United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, FIRST SESSION

## SENATE—*Friday, July 13, 1973*

The Senate met at 8:30 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, our Father,
"New every morning is the love
Our wakening and uprising prove;
Through sleep and darkness safely brought,
Restored to life and power and thought."

—JOHN KEBLE.

With thanksgiving for past mercies and for rest, we beseech Thee to endow us with fresh vigor for the toiling hours of this day. May we heed the judgments of Thy commandments and respond to the love of the cross. Strengthen our weakness, calm our anxieties, quiet our tempers, replace cynicism with faith and in decisions of these demanding days make us worthy of the heritage of free men.

In Thy holy name, we pray. Amen.

### THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, Thursday, July 12, 1973, be dispensed with.

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

### ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn until the hour of 10 o'clock tomorrow morning.

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

### ORDER FOR CONSIDERATION OF S. 2101 AND S. 440 TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the morning business tomorrow the Senate turn to the consideration of Calendar No. 262, S. 2101.

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

Mr. MANSFIELD. And that, after disposition of S. 2101, the Senate turn to the consideration of S. 440, a bill to make rules governing the use of the Armed Forces of the United States in the absence of a declaration of war by Congress.

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

Mr. MANSFIELD. I ask unanimous consent that they remain the pending business before the Senate the remainder of the day, and that the unfinished business be laid aside tomorrow until those two bills are disposed of, and that if those bills are not disposed of by the end of the day tomorrow that the Senate return to the consideration of the unfinished business.

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

### COMMITTEE MEETINGS DURING SENATE SESSION

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

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

### WISHES FOR PRESIDENT'S SPEEDY RECOVERY

Mr. MANSFIELD. Mr. President, I wish to say that I was surprised and disturbed and distressed when I received a call from the White House on yesterday, about a quarter to 9 in the evening, informing me that the President of the United States, Richard Nixon, had been sent to Bethesda Hospital with viral pneumonia.

I can well understand the strain which the President has been under, for a variety of reasons. I just want to state for the record that I wish him well, that I hope he recovers expeditiously, but that he does not leave the hospital until he has fully recovered.

He has been carrying on his responsibilities on a daily basis, under great stress and strain, but he has been carrying them on; and I know that I speak for all Members of the Senate, both Democratic and Republican, when I express our distress at this turn of events and that we all wish him a speedy recovery.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. ROBERT C. BYRD. Mr. President, I wish to share the expression of distress and concern by the majority leader that the President has been forced to go to the hospital. It is my understanding that he worked during the day on yesterday in his office.

I join with my distinguished majority leader in expressing the hope that the President will remain in the hospital until he has fully recovered, but that he will have a speedy recovery and will soon be back at his desk.

### ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Utah (Mr. Moss) is recognized for not to exceed 15 minutes.

The Senator from Utah.

### THE REPORT OF THE NATIONAL WATER COMMISSION

Mr. MOSS. Mr. President, in a floor statement on January 11, I expressed my concern over a number of the recommendations which were included in the review draft of the report of the National Water Commission. I urged the Commission at that time to consider the comments of western water authorities in compiling its final report. I commented upon a number of contentions made in the review draft which I did not believe adequately reflected all of the important policy considerations of Federal water resource development.

On June 14, 1973, the National Water Commission transmitted its final report to the President and the Congress. I was dismayed to find that the final report differed from the review draft in only a very few instances. The pervasive critical attitude of the report toward nearly all Federal support for water resources development remains unchanged. I will not repeat my earlier discussion; however, one aspect of the report deserves particular attention in view of the evidence of events since the review draft was released.

#### THE NEED FOR IRRIGATED AGRICULTURE

The National Water Commission has been particularly critical of Federal support for water resources programs which provide irrigation water supplies to agricultural lands in the arid West. The Commission has remarked that the Federal reclamation program has contributed to excess productive capacity in U.S. agriculture and that there is no need in the foreseeable future for any continued Federal interest in irrigation.

The Commission concludes that all of

the increased demands for U.S. agricultural production can, and should, be met by intensified management on available farmlands in nonarid regions. The report goes so far as to suggest that nonagricultural water needs in the arid West can easily be provided for by a substantial reduction in irrigated agriculture.

The principal basis for these cavalier conclusions about the easy availability of agricultural production is a report which was prepared for the Commission by Iowa State University in 1971.[1] This study made projections of alternative future agricultural situations using a large-scale linear programing model.

Of course, the reliability of computer analyses are no better than the assumptions made in constructing the model. In this case, the assumptions involved future governmental farm policies, export situations, advances in agricultural technology, and pricing arrangements for both inputs and products of farm operations. Each of these factors clearly requires broad judgmental estimates of future conditions. Experts might be expected to have honest differences of opinion concerning any number of the assumptions. In fact, a number of authorities have questioned the assumptions ever since the study was released.

AGRICULTURAL SHORTAGES

It is not necessary, however, to examine the more esoteric technical assumptions of the Commission's studies to cast doubt upon its predictions of abundant farm production from a reduced agricultural land base. The predictions have already proven to be tragically wrong. On June 13 President Nixon addressed the Nation on economic controls. Regarding price increases the President said:

> The greatest part of this increase is due to rising food prices. This has been caused in large measure by increased demand at home and abroad, by crop failures abroad and by some of the worst weather for crops and livestock here in America that we have ever experienced.

He stated further:

> The key to curb food prices lies in increasing supplies.

These comments highlight the fallacy of judging the adequacy of agricultural production in terms of short-term surpluses, good crop-year production levels, and current demands. It demonstrates the uncertainties of agricultural production and the risks of concentrating farming in one or a few regions.

Droughts, floods, frost or blights can all too easily wipe out a year's farm production over a major region of the Nation. Regional diversity and capability to produce in excess of domestic needs are not national burdens, as the Water Commission contends. They are insurance against some of the worst disasters a nation can experience.

The President also stressed the significance of American agricultural capability to the world market. He said:

> One of the major reasons for the rise in food prices at home is that there is now an unprecedented demand abroad for the products of America's farms. Over the long run, increased food exports will be a vital factor in raising farm income, in improving our balance of payments, and in supporting America's position in the world.

Unfortunately, however, American agricultural production is presently incapable of meeting even domestic demands. At a time when our farmers should be producing exports to balance our trade deficits in petroleum and other imported products, we are unable to produce the necessary surpluses. The President in his message announced:

> In the short term, however—when we have shortages and sharply rising prices of food at home—I have made this basic decision: In allocating the products of America's farms between marketings abroad and those in the United States, we must put the American consumer first.
>
> Therefore, I have decided that a new system for export controls on food products is needed—a system designed to hold the price of animal feed-stuffs and other grains in the American market to levels that will make it possible to produce meat and eggs and milk at prices you can afford.

A particularly ironic note has been sounded in the earliest restrictions on agricultural exports. The National Water Commission report suggested that soybean and other vegetable protein might be a desirable substitute for meat in the future. The Commission reasoned as follows:

> The reason that the substitution of vegetable protein for animal protein in the diet would require far less land and water is, very simply, that cattle and other meat animals are very inefficient converters of plant to animal protein. Beef cattle require many pounds of plant protein to produce one pound of meat protein. If human beings consume the vegetable protein directly, instead of through the beef cycle, they increase their efficiency of food utilization several times.[2]

The United States now produces most of the world's soybeans, but delays in planting, because of wet weather this spring along with the increasing world demands have resulted in present shortages and near panic price increases in soybean futures. Once again, the United States is unable to take advantage of a potentially valuable export situation.

Mr. President, the Nation should take an important lesson from these unfortunate developments. Transitory crop surpluses and utopian predictions of future agricultural efficiency should no longer be used as excuses for nearsighted budget cutting. It is a paradoxical situation when the President has identified agricultural shortages as a critical national problem at the same time that the executive agencies curtail reclamation development which could provide increased, reliable, and diversified production.

It is discouraging when a prestigious national commission bases its conclusions upon projections which have been shown to be deficient before the report was even released.

I urge the Congress to exert some badly needed leadership in this area of policy. The reclamation program is an attractive Federal investment.

River basin developments, taken as a whole, repay to the Treasury much of their costs by direct revenues. Their water supply for both municipal and industrial purposes, for recreation, fish and wildlife conservation, hydroelectric power, and flood control functions afford great social and economic benefits to the rural and metropolitan regions served by the project and return the Federal investments to the Nation many times in increased taxes.

The most widely criticized aspect of reclamation development, increased irrigated agriculture, has now been clearly shown to be a valuable national resource. I urge the Senate to reaffirm its policy of support for the reclamation program. That support is justified by the program's past accomplishments and the Nation's present and future needs.

## ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, under the previous order, the Senator from Kentucky (Mr. COOK) is recognized for not to exceed 15 minutes.

## PROGRESS REPORT ON PRESIDENT NIXON'S HEALTH

Mr. COOK. Mr. President, I and everyone else was distressed to learn that the President was ill and had to be admitted to Bethesda Hospital.

I was very pleased to receive a report this morning that there are no complications and that he is reported to be well.

I know that I join with my colleagues as well as the people of the country and of other nations of the world in wishing him a speedy recovery.

## INTRODUCTION OF A BILL

(The remarks Senator COOK made at this point on the introduction of S. 2167, to establish a Federal Research and Development Trust Fund, and the ensuing discussion of the subject are printed in the morning business section of the RECORD under Statements on Introduced Bills and Joint Resolutions.)

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 1081, which the clerk will state.

The legislative clerk read as follows:

> 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 resumed the consideration of the bill.

The question is on agreeing to the Mondale amendment, No. 240.

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[1] Heady, Earl O. et al., Iowa State University, agricultural water demands, National Technical Information Service, Springfield, Va., 1971.

[2] National Water Commission, Water Policies for the Future, Washington, U.S. Govt. Printing Office, 1973, p. 138.

Mr. STEVENS. Mr. President, I wish to raise a point or two concerning the Mondale amendment, which I hope we can get to at a later time in terms of colloquy with the Senator from Minnesota.

I have again studied the amendment offered by the Senator from Minnesota, during the recess since last evening, and I do not find anything in the amendment as presented that will in fact stop the litigation. There is a direction or congressional finding that it is the will of Congress to avoid the uncertainties of continued litigation and facilitate the delivery of North Slope resources, if and when that will serve the best environmental, economic, and national security needs of the Nation. But nowhere in this amendment is there anything that would affect the court cases that are pending now—and would, of course, be pending—by either the proponents of the Alaska line or the Canadian line, depending upon the decision that might be made should the approach suggested by the Senator from Minnesota be adopted.

There is merely a direction to the Secretary of the Interior to issue the necessary rights-of-way for the transmission of oil from the North Slope of Alaska pursuant to the congressional mandate that would be made, assuming that the Senator from Minnesota's approach would be adopted. After that mandate had been made, we would be right back in court. We are in court today because of action by environmental extremists in the United States.

If Congress, in its wisdom, should decide to select the Canadian route, we would be in court in both Canada and the United States, by virtue of the fact that the Alaskan people who oppose the Canadian route would certainly challenge that congressional decision; and the Canadian environmental extremists who do not want the Canadian route would take the matter to court in the sovereign nation of Canada.

I really cannot find in the amendment of the Senator from Minnesota the language to support the contention that I understood had been made here in the past 2 days—that this amendment would terminate the litigation. We have an amendment that would, in fact, terminate the litigation, but nothing in this amendment would do so. I am hopeful that someone who supports the amendment will come forward and explain it.

I also hope, Mr. President, that as this matter is discussed this morning by the proponents of the Mondale amendment, we would have a better understanding of what the duties of the National Academy of Sciences would be. As I reread the amendment, I found that the burden on the National Academy of Sciences in the proposed amendment is a rather fantastic one, when we consider that it took more than 100 man-years for us to complete the environmental analysis of the Alaska pipeline route.

This amendment would require that the National Academy of Sciences study the Alaska land and maritime route in the Department of the Interior's environmental impact statement and also examine the corridor from the North Slope of Alaska across Canada.

The interesting thing is that no route has been set forth across Canada. There are several potential routes. I think that the National Academy of Sciences would have to examine several potential routes. There is one in the Mackenzie River Valley, there is one that comes down the Alaska Highway, and there is another that could go down the so-called Rocky Mountain Trench into the State of Montana. Even a railroad was once proposed along that corridor.

Under the Senator from Minnesota's amendment, the National Academy of Sciences would have to have some direction. I cannot see that within 240 days the Director could determine whether the Mackenzie River route was the best or the Alaska Highway route was the best or the Rocky Mountain trench route was the best, then analyze the preferred route through Canada, and then compare the preferred route through Canada to the preferred route through Alaska, which has already been selected by virtue of the trial and error in the drilling process of thousands and thousands of core holes which have been drilled in order to get the environmental data that we have in this environmental impact statement.

I hope that, somehow, the Senator from Minnesota would set forth in the record what route he is talking about. Certainly, it is unreasonable to expect the National Academy of Sciences, in 240 days, to study three routes through Canada, and then analyze the one route that is selected in the environmental impact statement through Alaska, and compare the two, and prepare a report containing all the detailed information, the actual and potential effects on the environment, the environmental impact, with adverse impacts on the relationship between local short-term effect on man's environment and long-term productivity, the effect on the national interest, including national security, and the overall economic effects on the consumer, the effects on the balance of payments. All these factors are involved.

Mr. President, I see my good friend from Washington here. I am waiting for him to seek the floor. I have other comments and questions I would like answered later, but I do not know when we will have the opportunity.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. 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. JACKSON. Mr. President, I yield such time to the Senator from Alaska as he may require.

Mr. STEVENS. Mr. President, yesterday the Senator from Minnesota and I had an exchange concerning the comment I had made the day before that it would take $1 billion to convert the refineries of the Midwest to use North Slope crude; that is, to refine North Slope crude oil. The Senator from Minnesota (Mr. MONDALE) challenged that statement. I have again conferred with the people who are associated with the Alyeska Pipeline Co., and I have another statement to make concerning that matter.

Senator MONDALE apparently is utilizing two unrelated pieces of data in contending that a large number of Midwest refineries are equipped to handle North Slope crude.

Senator MONDALE said that some Alberta crude oil is high in sulfur—1.9 percent—and by inference implied that the Midwest refineries were operating on that crude oil. Senator MONDALE is correct in his statement that there is some high sulfur Alberta crude, but the fact is that it exists in only very minor pools. The crude oils reaching the U. S. Midwest from Alberta through the interprovincial pipeline are of two types—and only two types—Canadian sweet and Canadian sour.

Both of these crudes are very light and easy to process. By simple distillation they have high yields of gasoline material, and heating oil, and very low yields of heavy fuel. The Canadian sweet crude has only 0.2 to 0.3 percent sulfur and the Canadian sour only 0.4 percent sulfur. Thus, the investment in equipment for removal of sulfur and for converting heavy fuel to the lighter, more desirable products, is minimal.

By contrast, North Slope crude is a medium weight crude. It has a relatively low gasoline yield and high yield of heavy fuel oil. The sulfur content of the North Slope crude is 0.94 percent—or 2.5 to 5 times that of the Alberta crudes—and is classified as a high nitrogen crude.

In contrast to a refinery built for processing Alberta crude, a refinery for North Slope crude would have to make much more extensive use of stainless steel and other expensive alloys in resisting corrosion attack by the sulfur compounds, and the refinery for North Slope crude must be equipped with a much higher investment in facilities to remove sulfur, remove nitrogen, and to convert the much higher yield of heavy fractions to gasoline and heating oil.

The statement that a typical major Midwest refinery would have to invest roughly $50 million in order to efficiently process North Slope crude is true and cannot be wished away by quoting Alberta crude data out of context.

Every west coast refinery—and I emphasize that—is already equipped to run North Slope crude oil by virtue of the similarity of North Slope oil to the California crudes for which the west coast refineries were designed and equipped.

One further item: The Midwest, PAD II—that is import district 2—is far less dependent on Eastern Hemisphere crude than is either the northeast or the west coast. Essentially, all of the Midwest crude oil deficit is made up from PAD III—Gulf Coast—and from Canada.

It would cost an extra $1 billion to

modify the Midwest refineries to handle the Alaskan crude oil whereas no similar expenditure would be required in California.

If North Slope crude goes to California then district II will need:

More crude from Canada—no modifications;

More crude from district—no modication; and

More crude from Mideast/or more product from gulf coast refineries.

And the refineries in the Midwest will not have to spend $1 billion to convert to use crude from any one of those three sources.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABOUREZK). On whose time?

Mr. STEVENS. Charged equally to both sides, under unanimous consent. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABOUREZK). Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I yield 5 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HASKELL. Mr. President, I doubt whether much more can be said on the Mondale-Bayh amendment, but briefly I should like to summarize from my viewpoint.

First, there has not been a useful evaluation of the benefits to the country of the possible alternative routes. There is no use describing them; they have been described at length. The Department of the Interior itself, as has been said on the floor of the Senate many times, admits that there is no testimony concerning the relative weaknesses or national benefits.

Second, it occurs to me that when we are talking of an asset of the size of the North Slope oil, and when we are talking in terms of what will be a long-term dependence on imported oil from the Mideast and elsewhere, we should use this asset to the best interests of the Nation. This asset, incidentally, is at least one-fifth of the present U.S. reserves; and as the senior Senator from Alaska (Mr. STEVENS) said the other day, additional discoveries may increase the size of that asset. Therefore, the Mondale-Bayh amendment proposes an impartial study within a very limited period of time and further provides that Congress, at the end of that limited period of time, shall make the determination.

Let us talk about time. It has been said on one side that the Mondale-Bayh amendment will expedite matters. It has been said on the other side that the Mondale-Bayh amendment will delay matters. There is no question at all that if the study determines that the Valdez route is the preferable route, the matter will be expedited. The reason for that is that when Congress acts, that is the end of NEPA litigation. There can be no NEPA litigation. The senior Senator from Alaska said that NEPA litigation would go on for a year. In my view, it would go on for 4 years. If we eliminate the NEPA litigation, and if Valdez is the selected route, there is no question that the delivery of oil to the lower 48 States—if the oil goes to the lower 48—will have been speeded up.

