced from the geographical area in which the President is authorized to establish special national defense withdrawals by section 10(b) of the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339) shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements of the Export Administration Act of 1969 the President must make and publish an express finding that such exports are in the national interest and are in accord with the provisions of the Export Administration Act of 1969.

(b) Any violation of this section shall be subject to the penalty and enforcement provisions of sections 6 and 7 of the Export Administration Act of 1969.

TITLE II—PIPELINES FOR ALASKA NORTH SLOPE OIL AND GAS

SEC. 201. (a) The Congress hereby finds—

(1) That facilitating the early delivery of the oil and gas available on Alaska's North Slope to domestic markets is in the national interest.

(2) That full development and delivery of Alaska's proved and potential oil and gas may best be attained by utilizing both maritime and overland transportation systems.

(3) That while a specific proposal for the transportation of Alaska's North Slope crude oil over a route that does not traverse any foreign country is at an advanced stage, and proposals for transportation of North Slope natural gas are currently being prepared, it is nevertheless in the long term national interest to initiate early negotiations with the Canadian Government to determine the feasibility of transportating North Slope crude oil on an overland route across Canadian territory.

(b) The Congress declares that it is the purpose of this title to authorize and request the President to initiate negotiations with the appropriate officials of the Government

of Canada for the purposes set forth in sections 202 through 204.

SEC. 202. The President of the United States is authorized and requested, utilizing the services of the Secretary and the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada to ascertain—

(a) the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States;

(b) the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

(c) the desirability of undertaking joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met; and

(d) the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit.

SEC. 203. (a) If the President, on the basis of the negotiations authorized and requested in section 202, determines—

(1) that the Canadian Government is willing to entertain an application or applications leading to development of a transportation system for the movement of Alaska crude oil to markets in the United States; and

(2) that no technically competent and financially responsible private entity or entities have made and are actively pursuing such an application with the Canadian Government;

the President is authorized and requested to direct the appropriate Federal departments and agencies to initiate and undertake, or to collaborate with appropriate Canadian governmental agencies and responsible private entities in such studies, negotiations, engineering design, and consultations as are necessary to the proparation of an application to the Canadian Government and to enter into specific negotiations concerning the authorization of construction, certification, and regulations of such a transportation system.

SEC. 204. The Secretary shall, within one year of the effective date of this Act, report to the Committees on Interior and Insular Affairs of the House and Senate regarding the actions taken and progress achieved under this title, together with his recommendations for further action.

SEC. 205. This title shall not be construed to reflect a determination of the Congress regarding the relative merits of alternative transportation systems for North Slope crude oil or regarding the merits or legality of a grant by the Secretary of a right-of-way to construct a crude oil pipeline within Alaska from the vicinity of Prudhoe Bay to Valdez, nor to prohibit such a grant, nor to require that the Secretary in the execution of any of his statutory duties await the results of the negotiations with the Canadian Government provided for in this title before making such a grant.

SEC. 206. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday, July 9, 1973, is as follows:

The Senate will convene at 10 a.m. pursuant to House Concurrent Resolution 262 as amended. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of routine morning business, the Senate will proceed to the consideration of S. 2047, a bill to authorize a Federal payment for the planning of a transit line in the median of the Dulles Airport Road and for a feasibility study of rapid transit to Friendship International Airport. There is a time limitation on the bill. Yea and nay votes are expected on amendments thereto and on passage of the bill. The yeas and nays have already been ordered on final passage of S. 2047.

On the disposition of S. 2047, the Senate will resume its consideration of the then unfinished business, the so-called Alaska pipeline bill, S. 1081. Yea and nay votes may occur on amendments thereto, also, on Monday, July 9.

ADJOURNMENT TO 10 A.M., MONDAY, JULY 9, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with House Concurrent Resolution 262, as amended, that the Senate stand in adjournment until 10 a.m., on Monday, July 9, 1973.

The motion was agreed to; and at 5:11 p.m. the Senate adjourned until Monday, July 9, 1973, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 30, 1973:

CIVIL SERVICE COMMISSION

Robert E. Hampton, of Maryland, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1979.

DEPARTMENT OF STATE

John Hugh Crimmins, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Fred Charles Ikle, of California, to be Director of the U.S. Arms Control and Disarmament Agency.

The following-named persons to be Assistant Directors of the U.S. Arms Control and Disarmament Agency:

Amrom H. Katz, of California.

Robert M. Behr, of Michigan.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sheldon B. Lubar, of Wisconsin, to be an Assistant Secretary of Housing and Urban Development.

FEDERAL DEPOSIT INSURANCE CORPORATION

George A. LeMaistre, of Alabama, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

COMMUNITY DEVELOPMENT CORPORATION

Albert Faustino Trevino, Jr., of California, to be a member of the Board of Directors of the Community Development Corporation.

EXPORT-IMPORT BANK OF THE UNITED STATES

Mitchell Kobelinski, of Illinois, to be a member of the Board of Directors of the Export-Import Bank of the United States.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Charles O. Sethness, of New York, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Saturday, June 30, 1973*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong and of a good courage; for the Lord Thy God is with thee withersoever thou goest.—Joshua 1: 9.

O Thou who makest light to shine out of darkness, lighten our way, we pray Thee, that we may see the path we should take, and being saved from unworthy ambitions, unfriendly attitudes, and unjust activities may walk with Thee in Thy way and thus fulfill Thy great and good purposes for us and for our Nation.

In the mood of the Master we pray, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, joint resolution of the House of the following title:

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 636) entitled "Joint resolution making continuing appropriations for the fiscal year