Yesterday, in talking with the junior Senator from North Dakota (Mr. BURDICK), he argued that I could not possibly be right in saying that NEPA litigation would be the cutoff, and he was so forceful or persuasive that I felt it was necessary to get an outside opinion on the subject. For that reason, my office called the law firm of Berlin, Roisman & Kessler, lawyers for the plaintiffs in the NEPA litigation, and asked them the question. I have received an opinion from that law firm which states that if the Mondale-Bayh amendment is adopted, that will, in fact, eliminate any litigation under NEPA.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD following my remarks.

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

(See exhibit 1.)

EXHIBIT 1

BERLIN, ROISMAN & KESSLER,
*Washington, D.C. July 12, 1973.*

Senator FLOYD K. HASKELL,
*U.S. Senate,*
*Old Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HASKELL: As I believe you know my firm represented the Canadian Wildlife Federation and the Hon. David Anderson in the Alaska pipeline litigation which has precipitated the present debate over S. 1081. We have also represented public interest organizations, in numerous other environmental suits, including *Calvert Cliffs'*, which have resolved disputed interpretations of the National Environmental Policy Act.

As the litigants in the Alaska pipeline case have testified before both the Senate and House Interior Committees they support the Mondale-Bayh amendment to S. 1081, which we know that you also support.

It has come to my attention that questions have been raised about the legal status, under NEPA, of the decision which Congress is to reach on the Canadian-versus-the-Alaskan route after completion of a National Academy of Sciences study and negotiations with Canada, if the Mondale-Bayh Amendment is passed. Such a Congressional decision, which is called for in Section 208 of the Amendment, would not of course even fall under the provisions of the National Environmental Policy Act. Section 102(2)(C) of that statute, requiring preparation of an environmental impact statement, applies only to "major Federal actions", i.e., the actions of a Federal agency, department, commission, etc. There is no question in my own mind that NEPA does not, and could not, apply to specific actions of the Congress itself, i.e., directing the Secretary of the Interior to grant rights-of-way for whichever route is chosen. For this reason, the Congressional decision does not fall under NEPA and is not subject to the procedural requirements of NEPA.

Of course, the Amendment does incorporate the basic principles of NEPA by requiring that the National Academy of Sciences study cover, among a number of other matters, the same subjects which would have to be discussed in a NEPA impact study. But again, that is a matter of Congress choosing to have such information included in the study, rather than being obligated to do so by the provisions of NEPA.

In short, NEPA, is as a legal question, irrelevant to the Congressional decision mandated by Section 208 of the Mondale-Bayh Amendment since NEPA applies *only* to actions of the executive branch of the Federal government and the Amendment contemplates a decision to be made by the Congress itself as an independent exercise of its legislative function under the Constitution.

Cordially yours,

GLADYS KESSLER.

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

Mr. HASKELL. I yield.

Mr. MONDALE. As the Senator knows, that is the central point of the Mondale-Bayh amendment, to comply with the National Environmental Policy Act through these studies and through these diplomatic negotiations, but followed by a specific target date for action which would dispose of the issues now encompassed within the purview of the National Environmental Policy Act, and make that decision from that standpoint court-proof. The letter from the lawyers who have opposed the trans-Alaska pipeline, I think, confirms that this is precisely what is involved.

In the alternative, if the committee report language is adopted, there is no doubt in my mind that litigation could go on, possibly for years, to test the issues of the National Environmental Policy Act. As a matter of fact, the court of appeals, in very precise language, pointed out that the district court had not taken testimony on the factual issues, that no witness ever testified except through deposition. The court stated that "we do not have the trial court's views," and in order to facilitate prompt appellate review, the appellate court declined to issue detailed findings of fact; it issued only broad legal conclusions. Then it followed finally by saying it would require testimony and cross-examination of witnesses and other incidents of judicial factfinding.

In other words, the circuit court in this case has directed that this matter go back to the district court to take broad-ranging testimony on such things as the reasonable alternatives, which would include the Canadian pipeline as well as the trans-Alaska pipeline, and all the requirements of the National Environmental Policy Act.

It took 4 years to litigate the 50-foot wide easement strip; is it not the opinion of the Senator from Colorado that it might take at least that long to litigate these other issues, under the present posture of the case?

Mr. HASKELL. I would agree with the Senator from Minnesota.

Mr. JACKSON. Mr. President, will the Senator yield? I have to go to a hearing; I will be back at approximately 10:30.

Mr. HASKELL. Certainly.

Mr. JACKSON. Having listened to this colloquy it is my understanding that it is the intent of the Mondale-Bayh amendment, to waive NEPA?

Mr. MONDALE. No, that is wrong. It is clear that this administration has no

intention of complying with NEPA. One of the two essential elements is the consideration of reasonable alternatives. As the committee's own report admits, the administration has failed to fully study the trans-Canadian alternative. It is quite clear that they have no intention of doing it. Therefore, in that predicament and under those circumstances, in order to comply with the spirit of NEPA, we have established this alternative, an independent National Academy of Sciences study and congressional action.

Several Senators addressed the Chair.

Mr. MONDALE. So this is the only way of complying, I might say to the Senator from Washington.

Mr. JACKSON. I think there is confusion here——

Mr. MONDALE. No, there is not. There is no confusion.

Mr. JACKSON. The Senator from Colorado just offered for the RECORD a legal opinion. I will let him comment.

Mr. MONDALE. No, let me comment first. As I have said, this administration refuses to comply with NEPA. This whole amendment is designed to comply with the intentions of NEPA, and that is what the Senator from Colorado is getting at. I will yield to the Senator.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HASKELL. May I reply to what the Senator from Minnesota has said? I would like to call the attention of the Senator from Washington to the second page of this opinion letter. It is the first full paragraph.

The Senator from Washington, I would say, is in part correct in that the NEPA process will not be gone through in the courts, but let us read the first full paragraph on page 2 of the letter sent by the lawyers who actually litigated for the plaintiffs. This says:

> Of course, the Amendment does incorporate the basic principles of NEPA by requiring that the National Academy of Sciences study cover, among a number of other matters, the same subjects which would have to be discussed in a NEPA impact study.

So I say to the Senator from Washington that the Senator is correct, in the sense that NEPA will not be litigated in the courts, but I think the Senator errs if he says NEPA will be disregarded, because the environmental lawyers themselves say that the subjects to be discussed in a NEPA impact study will be covered by the National Academy of Sciences.

Mr. JACKSON. Will the Senator yield?

Mr. HASKELL. I yield.

Mr. JACKSON. I do not think the Senator can have it both ways. The whole basis of section 102 of the National Environmental Policy Act is that the decisions that are made and the Federal actions that are taken are subject to judicial review. That has been established; that is the law. You cannot say this action by Congress is going to be final, and then say it is not subject to litigation.

Mr. MONDALE. To the contrary, I think the only way you can possibly comply with the spirit of NEPA, with this administration, is to do what we are doing: Require the studies by an independent source, and then require Congress to take it into its own hands, because this administration has made it as clear as they possibly can, and the committee's own report language confirms what I am about to say, that they have no intention of complying with NEPA. So that is what we are trying to do: Make NEPA work.

Mr. JACKSON. Section 209 of the Senator's amendment is clearly subject to litigation.

Mr. MONDALE. No.

Mr. JACKSON. It is not?

Mr. MONDALE. No.

Mr. JACKSON. Under what theory?

Mr. MONDALE. This is the whole argument we had before the committee. It is distinction between ministerial and discretionary acts. Once the Congress has decided that the permit shall issue, the only lawsuit would be the very thin one as to whether the Secretary has complied with congressional intentions; and, as the lawyers for the plaintiff point out, that would dispose of the lawsuit.

Mr. JACKSON. Will the Senator yield? Any time Congress directs the construction of a dam, unless we specifically exempt it from NEPA, it is subject to NEPA. Would the Senator point out to me wherein his amendment specifically exempts the action from section 102 of the National Environmental Policy Act?

Mr. MONDALE. We have the opinion of the lawyers themselves.

Mr. JACKSON. Where is the language?

Mr. MONDALE. The lawyers themselves have stated——

Mr. JACKSON. There are many lawyers in the United States. You and I are lawyers. But where in the amendment can the Senator point it out?

Mr. MONDALE. There is no doubt about it. That is the whole idea of the legislation. The Senator from Washington is trying to dream up a phantom, because he knows his amendment, if adopted, will be held up for years in court. That is why the Senator from Washington is trying to dig up this red herring.

Mr. JACKSON. Now the Senator is admitting that the right of judicial review prevails. I say you cannot have it both ways.

Mr. MONDALE. On the Senator's bill, that is correct. The Senator's bill assumes that this administration is going to comply with NEPA, and I do not think there is any basis for that assumption, and for that reason it will go back into court for years before any Alaskan or Canadian pipeline is built.

Mr. JACKSON. Mr. President, I have only one other statement.

Mr. MONDALE. Mr. President, whose time are we on?

The PRESIDING OFFICER. On the time of the Senator from Minnesota.

Mr. MONDALE. Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, I yield myself 1 minute.

The Senator from Minnesota cannot have it both ways. He says that under my amendment, or under the pending bill, the matter will be in the courts for years, but his proposal will avoid that without violating NEPA.

I am the author of the act and at my left is the general counsel who drafted it. I think I know a little bit about this; I have spent years on the problem.

I say to the Senator that section 102 contemplates the right of any citizen to go into court and ask for judicial review. He cannot stand up here and say both that we will not have judicial review in your case and at the same time say you are complying with NEPA. That is all I have to say, Mr. President.

Mr. HASKELL. Mr. President, I do not know who has the time——

Mr. MONDALE. I yield 1 minute to the Senator from Colorado.

Mr. HASKELL. I might point out to the Senator from Washington that the status, as I see it, and as the litigants see it, is that if the Mondale-Bayh amendment is adopted, there will be no NEPA litigation. I say to the Senator from Washington, that does not mean there cannot be litigation of some other kind, but not NEPA litigation.

Mr. JACKSON. If there cannot be NEPA legislation, you are waiving section 102 of the act——

Mr. HASKELL. In a sense, the Senator is correct, but——

Mr. JACKSON. All right.

Mr. HASKELL (continuing). But one thing I would point out, if I may, is that the Mondale-Bayh amendment directs the National Science Foundation to give Congress exactly the kind of information that is required in a NEPA State.

Mr. JACKSON. The point is, that under section 102—and this is the point I want to make clear—we provide for the right of all citizens to come and exercise their rights in court——

The PRESIDING OFFICER (Mr. (ABOUREZK). The 1 minute of the Senator from Colorado has expired.

Mr. JACKSON. I yield myself 1 additional minute to determine whether or not there has been compliance with the requirements of an environmental compact. We are in this difficult situation, wherein we try on the one hand to see how fast we can move and, on the other hand, to meet the requirements of the National Environmetal Policy Act.

I am opposed to a waiver. I do not care how you look at it. There is an intended waiver of NEPA here based on the colloquy we have had. That is clearly the intent of the author of the amendment.

Mr. MONDALE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MONDALE. Do I correctly understand that the distinguished floor manager of the bil lintends to oppose the pending Gravel-Stevens amendment?

Mr. JACKSON. Yes; I am sure that the Senator is familiar with my statement on the floor.

Mr. MONDALE. I concur with the Senator in this judgment since the Gravel-Stevens amendment would, in effect, obliterate NEPA and just declare immediately that the trans-Alaska line would be built, on the theory that the environmental study has already been completed.

Mr. STEVENS. Mr. President, will the Senator from Minnesota yield?

Mr. MONDALE. Perhaps I could com-

plete my statement first. I concur in that judgment. What our amendment stems from is the basic belief, which I think is strongly supported in the RECORD, that there is no hope of causing this administration to comply with NEPA. I strongly believe in NEPA. That being true, and it also being——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. I yield 1 more minute.

Mr. MONDALE. We need to have early finality here. Everyone wants to get the oil out of the ground. We have constructed an amendment which we think fully complies with the spirit of NEPA. Not only that, this is the only way to comply with the spirit of NEPA under the present predicament that we face.

Mr. JACKSON. I think we have said what we want to say. I stand by my statement. We cannot go both ways. We cannot deny a citizen from going into court in connection with an environmental impact statement and at the same time, say that we are complying with NEPA. If we say that we are complying with NEPA, we cannot cut litigation off.

Even the language—and this is my concluding point—whatever that section is, 209—is subject to litigation. It does not say that 209—I ask the Senator, as a good lawyer, is it subject to litigation?

Mr. MONDALE. Not under NEPA.

Mr. JACKSON. That is not my point. You can go into court and tie it up. It is subject to litigation.

Mr. MONDALE. Not under NEPA. That is the point.

Mr. STEVENS. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield to the Senator from Alaska such time as he may need.

Mr. STEVENS. Mr. President, I am most disturbed to hear colloquy such as this purported opinion from a law firm involved in this litigation and the statement of my good friend from Minnesota (Mr. MONDALE) concerning the interpretation of our amendment which I had a great deal to do with drafting. We must understand that the amendment we have offered does not waive NEPA at all. There has been compliance. If the Senator from Minnesota could make that finding in connection with the Canadian route, I am sure he would do so, but we have spent $12 million to meet NEPA requirements for the Alaska line and we have complied with NEPA in fact. Concern over litigation on the Canadian route includes the question of alternative routes for the same project. The project in question is the pipeline project. A question was raised as to the alternative for that project. There are other alternatives to the pipeline project, one of which was the Manhattan project, to use tankers through the Northwest Passage, and another one was to drill on the North Slope. That was explored in the impact statement. Another would be to use a railroad to bring the oil down. We could also use tank trucks to bring the oil down through Alaska. But to have NEPA jeopardized to the point we are talking about, alternative routes for the project, and say we have not complied with the NEPA act, because we do not investigate every route for the proposed pipeline project, is ludicrous. It is also ludicrous to have a law firm that has raised this question time and time and time again in court, and then come in and give a letter to a Member of the Senate which states that NEPA would not apply if the Mondale-Bayh amendment passed, is beyond me.

The Senator from Washington is absolutely correct, that once the congressional mandate was followed, the matter would be subject to review in the courts unless Congress specifically directed that it would not be subject to review. This is what the Senator from Minnesota has been unwilling to do; that is, he has been unwilling, really, to bite the bullet. If he wants litigation stopped, he should say so. But if the Mondale-Bayh amendment is passed and Congress decides that the Canadian route is the proper route, after the 2-year delay, the Secretary of the Interior would be directed to issue a pipeline permit and before he could do it he would have to have an environmental impact study to comply with NEPA. That took up to 3 years to do and it would take at least another 3 years to comply with the NEPA law. There is no way, in the Mondale-Bayh amendment, that NEPA is not suspended. If you are going to get to the situation where you want to suspend it, and I hope he would, or you want to suspend the court's review, and I would hope he would, it would improve his amendment. At that point he would be demonstrating the desire to have something accomplished, if his amendment is adopted, and not impose on the transportation of Alaskan oil an interminable delay. That is what the Mondale-Bayh amendment amounts to—interminable delay.

It should be demonstrated to the Senate that here is a letter from those people involved in litigating for the purpose of delay, now, for 3 years. There is no question that they are the environmental extremist lawyers. They are the people who now support the Mondale-Bayh amendment. So if you want to delay the transportation of Alaskan oil, this is a clear indication of how to do it; namely, just play along with the lawyers who have already delayed it from 3½ to 4 years.

Mr. President, I yield the floor.

QUORUM CALL

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. To be equally divided.

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. GRAVEL. 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. GRAVEL. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. GRAVEL. Mr. President, I should like to point out that, based on the presentation of my colleagues from the Midwest and the north-central part of the United States on the case they have tried to make here, I do not think this is a real effort to satisfy the national energy needs, mainly because what they in fact will be causing will be a delay in satisfying the total energy needs of this country. If they are successful in getting a pipeline constructed through Canada, this would delay a gas pipeline through the same part of the United States. A gas pipeline would not be built through any other part of the United States, so that the availability of gas and oil to the entire United States would not be available to the people of this country. So there would be a net loss in satisfying the total energy needs of the Nation.

When we speak of fairness across the board, I think it is eminently fair to build an oil pipeline to satisfy the oil deficiencies of the west coast, to build a gasline through Canada, to satisfy the gas deficiencies of the north-central part of the United States; but to have one area of the country try to grab both of them, and as a result deny the availability of gas for a period of 2 to 3 years, is grossly unfair.

Let me address myself to what I think is the end result of this amendment, and that is just sheer delay. The desire to have a study performed by somebody else, to then give Congress the facts and tell us how to vote, is ludicrous, because we have already spent in excess of $400 million studying this issue; and the desire for additional study is only a realization that one is not prepared to make a judgment.

That, of course, is the position of the environmentalists. They have opposed the Jackson bill, and this is merely a tactic to continue to delay construction of the Alaska pipeline.

Let me illustrate how that will take place. A good deal of what is attributed to Canada is grossly unfair; because my colleagues from Minnesota and Indiana are assuming that what is happening in Canada is going to be a good deal different from what has happened here. I will read from Minister Yurko's statement with respect to the views on Canada. The only intelligent assumption we can make as to the course of action in Canada would be to measure what has happened here.

It should be borne in mind that we do not have the negotiations locked in to this scale; and, as my colleague points out, we are talking about a 14-month or 1-year negotiating period to even come to that decision. Let us not even put on that year. Let us start from the fact that the Canadians developed their energy policy, which is just in the beginnings right now, and that would take a year, by any intelligent consideration. So we would have a year, and that would take us to 1974. We have not developed a policy situation in this country, so we do not even consider that comparison.

Some studies would have to be made. We already have the studies with respect to Alaska, and there is no question that much of that is transferable to the Ca-

nadian pipeline. It took us 4 years. Let us say that with what we have already collected it could be done in 3 years, because the same technology would be used, but it would have to be applied to the Canadian area in question.

After the 3-year period, you have the satisfaction of the Canadian land claims. The land claims took 4 years in the legislative process in this country. They have taken a good deal longer than that. We do not know in which direction they will go in Canada. But we can assume that if they follow the same process, they will take 4 more years. But let us be conservative and say that we can run some of this concurrently and that the Canadians will take only 3 years to satisfy native land claims, and that brings it to 1980. With respect to environmental suits and delays—and we are still stuck in that morass in this country today—that is 3 years for the United States. That may be 4 or 5 years, depending upon the actions in the Senate and in Congress.

Suppose we do have the wisdom to make a decision next Tuesday in the affirmative. Then we can get on with the construction this year. So we would be talking about a 3-year delay, but it could be a 4- or 5-year delay, as has been predicted by the Senator from Colorado and the Senator from Minnesota.

We do not attribute anything to the Canadians in that regard, because we do not know what can happen. But, at a minimum, we can say that they are as environmentally conscious as we are about their land, so we can experience delays.

Next we come to the estimates of construction time. Here is a line that is at least twice the size of the line that would go through Alaska.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAVEL. I yield myself an additional 4 minutes.

I think it would be fair to put 1 year on that. We can say that would be 4 years. That is a total of 11 years, and that would give us a Canadian alternative by 1984. That is a 4-, 5-, or 6-year delay before the American people begin to get their energy shortages satisfied by domestic sources.

Every day that transpires from this delay amounts to $6 million in balance of payments. This balance-of-payments problem affects jobs in Minnesota, Indiana, and every other part of this country. It affects the solvency of this country.

Mr. Yurko, in a statement with respect to the energy policy, stated:

> The ability of the Canadian political process to establish sound energy policies was criticized recently by Senator Jackson of the United States . . . when he referred to our process as a political quagmire. His vantage point is no doubt somewhat similar to my own.
>
> Therefore . . . without hesitancy . . . I would state that if there is confusion and political cowardice in Canada in regard to formulating energy policies in the national interest . . . our guilt must surely pale when compared to the situation in the Senator's own country.

He is right. This is the debate we put forth here and realize how mixed up we are, and then if we turn around and assume that they are going to be able to solve our energy problems by causing inflation and building pipelines through Canada, then our ignorance does pale beyond comparison.

Minister Yurko, in Canada, on June 8, made the statement that what he feels should take place is that the Alaskans—the United States—should build the line through Alaska so that the Canadians could seriously undertake the consideration of the application that has already been placed relative to a gasline through Canada.

I can only say that if this amendment is adopted it will only mean additional delays. It will inure to the detriment of the Members of Congress, because I think the American people are fed up. They do not want any more delays; they do not need any more delays. As the wounds begin to emerge with respect to an energy crisis and with respect to the financial disaster that looms around the corner, we do not have the good sense and brains to pick up the tourniquet that exists to address ourselves to this problem, and that would be to begin construction of the Alaska pipeline.

I think that my colleagues, in their sincerity, want to do a disservice to the energy needs of their area and to this Nation and place this Nation in total jeopardy with respect to the financial horrors that will be visited upon us as a result of the increase in the imported amounts of energy that will be required to meet our needs. As these horrors are visited upon the American people, the people who vote today on this subject will rue the day politically, because this vote and the vote on Tuesday will be looked upon as the Tonkin Gulf votes of the energy crisis which will be with us for the next 15 to 20 years.

Mr. President, it is obvious that those advocating a trans-Canadian oil pipeline from Prudhoe Bay have not discussed their preference with the appropriate Canadian government officials.

In a speech on June 8, 1973, before the Canadian Natural Gas Processing Association and the Canadian Natural Gas Processing Supply Men's Association, the Honorable W. J. Yurko, Alberta's Minister of the Environment specifically stated that he favored a trans-Alaska oil pipeline bringing oil from the North Slope to Valdez and from there shipped by tankers to the United States as making "the most sense from political, economic, and technical considerations."

I ask unanimous consent to have the full text of Minister Yurko's address printed in the RECORD.

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

THE POLITICS OF ENERGY AND ENVIRONMENT

It appears customary to blame the environmentalists for the energy crisis which now exists in North America.

In fact . . . Rawleigh Warner, Jnr., Mobil Oil, Chairman of the American Petroleum Institute . . . recently stated that . . . "The oil industry in this country (U.S.A.) is being delayed or prevented from doing many things that would increase secure energy supplies—most of these delays can be traced largely to actions taken or threatened by environmentalists".

As a politician . . . who has now functioned for almost two years at the interface between industrialists and environmentalists . . . I find such a premise unacceptable.

It is certainly true that the environmentalist has illuminated the disregard for environment and aesthetics formerly displayed by some industrialists . . . but rarely wielded the power of final decision.

Such decisions . . . in the ultimate . . . were almost entirely political.

The energy crisis is the result of political confusion and cowardice.

It is becoming increasingly obvious that the politics of energy in North America resulted in short-term policies of convenience and accommodation . . . rather than policies based on the realization that energy is the centre of gravity of the industrial society.

Justifiably . . . there is some hesitancy and apprehension . . . and perhaps even sheer ignorance . . . in regard to the establishment of national energy policies in Canada.

The complexity of such policies is immense and the decisionmakers are obviously reluctant.

However . . . it is almost incomprehensible that the national government has not as yet arrived at a policy in regard to the development of the world's largest hydrocarbon energy resource . . . the alberta tar sands.

Even though some form of economic incentive would indeed be welcomed . . . to stimulate the development of these vast proven resources . . . the Canadian Government has thus far failed to even acknowledge these reserves as proven sources of fossil fuel energy.

Furthermore . . . many Canadian authorities readily allude to the irrationality of a national energy policy which permits the importation of over fifty percent of Canada's crude oil consumption.

This is in spite of the fact that Canada is the only industrialized nation in the free world today that is self-sufficient in energy.

The ability of the Canadian political process to establish sound energy policies was criticized recently by Senator Jackson of the United States . . . when he referred to our process as a political quagmire.

His vantage point is no doubt somewhat similar to my own.

Therefore . . . without hesitancy . . . I would state that if there is confusion and political cowardice in Canada in regard to formulating energy policies in the national interest . . . our guilt must surely pale when compared to the situation in the Senator's own country.

I have recently had occasion to reach back into history to study the United States document . . . "Resources for Freedom" . . . a report prepared for the President by the President's Materials Policy Commission and published in 1952.

In this report the soundness of suggested energy policies to 1975 is noteworthy.

But . . . what is also interesting now is that these suggested policies were subsequently victimized by adverse political decision.

For example . . . let me list the main objectives of long-range policies on natural gas . . . as suggested in the document:

1. Encourage maximum economic discovery and recovery of the Nation's natural gas resources;

2. Derive the greatest economic advantage from these resources while they last; and

3. Minimize the costs and dislocations of the eventual shift from natural gas to other forms of energy.

The establishment of artificially low natural gas prices and inadequate planning was

in direct contradiction to these suggested policies.

In Canada we should learn from our neighbor's mistakes.

In Alberta we are very cognizant of the soundness of these policies advocated as early as 1952.

The environmentalist is but a recent advisor to the political process . . . in regard to formulating energy policies.

The failure of past energy policies cannot be blamed on him.

His effect thus far has been scarcely a ripple.

It is perhaps unfortunate that he did not appear as an earlier contributor . . . because if he had . . . the present North American energy crisis may well have been averted.

I hope today to touch briefly on the politics of energy supply and pricing . . . and the relationship of such matters to environmental concerns.

There is an increasing realization that the major and as yet untapped reserves of oil and gas on the North American continent are:

(a) The oil and gas reserves on the North Slope of Alaska;

(b) The gas reserves of the Mackenzie Delta and the Arctic islands;

(c) The bitumen of the Alberta tar sands; and

(d) Possibly the Eastern Canada offshore reserves.

A major task before industry and Government is to tap these resources and bring them to hungry markets in an economical manner.

Several proposals are being examined in this regard.

It is not my intent to review these proposals in detail . . . as they are too complex.

However . . . much of the data thus far generated has been available for our perusal.

At this time it appears to me that the following proposals make the most sense . . . from political . . . economic . . and technical considerations.

1. A trans-Alaska oil pipeline . . . bringing oil from the North Slope to Tidewater at Valdez . . . and from there shipped by tankers to United States ports.

In other words . . . I'm of the opinion that the "taps" proposal should become a reality in due course.

In fact . . . I believe that Canada should actually support this proposal

2. A natural gas line down the Mackenzie corridor . . . with a possible branch line to the North Slope of Alaska.

In my opinion . . . a strong case against the Mackenzie corridor line only has not thus far been made.

3. An eventual railway down the Mackenzie corridor for bringing Canadian nationhood to the north . . . as well as for transporting mineral and natural resources to the south.

One can readily envision a massive terminal point in Northern Alberta . . . for the movement of men . . . oil . . materials . . . and minerals . . . by rail and water . . . as well as by air.

4. Major development of Alberta's tar sands on an accelerated scale.

I am confident that the next decade will prove that the economics of bitumen extraction and refining will make this vast resource of over three hundred billion barrels of recoverable oil a favoured source of carbonaceous fuel.

Time hardly permits me to dwell in depth upon the reasons for my choice of the alternatives I have mentioned . . . and their environmental implications.

I do . . . however . . wish to speak briefly on the Alaska hot oil line-tanker alternative . . . as well as to highlight several points regarding the Mackenzie Valley gas line.

Also . . . I will touch base briefly on Alberta's gas pricing policy.

In regard to the trans-Alaska oil line . . . it is expected that this line will eventually transport some two million barrels of oil per day.

This amount of oil will no doubt have national security ramifications for the U.S.A.

If such a line were to be built through Canada . . . this Nation would no doubt have to guarantee the sceurity of supply of such a quantity of oil.

This could only be done through some degree of sovereignty loss . . . as control of the line . . right of way . . labour . . and management . . would be under total or partial foreign control.

If such was not the case initially . . . it would soon become so.

The interruption of American oil on Canadian soil . . . caused by inadvertent Canadian bungling . . . would be a serious incident.

There are a number of additional reasons for not actively supporting a hot oil line through northern Canada at this time.

First . . . the environmental effects of a hot oil line are not adequately known . . . and . . .

Second . . . Alaska needs the economic development generated by such facilities.

There are some Canadian opponents who argue that the Mackenzie pipeline would have less adverse environmental effects than the "taps" pipeline and the oil tankers to United States west coast points.

Of particular concern is the possibility of major oil spills from oil tankers operating in the Straits of Juan de Fuca . . . destined for the Cherry Point refinery just south of the Canadian-United States border.

However . . . there is some comfort in statements recently made by Jack Davis . . . the Federal Minister of Environment . . . on this matter.

He recently stated that the Canadian Government hopes to convince the United States that its oil tankers should feed Alaskan oil to refineries further down the California coast . . . with Cherry Point being supplied by trans-mountain pipeline from Alberta.

We in Alberta support Mr. Davis strongly in this regard.

Such a proposal makes a great deal of sense . . . as the tankers once loaded would not incur much greater unit costs in delivering their cargo further down the coast.

Furthermore . . . the pipeline route would have behind it the vast resources of the Alberta tar sands.

Canadians are not without some leverage in convincing the U.S.A. of the soundness of such oil supply management . . . particularly so if the Mackenzie corridor is used to transport the gas from Prudhoe Bay to the American markets.

It appears that two entirely separate systems of oil delivery to the United States would permit greater security against hostile action than an integrated pipeline system.

There seems little doubt that the Arctic gas pipeline will become a reality.

The only matter in doubt is the timing . . . which in itself is a highly significant consideration.

"Bunching" of major Canadian resource projects must of course be avoided.

The environmental aspects of the Arctic gas line are complex . . . but are being researched and managed in a most comprehensive manner.

Millions of dollars have thus far been expended by Canadian Arctic gas study limited and by governments . . . to determine and minimize the environmental consequences.

This is noteworthy.

Several possible routes through Alberta are being examined.

However . . . it is expected that later this year the Alberta government will commission a detailed study of its own . . . on the social . . . economic . . . and environmental aspects of the chilled gas pipeline corridor.

No doubt the Alberta government will be playing a significant role in determining the corridor to be followed through this province.

New government legislation will be imposing stringent environmental requirements during construction and post-construction phases.

Final authorization may very well require a separate act of the Alberta legislature . . . with the widest possible debate on the matter.

There seems to be increasing political pressures in Canada to begin judging the true relative values of energy sources.

There is increasing national and provincial pressure for establishing a three-price structure for commodity natural gas.

Such temptations . . . if realized . . . would promote relative source energy price distortions . . . which in effect would then produce energy use pattern distortions.

In other words . . . clean natural gas would be used as a source of fuel and feed stock . . . in cases which other energy sources would normally fill.

The present disastrous American experience would eventually be reproduced in Canada.

If there is to be a two-price system for natural gas in Canada . . . then it should only take the form of a free market commodity price . . . with a rebate structure as is being contemplated in Alberta and has been enunciated by Premier Lougheed.

Such a system lends itself to flexibility and minimized distortion in the energy use-price mix.

It is true that in Alberta's case the refund structure will be related to the royalty revenue . . . such that the rebate financing structure is self-sustaining and doesn't in fact overly disrupt provincial government fiscal policies.

The same such rebate structure can be used by any province . . . and in fact the Federal Government.

Any government can readily rebate a portion of the fuel bill to its domestic natural gas users . . . or for that matter . . . subsidize petrochemical feed stocks and fuel for selective industries.

It is nothing less than a form of tax reduction . . . or tax incentive plan.

The Federal Government is piloting legislation to reduce corporate income taxes by nine percent . . . to increase international competitiveness of Canadian industry.

But . . . it can very readily accomplish much the same effect by rebating part of the energy bill of all Canadian industry.

For example . . . the petrochemical industry in Sarnia would no doubt be overjoyed to receive increased subsidization of its carbonaceous feed stocks.

What the eastern provinces and Ottawa are wont to do is to subsidize eastern industry and domestic consumers at the expense of giving western producers and owners . . . (Albertans) . . . less than fair north American value for their energy resources.

This is unacceptable in terms of national unity . . . in terms of national equity . . . and in terms of national energy resource development.

Premier Lougheed is fighting for a just cause in demanding fair value for Alberta natural gas.

There are some that cry that the main beneficiaries of a higher gas price will be the multi-national corporations.

One must be aware of both the short and long term realities of the Alberta Government policies on natural gas pricing.

May I just briefly apprise you of five considerations in this regard.

A) First . . . the environmental requirements in Alberta are placing an increasing financial burden upon the sour gas industry.

New conservation and environmental guidelines brought into effect in November 1971 . . . imposed an additional capital in-

vestment of approximately fifty five million dollars . . . as well as increased operating costs.

Maximum source emission standards presently being contemplated may impose an additional fifty to sixty millions of dollars of capital investment on the industry . . . as well as additional operation and maintenance costs.

It should be remembered that all such capital outlays and operating expenses generate jobs in Alberta . . . and stimulate the economy.

There is a direct monetary return to Albertans resulting from the imposition of stringent environmental standards and controls on the sour gas industry.

B) Secondly . . . there is an increasing realization that virtually all of the major gas fields in Alberta have been tapped . . . except perhaps the Suffield block.

The remaining gas to be found and produced relates to more costly pockets to be found . . . as well as to more costly methods of production because of the marginal characteristics of such finds.

Therefore . . . Alberta's natural gas reserves will be increased substantially only if the price is substantially escalated upwards . . . to meet these increasing exploration and production costs.

Any such program reflects in substantial job generation in Alberta . . . and a revitalization of this sector of the economy.

C) Thirdly . . . a substantial increase in provincial natural gas royalty is only practical if the natural gas wellhead price is substantially increased.

The industry in total is just now reaching an economic break even point.

A substantial royalty hike without upward price revision could be crippling to some producing fields.

Any increased royalty needs therefore to be primarily at the expense of the user . . . rather than the producer.

D) Fourthly . . . we in Alberta realize more and more that because of freight rate, financing, and marketing inequities . . . it is only possible to generate a substantial petrochemical secondary industry through major economic incentives or subsidies

The pretrochemical industry . . . because of recent traumatic experiences in regard to availability of feed stocks and price stability . . . is increasingly desirous of locating where such feed stocks are assured . . . both as to supply and competitive price.

As a result . . . suitable economic incentives can only be offered for locating secondary petrochemical industry in Alberta if the margin of royalty available for rebate is large enough.

The higher the price of natural gas . . . the greater the possible incentive available for attracting secondary industry to Alberta.

Can eastern Canadians deny the west its only weapon in the West's desire to reconstruct the Canadian map by building a sound western industrial matrix?

E) Fifthly . . . because Alberta is a multiple source of energy forms . . . it becomes axiomatic that it promote the development of all its energy sources upon some form of equitable basis.

Therefore . . . the various energy sources must of necessity bear an equitable price relationship on the basis of fuel value.

It is not easy to promote the construction of fifty year life coal fired base load electric power stations . . . when natural gas carries an equivalent B.t.u. price substantially below that of coal.

In conclusion . . . the scope and latitude of my subject . . . "The Politics of Energy and Environment" . . . has permitted me to make a number of observations which may not represent official Alberta Government policy . . . and which may in fact be questionable.

I trust that you will accept these observations in the spirit in which they are given. Thank you.

Mr. GRAVEL. Mr. President, I yield the floor at this time.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The proponents have 30 minutes remaining, and the opponents have 10 minutes remaining.

Mr. MONDALE. Mr. President, I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. HART. Mr. President I have indicated earlier, I support the amendment offered by my colleagues, Senators MONDALE, BAYH, and 16 others, which would allow for an expeditious and dispassionate study of the best route and method to bring Alaskan oil to the lower 48 States.

The Antitrust and Monopoly staff has been studying the economics and ownership structure of both the Alaskan oil and proposed pipeline and has presented a whole new dimension as to why the pipeline is being built where it is. They have raised some serious questions, in my mind, as to whether Alaskan oil would go to California rather than the Midwest if free market forces were the basis of the decision. In my judgment, if they are right, Alaskan oil would be going to the Midwest, not California, but for the structure of the petroleum industry.

To the extent that California cannot use the incremental supply from Alaska—and there is every indication that there will be a substantial surplus—Japan is the logical customer for Alaskan oil, and the oil companies have indicated that profit maximization will determine whether surplus Alaskan oil is exported to Japan.

Prudhoe Bay production will be about 2 million barrels per day. California production is now about 900,000 barrels per day. Thus, Prudhoe Bay contains more than twice the amount of California's proved reserves, will produce twice as much crude, and will create a significant surplus.

In the Midwest, however, over 2 million barrels a day now must be imported from Canada and other U.S. regions.

The Federal Trade Commission and the Chief of the Federal Power Commission's Office of Economic Studies have reported to the Antitrust and Monopoly Subcommittee that the petroleum industry structure in many respects may be responsible for the present shortages and high prices. The industry is highly concentrated. It is vertically integrated from reserve ownership through production, transportation, refining, and marketing which allows for virtually complete control of supply, price, and other conditions for receiving product. It operates through a myriad of joint ventures, marketing, and operating arrangements to effectively preclude whatever little competition might otherwise exist.

What is the structure of these firms in terms of Alaska's oil and the pipeline?

Leases owned or controlled by British Petroleum cover about 55 percent of the Prudhoe Bay formation reservoirs;

Atlantic Richfield controls 20 percent;

Exxon controls 20 percent; and

The remaining 5 percent is controlled by others.

Thus, three companies control leases covering 95 percent of Prudhoe Bay formation reservoirs. Additionally, agreements exist whereby these companies share equally, among others, essentially all leases, exploratory data, and decisions on rate and amount of production. If anyone desires to sell his interest, the others must first be offered the opportunity to buy.

These same three companies own 81.7 percent of the Alaskan pipeline. Mobil owns 8.68. Thus, four firms own over 90 percent of the pipeline.

From the end of the line at Valdez, the oil must, of course, be carried by tanker to the west coast. Such a tanker service has already been announced by Exxon.

For the bigger picture, Prudhoe Bay proved reserves, about 10 billion barrels, account for about 28 percent of total U.S. reserves. Besides, they are dominant in many "lower 48" markets.

The Midwest pays between $3.85 and $4.20 per barrel. Alaskan oil delivered to the Midwest—where it is vitally needed—is estimated to cost about the same as delivery to California.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HART. Mr. President, will the Senator yield to me for 3 additional minutes?

Mr. MONDALE. I yield.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. HART. Mr. President, it is estimated that the total cost of oil delivered from Prudhoe Bay to California is about $1.20 per barrel before royalties and taxes. Presently, the price in California for crude similar to Prudhoe crude ranges from $2.90 to $3.25 per barrel. But, Alaska crude will be sold in California at about $4 per barrel.

Obviously, in a free market, it would be advantageous to bring Alaskan oil to the Midwest where it is needed, where the price would be higher, and where delivered cost would be the same. It is not to the advantage of the three companies controlling the Alaskan crude and the pipeline to supply the Midwest, however. And, because of their dominant position, they have the power to elect not to serve the Midwest. It is to their advantage to supply California. By controlling the pipeline to California, they will determine who else can ship to California, at what prices, to whom, and in what amounts. Profits can be maximized and excess supply can be sold elsewhere at higher prices through facilities controlled by the same companies. Alaskan oil to the Midwest, however, would be by pipeline through Canada—which means that these companies could not

restrict or control the flow of oil. By easing deficiencies in the Midwest, prices would go down. Profits would not be maximized. The companies could not charge $4 for oil, costing $1.20—before royalties and taxes and which may add as much as 50 additional cents.

Also, by not controlling the pipeline, significant revenues will be lost by these firms. Because of tax laws and regulatory effect, the three companies would pay cost for transportation via rebates, whereas competitors using the pipeline would pay full tariff rates.

In conclusion, Mr. President, I do not impugn the motives or interest of any company or do I guarantee that every figure used is precise. They have been put together under pressure, but they are in the ball park. I am convinced, however, of the principle involved; namely, that:

In a free market, Alaskan oil would be flowing to the Midwest—not California;

The pipeline is being built to serve California because of significant anti-competitive factors.

But for these factors, we would not be here today debating where the oil should flow.

Mr. President, if the potential harm from the pipeline exists because of anti-competitive factors, I think it is a tragedy for this body to act without all the facts. I urge enactment of the 11-month study to assess the impact of the pipeline. Within this period, I will ask for a full report from FTC and Justice on the anti-trust considerations.

If free market forces dictate the Midwest as the choice, then this should not be changed because of the influence of the few but powerful oil companies.

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

Mr. HART. I am glad to yield.

Mr. MONDALE. As I understand the thrust of the remarks of the Senator from Michigan, it should be observed that he is the chairman of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, with more experience than any other Member of the Senate in the antitrust field. As I understand his remarks, there is a serious shadow which is cast over this Alyeska consortium of large oil companies in terms of compliance with the competitive requirements of the antitrust laws. Is that the thrust of the Senator's remarks?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONDALE. I yield myself 1 additional minute.

Mr. HART. Yes. I think, in paraphrase, it is. What I am suggesting is that the concentration level of the ownership—both of the Alaskan reserves and the pipeline—overwhelm the force of free market factors. I am not suggesting there is a violation of antitrust laws involved. I am suggesting the economic consequences are such that the influence of a free market decision have been vitiated and we are asked to rescue them.

Mr. MONDALE. I thank the Senator from Michigan for those most worthy observations in another area that I feel has not been fully explored as part of a responsible discussion.

Mr. STEVENS. Mr. President, the economic arguments presented to support the Mondale amendment have been answered many times. I ask unanimous consent to have printed in the RECORD the succinct answers already given.

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

TESTIMONY BY THE HONORABLE WILLIAM E. SIMON, DEPUTY SECRETARY OF THE TREASURY, BEFORE THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, THURSDAY, MAY 3, 1973, 10 A.M., E.D.T.

ECONOMIC COMPARISONS

Opponents of the Alaska pipeline have asserted that a Canadian route would provide greater economic benefits to the Nation. Our studies indicate the opposite. To avoid confusion we have adopted a methodology similar to that of Mr. Charles T. Cicchetti, an economist whose studies suggest that a Canadian pipeline route is economically superior. We have defined the benefits of an Alaska or Canadian line as the resource cost of the alternate sources of supply, less the resource cost of North Slope crude oil delivered to the same market. Resource costs are defined as the costs of goods and services required to bring North Slope or foreign oil to United States markets. Transfer payments to other Americans, royalty payments to the United States or Alaska, profits in excess of capital costs, and United States taxes are not included in resource costs. Royalty payments and taxes paid to foreign countries, capital costs, and operating expenses are included among the costs of goods and services.

Recent projections made at Treasury indicate that the delivered resource cost of Middle East crude oil in 1975 will be approximately $3.08 per barrel on the West Coast and approximately $3.38 per barrel in Chicago. By 1980, such costs will likely increase $1.50 per barrel, or more, although this is speculation. Bear in mind that these are resource costs, not total costs. United States profits and transfer payments have been excluded. Future market prices will be higher. Our projections indicate delivered resource costs of North Slope crude oil of $1.30 per barrel in Los Angeles and $1.60 per barrel in Chicago. The difference between the delivered resource cost of foreign crude and the delivered resource cost of North Slope crude represents the net benefit to the U.S. economy from producing North Slope crude oil. Our projections indicate a net benefit of $3.28 per barrel in 1980 for either the Alaska or Canadian pipeline route.

Our analysis differs from Mr. Cicchetti's analysis primarily in that we assumed that any North Slope production would displace foreign oil in either market whereas Mr. Cicchetti assumed that it would replace a 50/50 mixture of domestic crude and foreign crude on the U.S. West Coast, and an 83/17 mixture of domestic and foreign crude in the Chicago area. We have also assumed more up-to-date cost estimates. With the United States now producing at peak capacity and imports rising rapidly, it is unrealistic to assume that North Slope oil would displace domestic crude oil rather than imports.

Our analysis indicates that on a barrel per barrel basis, there is essentially no economic difference in the benefit accruing to the Nation from either pipeline route. What is significant is the indicated difference in net benefits, considering that a pipeline through Canada would deliver U.S. crude at a later date and, initially, at much lower volumes for whatever additional time period is required to loop the Canadian line and increase its throughput.

Completion of the Alaska pipeline should yield a net benefit to the economy starting at $1 billion per year, and increase to $2.4 billion annually by 1980, when we estimate that it will reach its full capacity of 2 million barrels per day. In contrast, a Canadian pipeline would yield yearly benefits of only $600 million initially, increasing to $1.4 billion when the line reaches full capacity. The difference is due to the Canadian Government reserving a portion of the pipeline's capacity to carry its own crude.

During the interval between completion of the Alaska pipeline and the earliest completion date of a Canadian pipeline, the average net benefit from the Alaska pipeline should be about $1.9 billion, assuming an average throughput rate of 1.6 million barrels per day for the period. Following the time when a Canadian pipeline could be completed, the Alaska pipeline would still yield net benefits of $1 billion more per year than would accrue from a Canadian pipeline with the same capacity.

If we assume that a Canadian line would not be completed for five years following the completion of the Alaska pipeline, and that it would not be looped to allow North Slope production equal to the capacity of the Alaska pipeline for another five years, then accumulated net benefits from the Alaska pipeline over and above those of a Canadian pipeline for the 10 years would be $14.5 billion.

In our analysis we have made assumptions regarding future oil prices, the cost of the Alaska pipeline and a Canadian pipeline, and the probable timing of completion of both routes. We have attempted to be realistic, but where there was uncertainty we have chosen to err in a manner to minimize the differences between the benefits of the two pipeline routes. For instance, we chose to utilize the cost estimates for a Canadian pipeline prepared by the Mackenzie Valley Pipeline Research, Limited, rather than the much higher estimates of the Interior Department, or others. Consequently, our projections are probably on the low side.

Actually the numbers used are not critical. It is really immaterial to the basic argument whether the net benefits from the Alaska pipeline would be $2.4 billion in 1980, or only ⅓ of that amount. It is immaterial whether we assume a two-year delay for completion of a Canadian pipeline compared to the Alaska pipeline, or a five-year delay. It is immaterial whether we assume a $3.00 price for foreign crude oil in 1980, or a $5.00 price. It is immaterial whether we assume that a pipeline through Canada would cost $4 billion, or $7 billion. The point is that under any set of realistic assumtpions an analysis will indicate advantages for the Alaska pipeline over a Canadian pipeline amounting to hundreds of millions of dollars a year.

In fact, the only way that you can show an economic benefit for a Canadian pipeline comparable to the Alaska pipeline is to assume that each pipeline would carry equal volumes of North Slope crude oil (which is not a valid assumption), or to assume that the North Slope crude oil would displace domestic crude oil with appreciably different values in different markets, rather than foreign crude oil. This Committee should not be misled by analyses purporting to show an economic superiority for a Canadian pipeline when these analyses are based on both of the fallacious assumptions I have just mentioned.

The facts are that the Alaska pipeline will yield substantially greater economic benefits to this Nation than a pipeline through Canada with an equivalent capacity.

Mr. MONDALE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 21 minutes remaining, and the opponents have 10 minutes remaining.

Mr. MONDALE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MONDALE. Mr. President, this debate is now drawing to a close. In short, we ask for a vote on the amendment which we think both complies with the National Environmental Policy Act and brings finality within a year to the question of where the pipeline may be built in a way that makes it court-proof from the standpoint of the National Environmental Act.

The alternative is the Jackson proposal, which in effect throws the whole thing back into the courts, to be litigated, and I think almost endlessly, in those courts, in order to take evidence concerning compliance with the National Environmental Policy Act. The circuit court has directed the District court to take this testimony. Certainly the plaintiffs will insist that it be taken. Perhaps that is why the distinguished floor manager of the bill the other day in Seattle said:

> I don't believe we can allow this delay to go beyond next May or June. Unless we do that, we'll find ourselves in desperate straits. This is a matter that affects the public in such a strong way that if this is going to be snarled in the courts, I would move to have the Government build and operate the line or set a cutoff on litigation.

In other words, the Senator recognized that it could well be snarled in court and said:

> I would move to have the government build and operate the line or set a cutoff on litigation.

Now, what makes more sense? To use this intervening period, which would otherwise probably be absorbed in fruitless litigation, in the light of this Government's refusal to comply with NEPA, or to use this time for a responsible study, for essential negotiations with Canada, for the purpose of bringing all the factors to bear that are essential for a congressional decision, for a final decision on one route or another in a year?

The other alternative is the Gravel-Stevens amendment, which the Senator from Washington (Mr. JACKSON) opposes, and I think rightly, on the grounds that it totally vitiates the thrust of the National Environmental Policy Act. It simply insists on building it regardless of the violations of that provision.

So the first conclusion, I believe, is that there is one amendment that both respects the integrity of the National finality to the decision, and that is the pending amendment.

The second point is that there is only one amendment which, in my opinion, provides a national solution to the question, and that is the pending amendment. If the trans-Canadian pipeline is built, it connects at Edmonton with the one transcontinental system that is delivering oil in the country today. The oil that departs from Edmonton goes by one spur west over the transmountain route to Seattle, which is in place, delivering oil today. It has another line which flows east from Edmonton all the way to Buffalo, N.Y. So that, coming from Edmonton, the oil can be sent where it is needed most, in a flexible, national way.

To the extent that oil reaches the Midwest and the East more completely, the Gulf systems already in place can change the flow of the oil elsewhere in the East and South where it is most needed.

Compare that with the trans-Alaskan line, which comes to Valdez. The oil is trans-shipped by water to Japan or to the west coast. The studies by the Interior Department, a study recently completed by a professor of geology at the University of Washington, and others, have shown the west coast will not be able to use the 2 million barrel production out of the trans-Alaska pipeline until 1988. There will thus be a surplus of possibly 5 to 6 hundred thousand barrels a day that must be sold to Japan and to points west, outside of our boundaries, for the simple reason that there is no reasonable way of transporting oil delivered west of the Rockies in surplus, east through any existing pipeline. The Transmountain pipeline from Edmonton flows west on gravity flow. The other pipeline, which runs from southern California to Texas, is an old, outmoded 16-inch pipeline.

Also, the tankers which will be carrying oil from Valdez cannot go through the Panama Canal; they are too large.

So that the trans-Alaska pipeline should more properly be called the trans-Alaska-Japan pipeline, because I think vast quantities of that oil—indeed it has almost been admitted here—will be delivered outside the boundaries of the United States.

So, in my opinion, our proposal is the only truly balanced approach to the equal distribution of oil in these critical times.

Next, our amendment is offered on the theory that the vast holdings of Alaskan oil should help solve America's energy crisis and its total net production should be an additional increment to the power supplies of our country. There has been substantial debate on this. There has been no question—as a matter of fact, the amendment that was defeated yesterday proves—that the basic economics of the trans-Alaska pipeline assume that a substantial proportion of that oil will be sold to Japan and elsewhere. How ironic it would be, indeed, if in the midst of this crisis in energy, we were to sell oil to the west of our shores, to Japan and elsewhere, and to that extent become increasingly dependent on the Middle East, which is the basis of the problem in the first place.

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

Mr. MONDALE. I yield.

Mr. ABOUREZK. First of all, I want to commend the Senator for having proposed the amendment to delay the construction of the Alaska pipeline for 14 months until a study has been made. I have been in this oil energy problem in my own State of South Dakota ever since I have been in the Senate, which is just a few months now. There is a serious shortage of oil in that part of the country. There is a shortage of fuel.

I have maintained on more than one occasion that it is due to the contrived purpose of the major oil companies, who in an effort to achieve their purposes are trying to get the environmentalists off their backs and get authority to build the Alaska pipeline. This has been one of the results of their objectives—to bring pressure to bear, to pass a law allowing immediate construction of the Alaska pipeline, so that the American people will be faced with this shortage and with this crisis and will not want to protest or delay the construction until such time as a study can be made.

I think this happens to be one of the most pernicious things that the major oil companies have done among many other pernicious things that have been done, and I personally support the amendment of the Senator from Minnesota and the Senator from Indiana and urge its enactment.

Mr. MONDALE. I thank the Senator from South Dakota.

Mr. CRANSTON. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I yield such time as he may require to the Senator from California. I will limit that, if I may, to 3 minutes, because I have to limit the time.

Mr. CRANSTON. It will be very difficult to do it in 3 minutes. Could I have 5 minutes?

Mr. JACKSON. I yield 5 minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I rise to announce my opposition to the amendment offered by Senators MONDALE and BAYH and my support for the general approach embodied in S. 1081, the Federal Lands Right-of-Way Act of 1973.

I want first to pay tribute to the work that has been done by the Senator from Washington (Mr. JACKSON) on this bill. He has dealt with a very intricate problem, and has managed it very wisely.

While the central focus of S. 1081 is the establishment of a comprehensive national policy and procedure for the granting of rights-of-way across the Federal lands for transportation and transmission purposes, the central focus of the Senate debate on this bill is how best to transport North Slope oil to the lower 48. Environmental, economic and national security issues are at the heart of this debate.

Basically, there are two major alternative routes by which the North Slope oil could be transported to the lower 48. The first is the so-called trans-Alaska pipeline which would traverse some 789 miles across the State of Alaska from Prudhoe Bay to the Port of Valdez in the Gulf of Alaska. From the Port of Valdez, the oil would be transported by supertanker to three major west coast ports: Puget Sound, San Francisco and Los Angeles.

The second route would move North Slope oil to the lower 48 entirely by overland pipeline that would stretch from Prudhoe Bay in the State of Alaska through Canada to the midwestern United States. The exact route such a pipeline would follow is not certain, but the two major proposals include a route that would generally follow the Alaska Highway and a route that would generally follow the Mackenzie River Valley, with the later being the more frequently discussed alternative.

Senators MONDALE and BAYH propose that the decision on which route is superior should be made by Congress but that Congress does not now have the information necessary to make a wise and informed decision on the question. Accordingly, their amendment would prohibit the Secertary of Interior from issuing a right-of-way permit for the trans-Alaska pipeline and would postpone a congressional decision on the matter for 14 months. During this period, negotiations with the Canadian Government would be initiated with a view toward arriving at a satisfactory agreement for a trans-Canada pipeline. Simultaneously, the National Academy of Sciences would have 11 months to complete a comparative study of the environmental and national security impact of each route. At the end of 14 months, Congress would enact a law giving the green light to one or the other pipeline route.

While I was initially leaning in favor of this proposal as the most expeditious vehicle for settling the controversy and getting North Slope oil to where it is needed most, I am now persuaded that this approach is unwise for two reasons. First, providing Congress with the responsibility for making the final decision carries with it the danger that such decision may be made on the basis of regional self-interest rather than on environmental grounds. The courts, being insulated from political pressures, are more likely, in my opinion, to make a decision based on sound environmental considerations required by law.

Because of the many concerns previously expressed by those desiring to insure maximum protection of the environment and because of the substantial review that has resulted, the plans for the trans-Alaska pipeline are now considerably more satisfactory from the point of view of environmental protection than when first proposed. It can now benefit from the stricter environmental stipulations, redundant safety systems, contingency planning and better engineering standards that have been imposed. Even with these improvements, serious environmental questions are yet to be resolved. Congress is much less likely to be the place to resolve these questions on an issue like the pipeline which has become laden with so many regional economic and political considerations.

Second, the Mondale-Bayh amendment would exempt the pipeline from the procedures of the National Environmental Policy Act and therefore from judicial review. This shortcircuiting of NEPA would, in my opinion, establish a very bad precedent that could lead to other statutory exemptions from the rigorous requirements of the act. On this point, I ask unanimous consent that part of an editorial from the New York Times of July 12 be printed in the RECORD at this point.

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

But to forestall lawsuits at the end of the 14-month period, based on the alleged inadequacies of the Interior Department's environmental impact statement that is now required by law, the Mondale-Bayh amendment would exempt the pipeline from the procedures of the National Environmental Protection Act and therefore from judicial review.

Even though the intent is to substitute the judgment of the respected National Academy of Sciences for the requirements of the Environmental Protection Act, we believe that such exemption could set a dangerous precedent. Any highway, dam, barge, canal or other porkbarrel assault on the environment could be similarly shielded from the requirements of NEPA by statutory exemption of this sort, or by the substitution of review by some designated agency. This potentially mischievous provision should be removed from the Mondale-Bayh amendment. Even if that resulted in its rejection, the worst that could happen would be that the present environmental lawsuits would follow their judicial course, with the possibility that the courts, rather than Congress, would require a more thorough study of the Canadian alternative than has yet taken place.

Mr. CRANSTON. Mr. President, even more questionable for the future of NEPA is the approach embodied in the amendment offered by Senators GRAVEL and STEVENS. This amendment contains an express congressional declaration that the pipeline has satisfied the requirements of NEPA.

Consequently, I am opposed to both attempts to circumvent the possibility of further judicial review of the pipeline controversy.

I would like to say at this point that while I disagree with his proposed amendment I do think that the Senator from Alaska (Mr. GRAVEL) has done a tremendous job in behalf of the pipeline. The many improvements that have been made in the plan are, in part, due to his efforts. If and when it is built, it will be a monument to his leadership and his very effective work in the Senate. And in a bipartisan spirit, I would like to pay tribute to the Senator from Alaska (Mr. STEVENS), whose work has been very diligent and most effective on this legislation.

The approach that can best resolve the remaining environmental issues, in my opinion, is that of the Jackson bill, S. 1081, which will encourage the controversy to be settled in the courts. The most drastic result would be that the environmental lawsuits would follow their judicial course, with the possibility that the courts would require a more thorough study of the Canadian alternative. On this point, I would like to remind the Senate that title II of S. 1081 authorizes and requests the President to initiate negotiations with the Canadian Government. If Canada indicates a willingness to proceed with an oil pipeline over Canadian soil, the President would be directed to provide for the necessary studies and agreements that could grease the way for the expeditious development of such a pipeline. Presumably, then, these negotiations would be underway regardless of the status of any litigation that may challenge the legality of a permit for a pipeline right-of-way across Alaska. Consequently, in the event that the construction of the trans-Alaska pipeline were stopped by the courts pending more thorough consideration of the Canadian alternative, we would not be starting from scratch in making that consideration.

Based on these assumptions, I am convinced that allowing the pipeline controversy to follow its judicial course will not result in any more delay of the development and delivery of North Slope oil than is written into the Mondale-Bayh amendment.

Mr. President, I would appreciate it if the chairman of the committee would comment on the validity of these assumptions as he understands them.

Mr. JACKSON. Mr. President, the Senator from California is correct.

Section 202 authorizes the President and the Secretaries of State and Interior to enter into negotiations with the Government of Canada to secure agreement on a trans-Canada oil pipeline.

Section 203 authorizes the President and Federal agencies to even prepare and submit a formal application to Canada in the event no private group is prepared to do so.

The Senator is correct that title II of S. 1081 is designed to pursue every course of action to secure Canadian approval, to initiate needed studies, and to work out necessary agreements or treaties.

I ask unanimous consent that the relevant section-by-section analysis from the committee report—pages 50–52—be printed at this point in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

TITLE II—PIPELINES FOR ALASKA NORTH SLOPE OIL AND GAS

Title II authorizes and requests the President to undertake necessary negotiations and other actions leading to the possibility of building and operating pipelines across Canada to deliver Alaska North Slope oil and gas to markets in the Lower 48. This authority is granted without prejudice to the pending application of the Alyeska Pipeline Service Company to build a crude oil pipeline from the Prudhoe Bay field to Valdez, Alaska.

SECTION 201

*Section 201(a)*

Section 201(a) states the findings of Congress upon which the provisions of Title II are based, regarding the national interest in the early delivery of North Slope oil and gas, the desirability of two transportation routes for the crude oil, the advanced status of the Trans-Alaska pipeline proposal, and the national interest in early negotiations concerning an overland route through Canada. The background to these findings is set out in the "Major Issues" section of this Report.

*Section 201(b)*

Subsection (b) declares that it is the purpose of Title II 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.

While the trans-Alaska-maritime transportation system would have the capacity to transport all crude oil produced from North Slope reserves that have been proven to date as well as from a substantial amount of any future additions, nevertheless the potential is very good for discoveries over and above the capacity of that system in amounts which could justify another transportation system on an overland route through Canadian territory. To facilitate the construction of such a system as soon as sufficient additional reserves are known to make it feasible, the resolution of complex problems between the United States and Canada relating to

national policy, environmental, legal and regulatory, and technical requirements will be necessary, however time-consuming they may prove to be.

SECTION 202

Section 202 authorizes and requests the President, using the services of the Secretaries of State and Interior to negotiate with the Government of Canada regarding that Government's attitude toward possible transportation systems across Canadian territory for Alaskan Arctic oil and gas; the need for international understandings, agreements or treaties; the desirability of joint studies; and throughput guarantees.

SECTION 203

Section 203 provides that, if the Canadian Government is willing to entertain an application leading to construction of transportation facilities for Alaska crude oil, but no appropriate private entities have made or are pursuing such an application, the President is authorized and requested to direct the appropriate federal entities to cooperate with the Canadian government as private entities in the steps necessary to prepare such application, and to enter into specific negotiations regarding authorization of construction, certification and regulation.

This Section does not authorize the Federal government to construct and operate a pipeline, nor to become a partner in such a venture. By authorizing, however, participation in "studies, negotiations, engineering design and consultations," it does contemplate the involvement of federal agencies, but only if necessary, in roles that might normally be filled by private enterprise, to take the steps required preparatory to making necessary applications to the Canadian government.

SECTION 204

Section 204 requires a report to the Interior Committees of both Houses within one year, regarding the progress achieved under the title, and recommendations for further action, either by the Executive branch or by Congress.

SECTION 205

Section 205 states that the title is not to be construed as a judgment by Congress in favor of a Trans-Canada pipeline over the Trans-Alaskan pipeline. The intention of the title is that progress on both pipelines be prosecuted as rapidly as practical and lawful; the expectation of Congress, however, is that, because preparations to build the Trans-Alaska pipeline are at an advanced stage, that pipeline would be built first. The Committee explicitly rejected a motion that authorization of a right-of-way for the Trans-Alaska pipeline await the results of further study of the two routes. The Committee also adopted language explicitly stating that in making such a right-of-way grant the Secretary is not required to "await the results of negotiations with the Canadian Government provided for in this title . . ."

Section 205 is intended to make clear that the requirements of this Title are to have no effect upon the Secretary's decision with respect to the pending application for a trans-Alaska-maritime oil transportation system. In taking action with respect to such a proposed system, the Secretary must comply with the provisions of the National Environmental Policy Act of 1969 (NEPA). However, the requirements of this Title shall not be construed as creating any additional requirements under NEPA, and the Secretary is not required to await the results of negotiations with the Canadian Government or any other actions taken pursuant to this Title, in order to comply with NEPA or, should he determine to do so, to grant the pending applications for a trans-Alaska pipeline.

SECTION 206

Section 206 authorizes the appropriation of funds necessary to implement the provisions of the title.

Mr. CRANSTON. Mr. President, I thank the Senator from Washington.

I would now like to turn to several of the issues surrounding the relative merits of a trans-Alaska and a trans-Canada pipeline.

One of the major economic and regional questions is whether or not the west coast will need the oil from Alaska's North Slope or whether the delivery of North Slope oil will result in a surplus of crude oil on the west coast. It has been suggested that in the event of a surplus, Alaska oil would have to be exported since economic and physical barriers prevent its transport to the midwestern and eastern regions of the United States.

I believe that the west coast—PAD District V—will be able to absorb the 1.5 million to 2 million barrels per day that would reach the Pacific northwest and California via a trans-Alaska and maritime oil transportation system. California, in particular, needs the low-sulfur crude oil that will come from the North Slope field. California's own reserves are extremely high in sulfur content, and the burning of high-sulfur fuels would contribute to a worsening of California's already serious air pollution problems. Just 2 days ago, Southern California Edison Co. testified before the California Public Utilities Commission that because of dwindling supplies of low-sulfur fuel, they will be forced to apply for a suspension of the restrictions on the use of high sulfur fuels or there will be power shortages in their service area next year. High sulfur fuel has not been used in the South Coast Air Basin since 1969 when it was banned because of serious air pollution problems that result from its burning.

Since 1969, Los Angeles and Orange Counties have had a 0.5 percent sulfur limitation on fuel burned. The fuel that Edison would now be forced to use and for which it would have to seek a variance, would range in sulfur content from 1 to 1.7 percent. The impact on air quality of such an increase would be significant. According to one recent study, Los Angeles County powerplants emit about 250 tons per day of sulfur dioxide gas using the 0.5 percent sulfur fuel. Using fuel of 1 percent sulfur would increase that to about 500 tons per day. Moreover, the Federal Clean Air Act of 1970, establishes strict limits on the amount of sulfur dioxide that can be found in the air. Therefore, even if the sulfur content variance were granted, sulfur emissions from other sources in the area would have to be reduced to be in compliance with the act.

Southern California has one of the worst air pollution problems in the Nation. A continuing stable supply of low-sulfur crude is thus of tremendous importance to the maintenance of environmental quality.

In addition, many of the calculations that have been made to suggest a possible west coast crude oil surplus are based on the assumption that California's offshore reserves will be developed right away. The people of California, however, have established a clear policy that they do not desire rapid development of these offshore reserves. Since 1955, the State has enacted laws establishing 10 marine sanctuaries prohibiting oil, gas, and other mineral development. Some 5.7-billion barrels of oil are locked up in these protected State tidelands. Some of the most beautiful stretches of California coastline are protected by these 10 State sanctuaries, including the tidelands of San Diego and Orange Counties, stretching north to protect the desolate grandeur of the Big Sur shoreline and the wild, redwood lands of Humboldt and Mendocino Counties.

In addition, there is the critical question of the proved reserves in the Santa Barbara Channel. The U.S. Geological Survey has indicated that 2.3 billion barrels of proved reserves exist in the channel. I intend to reintroduce in the next several weeks a revised form of my Santa Barbara Channel legislation to prohibit the development of this oil until we have a more advanced technology for its extraction. Navigational and environmental hazards make immediate production of this channel oil an impractical and dangerous undertaking.

Finally, the economic impact of construction of a trans-Alaska pipeline on California, while difficult to assess, is likely to be significant. The San Francisco shipyards, for example, will surely benefit from the 73,000 man-years of employment estimated to be necessary to build 27 tankers for the fleet that would transport North Slope oil from Valdez to the west coast. This prospect of employment is especially attractive since the Department of Defense announcement in April that 5,000 jobs at Hunters Point, an area of high minority population, will be shut down. It has also been estimated that 3,800 permanent jobs will be created because of the tanker fleet operation and maintenance, with most of these jobs being located in California. In addition, if the Canadian pipeline were to take another 5 years to build, it would cost the United States $2.5 to $3 billion a year extra against the balance of payments.

In short, Mr. President, the oil from Alaska's North Slope must be developed and transported to the lower 48 as expeditiously as possible, consistent with environmental protection laws. The oil from the North Slope can be absorbed by the west coast and, in fact, is badly needed in California if we are to avert either major power and energy shortages or a worsening air pollution problem in southern California.

I am convinced that the best way to meet these objectives is to pass S. 1081 without the Mondale-Bayh amendment and without the Gravel-Stevens amendment, so that the environmental issues can be resolved expeditiously by the courts.

I urge my colleagues to support this position.

Mr. JACKSON. Mr. President, I reserve my time.

Mr. MONDALE. Mr. President, I yield 5 minutes to the Senator from Indiana.

Mr. BAYH. Mr. President, I have listened with a great deal of interest to the discussion in the last few days. It is very evident that those on both sides feel very strongly about their positions. I do not wish to impugn the motives of anyone. However, it is possible to look at the same facts and reach different conclusions. Feeling very strongly on this point, I would at least like to have one last glimpse at some of these facts clearly, the Senator from Minnesota, the Senator from Indiana, and other Senators involved must look at the facts, as we see them.

We, in 10 or 15 minutes, will be making a decision that will be critical with relation to the long-range use of our national energy.

When we pick up a paper or look at any magazine today we are reminded about the critical energy crisis that exists.

We have never even examined the figures advanced by my good friend, the Senator from Alaska, who talks about constructing the pipeline by 1977. Even if his figures are accurate, that is not going to open up one service station, keep one tractor going, or keep an industry from laying off the third and maybe part of the second shift.

None of these things will help us solve our problem by opening up America to unlimited amounts of foreign crude, which should have been done a long time ago.

The Senate ought to make a determination, but not base it on the false assumption that we are going to be able to provide immediate relief to our constituents. None of our proposals—not the proposal of the Senators from Alaska or the Senator from Minnesota or the Senator from Washington—will do that.

None of us, unfortunately, have come to grips with the problem of facing this sad fact.

It seems to me that we have to take a prudent, long-range look at what is in the best interest of our country over the next several years. Should we not be absolutely certain that this very valuable resource in the form of Alaskan oil be used in the most prudent manner and should we not be certain that it is going to be used in the United States? Should we not see to it that it is distributed in this country in an equitable manner to those areas in which it is needed the most, and at the same time distributed through a system that has the least amount of environmental problems?

I suggest that none of us really has the answers to the questions. The Senator from Minnesota and I and some other Senators, I think, have made a strong case for the trans-Canadian route and have rather strongly answered the questions I have posed. However, none of us is certain.

As we look at the committee report, it seems the committee is not certain either.

Mr. President, I just want to read into the RECORD language which I think is a very compelling reason to go ahead with the study for the next 8 months. Originally it was to be 11 months. It is now 8 months. We should find the answers, because the report from the Committee on Interior and Insular Affairs states:

> The Committee on Interior and Insular Affairs did not regard any of the foregoing arguments or any group of them as conclusive in favor of either of the competing pipeline proposals.

That conclusion was reached after a full study had been made of the Alaskan route. No study has been made of the trans-Canadian route.

If we get a committee report on the benefits of one pipeline proposal, and only one of them has been studied, should we not in good conscience have a study at least for 8 months of the other alternative?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BAYH. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. BAYH. Mr. President, I think the need to be absolutely certain before building a pipeline that it is the right decision is imperative and is a strong reason to support the Mondale-Bayh amendment.

Also, I do not see how the argument of delay can be persuasive, inasmuch as even the strong opponents of our amendment realize and have stated very honestly that we really do not know how long it will, but that we are going to have a rather strenuous battle in the courts.

While this issue is before us, why do we not find some of the facts necessary to lay a court battle to rest? One of the fundamental criteria of NEPA is that alternative proposals be studied. I do not know how we are ever going to look a judge, a jury, or an opposing lawyer in the eye and say, "We have met the requirements of studying alternatives," unless we study the alternatives. The Mondale-Bayh proposal provides for an 8-month crash study, so that we will not only have the facts to make a prudent decision, but will meet this fundamental ingredient of NEPA.

One last point.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BAYH. May I have 1 more minute?

Mr. MONDALE. Yes.

Mr. BAYH. Mr. President, I think 1 minute is enough to deal with this unfortunately specious argument of two pipelines.

There may have been a time when you could pick up the newspapers and believe the full-page ads of these oil companies who say it is possible to have a two-pipeline policy. But if we are going to understand the need to have Canadian cooperation, the two-pipeline alternative goes right out the window. The Canadians have said unequivocally, in the questions which we finally managed to drag out of the State Department kicking and screaming just in the last couple of days, and which I put in the RECORD yesterday, that the Canadians do not want any part of a pipeline unless we take them in on the ground floor.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BAYH. So the only possibility of any kind of a trans-Canadian pipeline is to consider this as an initial thrust, not as a stepchild at some future date.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JACKSON. Mr. President, in his remarks yesterday, my good friend the Senator from Indiana (Mr. BAYH) referred several times to the savings that midwestern and eastern consumers would enjoy if the trans-Canada pipeline were built. The Senator has also circulated among his colleagues a table which claims or purports to show the amounts of these savings.

Yesterday I asked a knowledgeable energy economist to look into these figures. He is, incidentally, an economist who has written several articles which are sharply critical of some of the claims of the oil companies and the administration regarding the economics of the trans-Alaska pipeline.

I ask unanimous consent that his memorandum be printed at this point in the RECORD.

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

MEMORANDUM

To Senator HENRY M. JACKSON.
From Arlon R. Tussing, Staff Economist.
Re Senator BAYH's Estimates of Fuel Cost Savings.

Senator Bayh's cost calculations are based, according to his table, upon figures on page 92 of *Alaskan Oil: Alternative Routes and Markets*, by Charles J. Cicchetti, Visiting Associate Professor of Economics at the University of Wisconsin (Baltimore: Johns Hopkins University Press for Resources for the Future, Inc., 1972). A copy of Senator Bayh's table and pages 91–93 of Professor Cicchetti's book are attached.

Cicchetti's calculations are invalid, both in principle and in his specific numbers, for several reasons. He assumes explicitly or implicitly.

(1) That market demand prorationing in Texas and Louisiana effectively limits crude oil production in those States and supports oil prices East of the Rocky Mountains;

(2) That the absence of market demand prorationing in California and Alaska, plus a different method of determining import quotas maintains lower crude oil prices on the West Coast than in the rest of the United States;

(3) That the prices of foreign oil landed in the United States are much lower than domestic prices, and that the latter are protected by import quotas;

(4) That the average price of crude oil in each market is equal to its marginal cost; and

(5) That the price elasticity of demand for crude oil is unity (1.0).

The first three assumptions are not true now and will not be true in the foreseeable future, though they were at least in part valid in 1971 when Cicchetti wrote his book. Without production limitations in Texas and Louisiana, without import quotas, and without discrimination in import policy between the West Coast and the rest of the United States, crude oil prices on the West Coast, the Gulf Coast and the North Atlantic Coast will all tend to converge toward the landed price of Persian Gulf imports.

The Northeast may still suffer some price disadvantage if the Gulf and West Coast have deepwater ports so they can accommodate VLCC's supertankers and the North Atlantic does not have such ports, so that the latter must receive its oil in smaller, less efficient tankers or by pipeline from the Gulf Coast.

In each case, including the upper Midwest, nevertheless, the ruling price will be the Persian Gulf price plus applicable transportation charges.

Cicchetti's fourth error is unworthy of a sophomore economics student. It is not the *average cost* in any market that determines price but the *highest* (marginal) *cost*. This fallacy of the author obscures the fact that it is the highest cost oil (almost certainly imported oil) that will determine the price in each market, not the average cost. Alaskan oil will be cheaper *to its owners* in any U.S. market to which it is delivered, but those owners would be foolish indeed to sell it for a price less than buyers would have to pay for the oil with which it competes.

The "cost" of North Slope oil will have nothing whatever to do with the price. To repeat, the price of oil in all U.S. markets will be determined by the price of imports, regardless where North Slope oil is delivered.

Cicchetti's fifth assumption—that the price elasticity of demand is 1.0—is both arbitrary and incredible. It implies that a rise in crude oil prices by a given percentage results in a proportional decrease in consumption.

Price elasticities are notoriously hard to measure, and I do not have at hand any authoritative estimates. Some simple reflection is convincing that 1.0 is ridiculously high, however: The price of crude oil in the United States is in the general vicinity of 10 cents per barrel, so that the contribution of crude oil prices to the price of petroleum products (gasoline, diesel, jet fuel, fuel oil, etc.) is likewise about 10 cents per barrel.

A fall of crude oil prices by half (that is, by 5 cents) would result in a fall in petroleum prices by about 5 cents on the average. According to Cicchetti's elasticity assumption, however, this price reduction would result in a *doubling* of crude oil consumption. Is it reasonable to believe that consumers would buy *twice* as much of *any* major petroleum product in response to a 5 cent per gallon reduction?

Cicchetti's book does not explain his calculations or the significance of the elasticity estimate in those calculations, but my reconstruction of his reasoning suggests that this error biases his numbers in favor of the Trans-Canada alternative.

My reconstruction of the argument is this: (1) Alaska crude is lower cost than Texas crude; (2) because of Cicchetti's marginal cost-average cost fallacy, plus Texas prorationing, Alaska crude both backs out some Texas crude and lowers consumer prices; (4) at lower prices consumers increase their purchases significantly (because of the allegedly high price elasticity of demand); and (5) higher consumption and domestic (Texas plus Alaska) production cause the quota system to permit a larger volume of low price imports than would otherwise be the case. Result: higher consumption and lower prices than would prevail with a lower and more believable elasticity assumption. I set out this reasoning advisedly, but whatever the influence of the elasticity assumption, it would impeach Cicchetti's results.

In summary, the factual foundation of Cicchetti's calculations is outdated, and his method is flawed. I would not take his numbers seriously. The best current judgment would be that consumer prices in different U.S. markets will be totally unaffected by the destination of Alaskan oil.

FUEL COST SAVINGS, CALCULATED FOR SENATOR BAYH

| State | 1971 per capita consumption of oil products in barrels, source: U.S. Interior Department[1] | Per capita savings of Canadian line versus Alaskan line based on projection of economist C. J. Cicchetti of 32 cents per barrel savings in Midwest and 33 cents per barrel savings in East[2] | Average annual savings of Canadian line versus Alaskan line for family of 4[3] | Annual savings for entire State of Canadian line versus Alaskan line in millions of dollars[4] |
|---|---|---|---|---|
| North Dakota | 28.4 | $9.08 | $36.32 | $5.7 |
| South Dakota | 27.2 | 8.70 | 34.80 | 5.8 |
| Nebraska | 23.2 | 7.42 | 29.68 | 11.2 |
| Kansas | 23.1 | 7.39 | 29.56 | 16.7 |
| Oklahoma | 21.5 | 6.88 | 27.52 | 18.0 |
| Minnesota | 23.9 | 7.64 | 30.56 | 29.7 |
| Iowa | 22.5 | 7.20 | 28.80 | 20.5 |
| Missouri | 21.0 | 6.72 | 26.88 | 31.9 |
| Wisconsin | 20.1 | 6.43 | 25.72 | 28.8 |
| Illinois | 20.4 | 6.52 | 26.08 | 73.0 |
| Michigan | 18.7 | 5.94 | 23.92 | 53.4 |
| Indiana | 24.3 | 7.77 | 31.08 | 41.0 |
| Kentucky | 19.3 | 6.17 | 24.68 | 20.2 |
| Tennessee | 17.5 | 5.60 | 22.40 | 22.3 |
| Ohio | 16.6 | 5.31 | 21.24 | 57.2 |
| Maine | 40.9 | 13.49 | 56.96 | 13.5 |
| Vermont | 26.8 | $8.84 | $35.36 | $4.0 |
| New Mampshire | 29.3 | 9.66 | 38.64 | 7.4 |
| Massachusetts | 35.6 | 11.74 | 46.96 | 67.6 |
| Rhode Island | 31.2 | 10.29 | 41.16 | 9.9 |
| Connecticut | 30.0 | 9.90 | 39.60 | 30.5 |
| New York | 24.8 | 8.18 | 32.72 | 150.4 |
| Pennsylvania | 21.0 | 6.93 | 27.72 | 82.3 |
| New Jersey | 31.0 | 10.23 | 40.92 | 74.7 |
| Delaware | 38.2 | 12.60 | 50.40 | 7.0 |
| Maryland | 23.6 | 7.78 | 31.12 | 31.1 |
| West Virginia | 19.2 | 6.33 | 25.32 | 11.1 |
| Virginia | 27.3 | 9.00 | 36.00 | 42.4 |
| North Carolina | 20.6 | 6.79 | 27.16 | 35.0 |
| South Carolina | 14.2 | 6.33 | 25.32 | 16.6 |
| Georgia | 21.6 | 7.12 | 28.48 | 33.2 |
| Florida | 27.3 | 9.00 | 36.00 | 63.4 |

[1] U.S. Energy Fact Sheets by States and Regions, Interior Department, February 1973.
[2] Per barrel savings from Alaskan Oil: Alternative Routes and Markets by Charles J. Cicchetti, p. 92, figures are per capita consumption times savings.
[3] Per capita savings multiplied by 4 for family with 2 children.
[4] Per capita savings multiplied by 1971 state population in Statistical Abstract.
Note: Consumption and dollar figures are all 1971.

[Excerpt from Alaskan Oil: Alternative Routes and Markets, by Charles J. Cicchetti (Baltimore: Johns Hopkins University Press for Resources for the Future, Inc.) pp. 91–93]

EQUITY AND CONSUMER SURPLUS CONSIDERATIONS FOR U.S. CONSUMERS OF CRUDE OIL

In chapter 3, I restricted my consideration of the benefits of various pipeline alternatives to the average costs of domestic and foreign oil in the markets on the West Coast and east of the Rockies. The equity effects and consumer surplus benefits of each pipeline alternative were omitted. While care must be taken to avoid double counting, these additional issues are quantitatively significant and should be considered.

Table 27 shows the present prices for crude oil of comparable quality on the West and East coasts and in the Midwest. In chapter 3 I used these relative price differentials as a measure of the relative domestic *average (presumed to equal marginal) cost* differentials in each part of the country. Greater costs per barrel at the margin are partly due to higher transportation and production costs.

Some part of the price differences shown in the first line of table 27 is due to *domestic (state prorationing)* and *foreign (import quota)* supply restrictions. The benefits of state prorationing restrictions fall in favor of the taxpayers of producing states and the owners of oil companies. At the same time, some of the costs of such "conservation" practices are passed on in the form of higher prices to the consumers of oil who reside in states that do not produce oil.

TABLE 27.—SOME EQUITY EFFECTS OF ROUTE SELECTION

[Dollars per barrel]

| | West coast | Mid-west | East coast |
|---|---|---|---|
| Prices now | 3.17 | [1] 3.81 | 4.06 |
| Prices if Alaska pipeline is built[2] | 2.38 | [1] 3.81 | 4.06 |
| Prices if a Canadian pipeline is built[2] | 3.17 | [3] 3.49 | [3] 3.73 |

[1] Prices in the Midwest normally should be 25 cents per barrel lower than on the east coast because of increased transportation costs to the east.
[2] Assuming that the price elasticity is unity and that half of the price decrease is passed on and, in the case of TAP, that all the oil is supplied to the west coast, District V.
[3] Assuming that half the oil from the north slope—1,000,000 barrels per day—would be shipped to the east coast.

Similarly, the national security benefits associated with restricting foreign oil affect all Americans equally. But the price differentials shown in table 27 indicate that all Americans are not paying equally in the form of similar crude oil prices for this national security benefit. The delivered price of crude oil from the Persian Gulf is approximately equal on the U.S. West and East coasts, yet there is a price differential of approximately 90¢ per barrel for oil similar in quality to North Slope crude.[7] Therefore, an additional economic basis for a comparison of alternative pipeline routes is to determine the effects of each route on the present inequities in crude oil prices in the United States.

Assume that the *price elasticity of demand is equal to unity*. To measure the effect of an additional 2 million barrels per day (full capacity of either TAP or TCP alternatives) on the quantity of oil supplied at the 1971 equilibrium prices and quantities, assume that the supply of crude oil is restricted in domestic markets to its present levels. Further assume that since oil companies both

[7] If lighter weight crudes, such as 30° API were used, this differential would fall to approximately 60¢ per barrel.

buy and sell oil half of any price change would be passed on to consumers.

The prices that would result in the three reference markets under these assumptions are shown in table 27. This comparison leads to the conclusion that if TAP were built instead of TCP the inequities that now exist in the form of higher relative prices paid by oil consumers in non-producing Midwest and East Coast states would be significantly increased. On the other hand, the construction of a TCP system would begin to redress these present inequities, and while prices are not expected to actually decline in either market, a reduced relative rate of price increases should favor Midwest consumers. In the future, therefore, remaining price differentials might be attributed in large part to transportation cost differences from domestic sources of supply rather than to present domestic and foreign supply constraints.

A precise measurement of the equity effects of each alternative is impossible without a more completely defined social welfare function. Since these equity effects, however, serve only to reinforce the conclusions based on the productive efficiency benefits determined in chapter 3, it is obvious that the advantages of the TCP alternatives are understated when such equity differentials are excluded, because they also favor the TCP alternatives.

Whether the present inequities between oil consumers in District V and oil consumers in the Midwest or on the East Coast would actually increase depends on several additional factors that I will discuss in the next chapter, since such price adjustments would also reduce profits. Clearly, however, these inequities would become worse, other things remaining the same, if TAP were built, and from that standpoint alone a route through Canada is preferable to TAP.

In this discussion I have first assumed institutional rigidities in the Mandatory Oil Import Quota Program east of the Rockies. Second, I have assumed for the purpose of this demonstration that *domestic demand and supply do not change over time*—a highly unrealistic assumption but one that allows me to keep the analysis simple. Furthermore, as I will show later, changes in this assumption tend to affect TAP adversely relative to the TCP alternatives. Finally, I implicitly assumed—perhaps naively—that alternatives other than price competition would not be used in the future if excess supply occurred, but later I will consider the equity issues raised by some of these alternatives. (Emphasis added.)

Mr. JACKSON. On the basis of the review by this economist I can state categorically that the destination of North Slope crude oil will have no effect one way or the other upon consumer prices for petroleum products east of the Rockies.

The calculations of the Senator from Indiana depend, as his table of alleged savings makes clear, upon a book by Prof. Charles Cicchetti of the University of Wisconsin. Two factual assumptions about crude oil prices are absolutely essential to Professor Cicchetti's analysis. Neither of these assumptions is valid today, and neither of them will be valid when North Slope oil begins to flow to markets in the lower 49 States.

The two fundamental propositions upon which Professor Cicchetti and the Senator from Indiana base their claims about consumer savings are these:

First, that prorationing in Texas and Louisiana restricts domestic production east of the Rockies, and thereby supports prices in that part of the United States above world market prices, and above prices west of the Rockies, where prorationing does not exist.

Second, that oil import quotas keep domestic oil prices in both parts of the United States far above the price of imported oil, and also divide the oil market in the two parts of the country into two hermetically isolated units.

Professor Cicchetti's book has become the Bible of the trans-Canada pipeline advocates, but since 1971, when he made his calculations, Texas and Louisiana have removed their restrictions upon crude oil production and the oil import quotas have been abolished. Even more important, the success of OPEC plus the devaluation of the dollar have wiped out the price difference between imported and domestic oil.

The two changes together will soon wipe out most of the differences between prices on the west coast, the gulf coast, and the Northeast. These facts are absolutely crucial to a calculation of the price effects of North Slope oil.

In 1980 we expect at least half of our total oil supply to be imported. Half of that amount, almost all our increase in imports, and almost all our increase in total supply, will come from the Persian Gulf. It is likely in fact, that every drop of the increase in U.S. oil supply which does not come from Alaska will come from the Persian Gulf.

In view of the last 2 years' events, it would be foolish to predict the price of imported oil in 1980 or 1985. But one thing I can say with confidence—foreign oil will not be cheaper than domestic oil of equal quality.

The high price of imported oil, and its predominance in the growth of our national energy supply, make Professor Cicchetti's conclusions inoperative today and for the foreseeable future.

Consumers do not pay one price for gasoline or fuel oil refined from Texas crude, another price for products of Alaska crude, and a third price for products of Arabian crude. The price of crude oil in the East and Midwest will be the price of Persian Gulf oil plus its transportation cost.

Any oil for Alaska that reaches the Midwest or the east coast will be sold for the highest price it can command, whether it comes by a trans-Canada pipeline or a more roundabout route. That price will be the Persian Gulf price plus transportation cost.

Let me repeat. The calculations of Professor Cicchetti and the Senator from Indiana are out of date, useless, and misleading. The destination of Alaska crude oil will have absolutely no effect upon consumer prices for oil in the East and Midwest. The price of oil in each market will be determined by Persian Gulf prices.

I have a final thought for Midwest consumers, however. The costs for gasoline and fuel oil throughout the United States will be affected in three ways by the way we vote today.

First, to the extent that America shows its determination and ability to develop its own energy our bargaining power will be increased.

Second, reserves in some exporting countries like Venezuela and Libya are rapidly being depleted, and others, like Kuwait and very possibly Saudi Arabia, may deliberately restrict production. To the extent that we can hold our oil import requirements down by energy conservation and by developing our domestic energy sources like the North Slope, we limit the upward pressure of world demand upon world oil prices.

Finally, we do not know how much oil and gas exists in Northern Alaska. But we do know that the Arctic is the world's most promising frontier for petroleum exploration outside the Middle East. If there will ever be an oil discovery of Middle Eastern magnitude within our national borders, or even another producing province like Texas was for two generations, it will be in Northern Alaska.

It is absolutely certain that there is much more oil and gas on the North Slope than has been developed so far. And there is a significant possibility that a real oil bonanza could turn our energy picture entirely around—a bonanza that would bring the United States another era of cheap fuels, and vastly enhance our security and our balance of payments.

Congress has in its hand the ability to revive the massive exploration of the American Arctic for oil and gas. There are two things we must do.

The first hurdle we can overcome is to permit the oil that has already been discovered to go to market, to provide private enterprise with an incentive to start drilling again on the leases outstanding on the North Slope. The Senate's contribution to this task is to pass S. 1081 without delaying amendments.

The other obstacle we must overcome is to open up for exploration the 26 million acre naval petroleum reserve on the North Slope. I have offered, together with Senator RANDOLPH and Senator MAGNUSON, S. 1586, which would create a system of usable strategic reserves for the United States.

As one part of that system, the bill directs the Secretary of the Interior and the Secretary of the Navy to conduct a program of exploration for the naval petroleum reserves, and authorizes $120 million for that purpose over 3 years.

The Interior Committee has already had 1 day of hearing on this bill, and has scheduled further hearings later this month. I hope to report this bill to the Senate shortly after the August recess.

If new exploration programs on either the existing State and Federal leases, or on naval petroleum reserve No. 4 are more than marginally successfully, the trans-Alaska pipeline will have to be supplemented by another oil transportation system. The most direct and effective way to advance both the addition of new reserves is:

First, to remove the obstacles to building the trans-Alaska pipeline;

Second, to start the difficult and long process of negotiating with Canada regarding a second overland pipeline; and

Third, to begin exploration of the naval petroleum reserve.

S. 1081 accomplishes the first and second of these steps. S. 1586 will accomplish the third.

Mr. NELSON. Mr. President, I would like to take this opportunity to speak on behalf of the amendment by Senators MONDALE and BAYH to the Alaska pipeline bill. Along with 17 other Senators, I have joined as a cosponsor of this proposal.

I support the Mondale-Bayh amendment because I believe it would assure that Alaska's oil resources are developed in the best interests of the American people and will expedite this crucial energy decision.

This amendment provides for an 11-month independent study by the National Academy of Sciences to obtain and weigh all the facts on the main alternatives for bringing out the Alaska North Slope oil and make a recommendation on the best oil delivery route. The two alternatives which would be studied are a trans-Alaska pipeline and shipping route to the U.S. west coast and a trans-Canadian pipeline to the U.S. Midwest.

To further determine the feasibility of the trans-Canadian route, the amendment directs negotiations during the study period between the U.S. Secretary of State and the Canadian Government on the dates and conditions for such a route.

The amendment then provides for a congressional decision clearing the way for a pipeline for the Alaska oil within 3 months after the National Academy of Sciences report.

In sum, adoption of this amendment today would bring an independent study and conclusions on all the questions involved in the Alaskan oil pipeline issue and clear the way for a go-ahead on either the trans-Alaska or the trans-Canada pipeline within 14 months.

No legislation or amendment before us today represents an entirely satisfactory solution to the Alaskan oil issue. But I believe the Mondale-Bayh amendment represents the fairest, most effective and most expeditious approach in the circumstances to the difficult issue of how best to bring out the Alaskan oil.

It has been evident for years that there was no easy answer in the Alaska oil development issue. It is a complex matter of great national import involving vital questions that affect all Americans.

As has traditionally been the case in this country with energy and other resource matters, a few large private interests have attempted to force a public decision on the choice of a pipeline route for the Alaska oil not on the basis of broad public considerations but on the basis of their more narrow, profitmaking concerns.

Nearly 4 years ago, I raised this issue of the public versus the private interest in the Alaskan oil issue in a colloquy with Judge Russell Train, Chairman of the President's Council on Environmental Quality, at a Senate Interior Committee hearing. Quoting from that colloquy, I said:

> Now it seems to me we have a situation here where the private sector has made some decisions, but the big controlling decision is still in the hands of the Federal government, since there are public lands that they have to go across . . . The question that bothers me is: How long are we going to permit the private sector to decide these issues, which have great ecological ramification?

Yet to this day, energy, economic and environmental factors of great public concern in the Alaska oil issue have not been fully and comprehensively considered by the oil industry or the U.S. Government.

Instead, the facts have been clouded and confused by a massive oil industry propaganda campaign designed to scare Congress and the public into rubberstamping the Alaska pipeline, granting energy fuels price increases, and permitting a stronger industry monopoly.

Even now, the industry tactics and policies in our energy affairs are the subject of investigations by the Federal Trade Commission, the Department of Justice, the Cost of Living Council, and several congressional committees. As amendments to this bill, I have proposed a special commission to study the role of the energy fuel industry in our energy problems and policies and to examine the options for restructuring the industry to better serve the public interest, and the establishment of a data bank in the General Accounting Office to collect for the first time the information from the oil industry on its reserves, and to coordinate the myriad other facts that are essential for better energy policy decisions.

In short, the whole history of the Alaskan oil pipeline proposal is a classic study of how not to make an intelligent, publicly responsive energy policy decision.

Despite strong evidence that a trans-Canadian pipeline would deliver Alaska's oil where this country needs it most, in Midwest and Eastern U.S. markets, at less cost to the consumer, the Alaskan oil consortium has pushed doggedly ahead for a trans-Alaska route.

According to a study for Resources for the Future by Economist Charles Cicchetti, a trans-Canadian pipeline would not only offer important cost and supply advantages to hard-pressed consumers in the Midwest and East, but would also help make available over the long run oil from untaped sources such as the tarsands of Alberta, Canada, a 100-billion-barrel reserve.

The area of this country east of the Rockies, which would receive the Alaskan oil directly if a trans-Canadian line were built, will account for more than 80 percent of the Nation's oil consumption in 1980–85, according to recent estimates. There is wide agreement that the Midwest and the east coast are faced with rising prices and a possibly severe shortage of domestic oil supplies. Already, Midwestern and Eastern oil prices have risen to $1.10–$1.15 per barrel higher than the price for west coast oil, in spite of the recent removal of oil import quotas.

A trans-Alaskan pipeline would deliver the North Slope oil to the west coast, an area where oil prices have historically been lower and where the Cicchetti analysis shows that the Alaskan oil would bring an actual oversupply under present rates of growth in demand and supply. Furthermore, since the President's energy message, the availability of two additional sources of west coast supply has become evident. First, the President has encouraged the Secretary of the Interior to speed up offshore oil development in the Gulf of Alaska, a reserve which some analysts have indicated has even greater potential than the Prudhoe Bay fields in Alaska. Second, a recent report indicates that California, which is producing about 80 percent of west coast—district V—oil production can more than double its production by further development of available resources.

With the farms, schools, consumers, businessmen, and cities of the Midwest and East suffering a fuel squeeze from one season to the next, why should Alaskan oil be shipped to the well-supplied west coast instead of being delivered by a Canadian route directly to the neediest areas of the country?

The oil companies have selected the trans-Alaska route not on the basis of any benefits that might accrue to U.S. consumers, but because of the industry's international profitmaking plans, according to the Cicchetti analysis. The sale of surplus Alaskan oil to Japan or shipping oil to the Virgin Islands to be refined then sold at higher prices on the U.S. east coast have been cited as possible schemes to build profits from a trans-Alaska pipeline-ocean tanker route.

Although the recent lifting of U.S. oil import quotas has removed much of the incentive for the international profit plans for the North Slope oil, according to Cicchetti, the Alaska pipeline proponents still push ahead.

Ironically, while Alaska pipeline supporters have argued that a Canadian oil route was not feasible, a United States-Canadian consortium has announced plans for a trans-Canada natural gas pipeline from Alaska to the Midwest and intends to make application to the Canadian Government shortly for a permit.

Despite strong expressions of interest in a trans-Canadian oil route as well by the Canadian Government, the U.S. Government has refused to seriously negotiate on the feasibility of a Canadian alternative.

On March 12, 1971, Canadian Minister of Energy, Mines and Resources, Joe Greene told the House of Commons:

> I think we can assure the United States oil companies and the United States government that there will be no unnecessary roadblocks at the Canadian end and the Canadian governmental side.

On March 18, 1973, current Canadian Minister of Energy, Mines, and Resources Donald MacDonald said in a television interview:

> If the Americans came back and said to us, look, we've had second thoughts on that Trans-Alaska pipeline, we would like to take you up on your willingness to entertain an application about the oil line through the Mackenzie route, I think the interests of the West Coast (of Canada) would dictate that the government of Canada would enable that kind of application to go ahead.

In response, the U.S. Department of the Interior position was that the scope of its work is to deal with "the applica-

tions on our desk"; that is, the industry proposal for a trans-Alaska oil line.

Again, I ask the question: How long are we going to leave it up to the private sector to decide these issues which have enormous implications for the interests of the entire country? The complex energy problems that have mushroomed, because of our past neglect can now be met only with a full and responsible partnership of the public concern with the private interest, and it is not too late for the public's role to be asserted in the key issue of Alaskan oil.

On another important consideration, the environmental impact, even the Department of the Interior's comparison of the Alaska and Canadian pipeline alternatives concluded that neither route had an overall advantage.

If maximum protection of the marine environment is desired, then the overland, trans-Canadian route would be preferable to the trans-Alaska pipeline-ocean tanker route, the Interior Department pointed out. If minimum terrain and terrestrial habitat disruption is desired, the trans-Alaska route would be preferable, the report argued. If maximum avoidance of earthquake threats is the aim, the report acknowledged that the trans-Canada route would be better.

Furthermore, the environmental impact of a trans-Canada pipeline laid alongside the natural gas pipeline that is already planned would be far less than the total impact of a gas route in Canada and an oil route in Alaska.

Confronted with these serious challenges to the energy, economic, and environmental grounds for a trans-Alaska route, the Alaska pipeline proponents are now charging that any further consideration of the pipeline issue will greatly delay delivery of the North Slope oil and damage America's balance-of-payments situation.

Yet 2 months ago, the chairman of the board of Exxon Corp., a major partner in the trans-Alaska pipeline consortium, gave late 1978 as the earliest estimate for completion of the Alaska pipeline.

By comparison, several sources, including the Canadian Government, estimate that it would be feasible to complete both an oil and a gas pipeline through Canada's Mackenzie Valley by 1979.

Early this year, a consortium of major American and Canadian companies, including several who have invested in the Alaska pipeline project, released a report which included a time estimate for a trans-Canada route of 4 years: 1½ to obtain approval, complete planning and make other arrangements for construction and 2½ for actual construction.

Even if S. 1081, the bill settling the right of way issue for an Alaska pipeline, is passed, it will take a year or more of litigation to settle the remaining questions involved in the Alaska route, a fact which was acknowledged by Secretary of the Interior Rogers Morton in April.

By contrast, the independent study, Canadian negotiations and final congressional action provided for in the Mondale-Bayh amendment would remove the justification for further court action and provide for a pipeline go-ahead within 14 months.

Further, the study and negotiations with Canada directed by the Mondale-Bayh amendment would help clarify any differences of opinion as to the time it would take to build a trans-Canada pipeline as opposed to a trans-Alaska line, and would help clarify any other uncertainties.

No one would deny that bringing Alaska's oil to U.S. markets will help our Nation's oil supply situation and help offset our dependence on foreign oil. But it would be misleading to think that the North Slope oil will be the solution to either of these long-range and complex problems. The Alaskan oil reserves will be providing only 8 percent of this country's expected 25 million barrel a day oil demand in 1985, and massive amounts of foreign oil will still have to be imported to fill the gap between our total demand and our domestic oil resources. Further, in recent congressional testimony, Economist A. Myrick Freeman pointed out that the net dollar outflow attributable to building a trans-Canada route rather than a trans-Alaska line will be a small fraction of 1 percent of the total volume of U.S. expenditures abroad.

In a final effort to get approval for the Alaska pipeline over a Canadian route, the trans-Alaska pipeline consortium has tried to blame environmentalists for its frustrations.

In fact, the responsibility for the delay on the pipeline issue lies squarely on the back of the oil industry, which either through arrogance or incompetence has been creating its own delays. Every step of the way, the Alaskan oil consortium has tried to get a Government go-ahead without full consideration of the alternatives and in spite of a Federal court ruling 3 years ago that the proposed right-of-way for the pipeline across Federal lands in Alaska was wider than the maximum permitted under the law.

It is time to stop looking for scapegoats and start looking for answers to this Nation's energy problems. As one important step in establishing a national policy to effectively and expeditiously meet our national energy needs, we should require the independent analysis of the pipeline alternatives, the negotiations with Canada, and the final congressional decision, as provided by the Mondale-Bayh amendment.

Mr. President, I ask unanimous consent that two thoughtful editorials on the Alaska pipeline issue, one from the Washington Post and one from the Green Bay Press-Gazette, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

OIL FROM ALASKA: WHERE OR WHEN?

The real issue in the Alaska pipeline fight, as we see it, is whether the long-term national interest would be better served by transporting the North Slope's oil by pipeline across Alaska and then by tankers from Valdez to the West Coast—or by bringing the oil by pipeline across Canada to the Midwest. Champions of the Alaskan route see it differently. To them the central issue is not where but when the oil starts flowing to the lower 48 states. "Time is critically important," Interior Secretary Rogers C. B. Morton wrote in a letter to the editor which appears on the opposite page today. Time is the single factor making the Alaskan route "clearly preferable," the Senate Interior Committee recently found. Sen. Henry Jackson (D-Wash.), opposing delays of any kind, put it dramatically last Monday: "Will Alaska oil be kept in the ground while the American people are running short? Will the nation be forced to rely indefinitely on oil imports from insecure foreign sources?"

This formulation has a number of flaws. The first is that it is hard to say with certainty that the Alaskan route would be more expeditious because it is impossible to say when either pipeline could be finished. Mr. Morton has often said the trans-Alaska project "is ready to be built as soon as present legal obstacles are cleared away," but those obstacles are hardly the sort which can be easily or quickly brushed aside. In barring construction of the Alaskan pipeline last winter, the Court of Appeals ruled on the "very simple point" that the proposed right-of-way across public lands would be wider than the maximum permitted under present law. That problem would be remedied by the right-of-way bill now before the Senate. But the court expressly reserved judgment on the substantial environmental issues involved in the suit, finding those "not ripe for adjudication at the present time." In other words, if and when the right-of-way laws are modernized, the matter will go right back into the courts and could remain there for some time—unless Congress should be stampeded into giving the project an environmental exemption, which would be unwarranted and unwise.

Comparing this prospect with the outlook for a trans-Canadian pipeline amounts to comparing the unpredictable with the unexplored. Because the oil companies and the administration fastened so quickly on the Alaskan route, they have never undertaken an objective assessment of the engineering, environmental, economic and diplomatic factors involved in a Mackenzie Valley undertaking. The greatest single factor, the Canadian government's attitude, is not so much imponderable as it is unprobed. Secretary Morton's description of one key exchange in May 1972 suggests how earnestly Canadian expressions of interest have been entertained. Barely one week after the Canadian energy minister, Donald S. Macdonald, wrote him "a detailed letter" outlining the possible advantages of the Mackenzie Valley way and proposing joint studies, Mr. Morton "forthrightly" replied that the U.S. had decided to go through Alaska instead. Since that official rebuff, the State Department claims to have found "no strong current interest" in a Mackenzie Valley route in Ottawa. This is hardly surprising but it is like complaining about not being invited to dinner—after one has announced that he wouldn't come.

Given all the uncertainties about the courts and the Canadians, it is sheer speculation to claim that the trans-Alaska pipeline could be completed "at least 3 to 5 years and perhaps 7 to 10 years earlier" (State Department) or "2 to 6 years earlier" (Interior Committee) or "5–7 years sooner" (Atlantic Richfield). And when the issue of relative time disappears in the fog, there is little left to justify hurtling ahead in Alaska. Indeed, if one discounts the excitement about the "energy crisis"—a crisis which Alaskan oil will not solve—and looks specifically at where that oil could make the most difference, there is every reason to start serious talks with the Canadians in the morning. The trans-Canadian route would, after all, bring North Slope oil directly to the Midwest, a region which is perennially fuel-poor and

more dependent on oil from those "insecure foreign sources" than the well-fueled West Coast. That is a consideration which ought to have substantial weight.

So far, the pipeline fight has been a textbook example of how not to resolve such a complex question. This week Sens. Walter Mondale (D-Minn.) and Birch Bayh (D-Ind.) are offering the Senate a way to obtain some real perspective and arrive at a firm decision at a definite time. The Mondale-Bayh amendment would (1) direct the Secretary of State to conduct serious negotiations with the Canadian government and report to Congress within eight months, (2) authorize the National Academy of Sciences to make a comprehensive 11-month review of both pipeline alternatives, and (3) provide for a congressional decision within 90 days after the completion of both studies. This is how the issue should have been handled from the start. As Secretary Morton wrote, "Open-ended delays make for open-ended difficulties." That was not intended as an argument for the Mondale-Bayh amendment, but it is an excellent reason why the amendment should be approved.

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[From the Green Bay Press Gazette]

OIL FROM ALASKA

Arizona Rep. Morris Udall has introduced "a third approach which will be loved by no one" in the deadlock over building an oil pipeline across Alaska to the Pacific or building a pipeline across Canada to the American Middle West.

Udall's point is that the oil is badly needed and that enough time has been wasted. He agrees there are legitimate concerns about the line going over the Alaskan perma-frost subject to earthquakes and of oil spillage from tankers. But he says the conservation movement could become a scapegoat for the coming petroleum shortage. Then, there are arguments about what section of the United States needs the oil the most and about whether the Canadian pipeline would throw American balance of payments further out of balance.

The Udall bill would direct a study on these hard points by the Office of Technology Assessment, a new research arm of Congress, direct American-Canadian negotiations and require an up or down vote by Congress within 60 days after getting the reports.

The bill also would make the decision final, not subject to judicial review. That might be a little too much to expect. But the Udall outline for researching the facts and for coming up with a strong recommendation should be followed.

Mr. JACKSON. Mr. President, before the President went to the hospital yesterday, he sent me a letter supporting the trans-Alaska pipeline. I ask unanimous consent that the letter be printed at this point in the RECORD.

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

THE WHITE HOUSE,
*Washington, D.C., July 12, 1973.*

HON. HENRY M. JACKSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: As the Senate moves toward final consideration of the legislation to remove the present legal impediment to the construction of the proposed Trans-Alaska Pipeline created by the judicial interpretation of the Mineral Leasing Act of 1920, I want to share with you my view that construction of this pipeline is integral to the national interest of the United States.

As you know, the oil discoveries on the North Slope of Alaska represent our largest untapped domestic source of crude oil. As I stated in my Energy Message to the Congress on April 18 of this year, I believe that it is crucial in meeting the energy challenge of the coming decades that we take immediate and responsible steps to increase our domestic energy resource base. I believe that the two million barrels a day of domestic oil that we can expect to realize through the Trans-Alaska Pipeline is the cornerstone of this strategy and can make an irreplaceable contribution to both our economic well-being and our national security interests.

By virtue of the unprecedented thoroughness with which the Department of the Interior had addressed the environmental effects of the pipeline, I am firmly convinced that we can realize these benefits while fully protecting environmental values.

I therefore urge that the Senate give its approval to this needed legislation without further delay and permit construction of the pipeline as soon as practicable.

Sincerely,

RICHARD NIXON.

Mr. MONDALE. Mr. President, the question is whether the Jackson or the Mondale proposal will deliver oil from the North Slope faster to the consumers of the country. I think that one reasonable conclusion based on the debate is that if we are eager to bring a decision swiftly to bear as to how to move that oil into the United States, Senators should vote for the Mondale-Bayh amendment.

The Senator from Washington (Mr. JACKSON) cannot deny that if his proposal becomes law, without any doubt the plaintiffs will take this case back to court and litigate it for 2, 3, 4, or 5 years before a single length of pipe can be laid anywhere in the country. The Senator knows that he cannot deny that. The Senator said that if the case is taken back to court—which I think is a certainty—he would introduce a bill to cut off litigation.

Our proposal requires a responsible study—fulfilling the intentions and purposes of the National Environmental Policy Act—of the economic, environmental and all other aspects concerning the consumer interests with respect to alternative lines.

The trans-Alaska pipeline—and I think the evidence proves this point without any dispute at all—is intended not to serve only U.S. markets, but also markets in Japan and elsewhere outside the borders of the United States with a surplus of 500,000 or 600,000 barrels a day of much needed oil that should otherwise go to the United States.

Our proposal is for a study to be made of a trans-Canadian pipeline that would come to Edmonton, and from there go to any point in the United States.

Compare that with what would happen to the surplus coming from the Alaska pipeline of 500,000 to 600,000 barrels. There are no pipelines leading east. The tankers which carry that oil cannot go through the Panama Canal. The only thing we can do is to sell that oil to Japan and elsewhere and make us more dependent upon Middle East oil.

The PRESIDING OFFICER (Mr. CLARK). All time on the amendment is now expired.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the Mondale-Bayh amendment.

The question is on agreeing to the amendment of the Senator from Minnesota (Mr. MONDALE), No. 240, as modified.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BUCKLEY (when his name was called). Present.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Washington (Mr. MAGNUSON). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE), is necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE), the Senator from Washington (Mr. MAGNUSON), 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.

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The Senators from Maryland (Mr. BEALL and Mr. MATHIAS) are necessarily absent to attend the funeral of Honorable Simon E. Sobeloff, former chief judge of the U.S. 4th Circuit Court of Appeals.

On this vote, the Senator from Maryland (Mr. BEALL) is paired with the Senator from Maryland (Mr. MATHIAS). If present and voting, the Senator from Maryland (Mr. BEALL) would vote "nay" and the Senator from Maryland (Mr. MATHIAS) would vote "yea."

The result was announced—yeas 29, nays 61, as follows:

[No. 284 Leg.]

YEAS—29

| | | |
|---|---|---|
| Abourezk | Haskell | Nelson |
| Bayh | Hathaway | Packwood |
| Biden | Hughes | Pell |
| Brooke | Humphrey | Percy |
| Case | Kennedy | Proxmire |
| Chiles | McGovern | Ribicoff |
| Church | McIntyre | Stafford |
| Clark | Metcalf | Stevenson |
| Fulbright | Mondale | Williams |
| Hart | Muskie | |

NAYS—61

| | | |
|---|---|---|
| Aiken | Eagleton | Montoya |
| Allen | Eastland | Moss |
| Baker | Ervin | Nunn |
| Bartlett | Fannin | Pastore |
| Bellmon | Fong | Pearson |
| Bennett | Goldwater | Randolph |
| Bentsen | Gravel | Roth |
| Bible | Gurney | Saxbe |
| Brock | Hansen | Schweiker |
| Burdick | Hatfield | Scott, Pa. |
| Byrd, Harry F., Jr. | Helms | Scott, Va. |
| | Hollings | Stevens |
| Byrd, Robert C. | Hruska | Symington |
| Cannon | Huddleston | Taft |
| Cook | Inouye | Talmadge |
| Cotton | Jackson | Thurmond |
| Cranston | Javits | Tower |
| Curtis | Johnston | Tunney |
| Dole | Long | Weicker |
| Domenici | McClellan | Young |
| Dominick | McClure | |

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for.

ANSWERED "PRESENT"—1

Buckley

NOT VOTING—8

| | | |
|---|---|---|
| Beall | Magnuson | Sparkman |
| Griffin | Mathias | Stennis |
| Hartke | McGee | |

So Mr. MONDALE's amendment (No. 240), as modified, was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, I can think of no greater public service than that of adequately, and accurately, informing our citizenry. The news media has long been the most effective means of disseminating the news, clarifying the issues, and reporting on the activities of the leaders of our country.

Much has been said, particularly during the past 6 months, about the critical energy shortage and what the governmental leaders are going to do about it.

On June 25 Mr. John Chamberlain wrote a very timely article on the energy question and the ongoing issue of the trans-Alaska pipeline. While it substantiates my concern for the Nation and my arguments for the trans-Alaska pipeline, it is an excellent report to the people as to what the problem is all about.

I ask unanimous consent to have Mr. Chamberlain's column printed in the RECORD.

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

FUELING A PIPE DREAM

(By John Chamberlain)

Speaking of the energy crisis, as everybody seems to be doing these days, that oil from the North Slope of Alaska languishes in the ground because nobody can break the legal impasse that keeps a pipeline from being built across the Arctic tundra to a warm-water port on the Pacific. That oil would be enough to supply one-eighth of our total daily gasoline and oil consumption, saving us $1.3 billion a year on the balance-of-payments drain that permits foreigners to gang up on the U.S. dollar.

The figures come from Senator Mike Gravel of Alaska, and what they tell us is that the contemporary gas shortage can be directly laid to the more fanatic environmentalists who have kept $100 million worth of oil company pipe rusting on the tundra while motorists in the "lower forty-eight" states wonder how they will manage to visit their own favorite wilderness spots on their summer vacations.

THE IMPACT OF "SUFFICIENCY"

The whole business would be ridiculous if it were not tragic. The National Environmental Policy Act of 1969, a good act in itself if you believe that human beings can't be trusted to behave, requires that a "sufficient" environmental impact statement be made before anyone can alter the landscape in any significant way. Well, the Department of the Interior spent two years and $9 million on an impact study. This was in addition to some $400 million spent by the Aleyeska Pipeline Service Company, the State of Alaska, a dozen universities and research institutions, and a number of Federal agencies, on related engineering and environmental matters.

Senator Gravel gets really eloquent in describing the "sufficiency" of the Department of the Interior specifications. The Arctic coast of Alaska represents the distance roughly between New York City and Omaha, Nebr. Men are lost in the immensity, and there are no distinguishing features to guide a bush pilot to his designation wherever it may be. A pipeline cutting through the terrain would, to quote Mike Gravel, be "as inconspicuous as a line of sewing thread on a golf course extending from the first to the eighteenth holes."

The greater part of the 789 miles of pipe would be underground even where it crosses three mountain ranges and 350 rivers and streams. In the few places where the line shows, there would be ramps and underpasses for caribou, moose and bears. The experience at the northern Prudhoe Bay end of the projected pipe shows that "caribou are indifferent to man's presence and use passageways readily." The pipeline will not cross major wildlife breeding areas, and it will not interfere with the customary migratory patterns of two herds of 400,000 caribou.

Practically everything is being set to make the pipeline foolproof. A computer control center in Valdez, the southern terminal of the line, will monitor the system electronically, applying automatic stops to leaks that would be pinpointed immediately. Under the river beds the line will be buried five feet deep and encased in thick concrete to prevent any heating of the water that might hurt fish-spawning activity. Some 40 species of quick-growing grass will be seeded wherever the tundra has been disrupted by the pipeline construction.

A DUBIOUS HONOR

With such a "sufficient" environmental impact case, what is keeping the oil companies from bringing motorists and home owners in the "south forty-eight" states relief from the shortage threats? At this point it is not the fanatic environmentalists who are holding things up. That dubious honor goes to an almost forgotten clause in the 1920 Mineral Leasing Act that stipulates pipelines over Federal lands must be limited to 25 feet on each side of a four-foot line itself. The gravel bed used for the Alaska line would exceed the 54-foot limitation. The law, until the judges dug it up, had become a dead letter; if it were to be applied universally it would stop domestic oil transportation practically everywhere in the U.S.

This week, Senator Henry Jackson of the State of Washington plans to introduce a bill that would break the deadhand grip of the judges on the building of the pipeline. The bill isn't quite enough, in Senator Gravel's estimation. Accordingly he plans his own amendment to it that would permit Congress, not the courts, to pass immediately on the "sufficiency" of the Department of the Interior's impact study.

The Congress and the environmentalists willing, we should be free of the fear of rationed gasoline and unheated homes sometime after 1975. Until then, the earmuff market promises a whacking profit.

Mr. GRAVEL. Mr. President, it is heartening to know that Alaska is not the only State whose Governor is concerned about the national energy crisis and is trying to do something about it. Mr. John Chamberlain's column of May 28 concerns the Honorable Meldrim Thomson, Jr., Governor of New Hampshire, and his efforts to respond to the needs of his State.

Mr. Chamberlain also refers to the trans-Alaska pipeline and what the delay has meant—increased imports from Middle East and a mounting national balance-of-payments deficit. Certainly, the situation is going to worsen and the longer construction is delayed for the trans-Alaska pipeline the more untenable will be our situation.

I ask unanimous consent to have Mr. Chamberlain's article printed in the RECORD.

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

THESE DAYS

(By John Chamberlain)

A GOVERNOR ANTICIPATES THE ENERGY CRISIS

A State governor, Meldrim Thomson of New Hampshire, has taken the bit between his teeth in an attempt to solve the energy crisis. Angered by the delays caused by the environmentalists in hearings on a proposed nuclear power plant before a Site Evaluation Committee, the governor has (1) said he would do everything he can to help atomic power plants get into action both in his own state and in neighboring Maine and Vermont and (2) he has re-emphasized a pledge to bring an oil refinery into New Hampshire with connecting deep water offshore facilities to import bulk fuel from the Middle East.

The Thomson attitude is in marked contrast to that of other politicians, who have yet to comprehend the revulsion that is bound to ripple through a fuel-dependent nation when its homes go unheated for a winter and when the price of gasoline has jumped to 60 or 70 cents a gallon. Thomson may not have heard about the anti-ecologist bumper sticker that is blossoming in some places: "Let the bastards freeze in the dark." But when it crops up in New Hampshire he will not be surprised.

A SERIES OF TIME BINDS

The nation as a whole needs a few more foresighted Meldrim Thomsons if it is to get through the next decade. The attempt to accommodate our needs for ecological purity to our urgent demands for heat, light, transportation and industrial power is up against a series of time binds that will have everybody hopping long before the decade of the Seventies is out.

Bind Number One: the so-called Muskie amendments to the Clear Air Act cannot possibly be met by 1975–76, which was the original deadline set for getting 97 per cent of the hydrocarbons, 96 per cent of carbon monoxide, and 93 per cent of oxides of nitrogen out of all our car motors. The Japanese can meet such standards in the 8 per cent of their Mazda car production runs that are exported to the U.S., but they can't do it for the 92 per cent of the autos intended for home usage. The Ford Motor Company, putting the pressure on, might meet the Muskie purity standards for 8 per cent of its own runs, but it would take the U.S. machine tool industry 12 years to create the capital goods needed to produce relatively clean Wankel engines for the totality of Detroit's production.

Bind Number Two: With the exception of Governor Thomson's New Hampshire, our Northeastern states (or their political representatives, at any rate) can't summon the will to break the deadlock between the ecologists and the oil importers. It now takes 16 small tankers to bring the amount of oil into the Linden, N.J., area that might be transported by one jumbo tanker if there were only a deep water oil transfer spigot 16 miles out to sea. The 16 small tankers, maneuvering close to shore, are all potential collision hazards. A jumbo tanker, discharging its cargo well out to sea, is a collision hazard, too. But oil spilled 16 miles from the coast is less of a menace than oil spilled in close proximity to New York and Newark bays. The use of jumbo tankers and deep-

water unloading would also save us a lot of dollar exchange now going for expensive transport.

WHAT OTHER NATIONS ARE DOING

Bind Number Three: We have talked so long about the oil pipeline in Alaska and the possibility of drilling productive wells on the continental shelf off New England, not to mention new refineries on the East Coast, that the Arabs now have a ten-year period in which they can either hold us up for unconscionable crude oil prices or blackmail us out of our efforts to solve the mid-East crisis without letting Israel down. Meanwhile, other nations have no compunctions about building deep water oil ports or offshore transfer spigot stations; and the British, the Norwegians and the Dutch hardly waited a single minute before drilling for oil and gas in the North Sea. If there are spills in the tempestuous outer North Sea, the British and the Norwegians will learn how to cope with them as they go along. Meanwhile, they won't be freezing in the dark in Aberdeen, Scotland, or in Norway's Oslo.

The gas stations in New England are already limiting new customers to ten gallons at the pump. If it's this way in May, what will it be in August, when people are really trying to get out of the city for a breath of air or a look at the mountains? Governor Thomson of New Hampshire is the first prophetic voice in a high administrative place, and the country will be hearing more of him as the energy crisis grows worse.

Mr. STEVENS, Mr. President, recently I received a letter from the United Brotherhood of Carpenters and Joiners of America. This supported the trans-Alaska pipeline and S. 1081, the bill the Senate will soon be considering to permit wider rights-of-way for pipelines and other energy transmissions.

Also enclosed was a fact sheet on the trans-Alaska pipeline. I would like to quote some of the most important points:

The trans-Alaska route means jobs for Americans.

26,000 pipeline construction jobs.

73,000 man-years of tanker construction work.

770 man-years of work on board and maintaining the U.S. tankers.

On the other hand, Canadians will be given employment preference if the pipeline must go through Canada.

These and the other enumerated reasons clearly indicate in a concise form the reason the trans-Alaska pipeline must be built now.

I request unanimous consent that the letter and fact sheet on the trans-Alaska pipeline be printed in the RECORD at this point.

There being no objection it is so ordered.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA.

*Washington, D.C., June 20, 1973.*

Hon. TED STEVENS,
*U.S. Senate,*
*Washington, D.C.*

MY DEAR SENATOR STEVENS: The Senate will soon consider Sen. Henry Jackson's bill (S. 1081) to allow the Secretary of the Interior to grant a right of way for construction of the Alaska oil pipeline. We urge you to support this bill.

We believe that construction of the Alaska pipeline is vital. It will do a great deal to help us with our energy shortage and will provide an economic boost to the nation. We favor consideration of an additional route through Canada, but construction of the Alaska route can and should start now. The environmental objections to the pipeline, we believe, have been satisfied.

Sen. Jackson's bill will remove one of the last legal obstacles to construction. The present energy crisis demonstrates the urgent need for the pipeline. We hope you will support the Jackson bill.

Additional information concerning the pipeline is enclosed.

Sincerely yours,

JAMES F. BAILEY,
*Legislative Advocate.*

FACTS ON THE TRANS-ALASKA PIPELINE

OIL SUPPLY

Five years ago, the largest North American oil discovery in history was made on the North Slope of Alaska.

If this source was available today, it could provide two million barrels of oil a day, which would equal one-third of our present imports.

OIL PIPELINE

Permit to construct the Alaska Pipeline was first sought in 1969 by a group of oil companies.

Proposal was to carry Alaskan oil 789 miles southward to the Alaskan Port of Valdez.

Oil at Valdez would be loaded on U.S.-flag tankers and carried to American ports.

Environmental impact statement and an economic and national security study stressed the need for this oil and the pipeline.

Lawsuits have blocked construction of the pipeline, and latest court rulings bar major pipeline construction on Federal lands anywhere in the U.S. until Congress removes the narrow width limitations in the Mineral Leasing Act of 1920.

The Congress is presently considering the changes necessary to allow construction. (The Jackson bill, S. 1081, would provide the Secretary of the Interior with the authority to grant wider pipeline rights-of-way.)

TRANS-ALASKA VERSUS TRANS-CANADIAN PIPELINE

Trans-Alaska route superior environmentally:

Covers less territory.

U.S. tankers safer than foreign vessels that will carry oil imports if North Slope oil is not available.

Trans-Alaska route means jobs for Americans:

26,000 pipeline construction jobs.

73,000 man-years of tanker construction work.

770 man-years of work on board and maintaining the U.S. tankers.

Canadians will be given employment preference if the pipeline goes through Canada.

Trans-Alaska route means no huge dollar outflow to a foreign country and, thereby, no worsening of our balance of payments.

Carrying this American oil through an American pipeline and on American ships would do much to ease the drain on the dollar, strengthen the economy and aid in our battle against inflation.

Alaska's oil can supply 10 to 12 percent of our needs by 1985, easing our dependence on foreign supply.

The Trans-Alaska pipeline can be built within three years and can begin then to strengthen our energy posture.

The Trans-Canada pipeline is still a general concept, with no detailed plans or studies having been made. It could not be completed in a timeframe consistent with our energy needs.

The Trans-Canada line would still require U.S. right-of-way legislation, and impact statement.

No one has offered to build a Trans-Canada line.

There is strong opposition in Canada to a pipeline that would serve the U.S.

The Canadian Government has no commitment to a pipeline.

There is grave doubt that financing would be available for a Trans-Canada line.

Canadian nature claims have not been settled, while U.S. claims of Alaska's Eskimos, Indians and Aleuts have been settled by the Congress.

In terms of U.S. national needs and interest, the considerations in favor of the Trans-Alaska line far outweigh those of the highly speculative, unsettled Canadian alternative.

ADDITIONAL FACTS CONCERNING THE ALASKA PIPELINE

1. Aside from the requirements of the Alaska pipeline, right-of-way width limits imposed by the 1920 Mineral Leasing Act are seriously out of date and need to be updated as proposed in the Jackson Bill (S. 1081). A good many pipelines now in use are in violation of the 1920 Act and are subject to legal attack.

2. Enactment of the Jackson Bill would make possible the construction of a natural gas pipeline to traverse the Prudhoe Bay-Valdez, Alaska, route which would make available liquefied natural gas to West Coast and Hawaii consumers.

3. The Jackson Bill would clear the way for early start of construction on the Alaska route while feasibility and engineering studies are proceeding on the trans-Canada route. This would reduce the time lag for delivery of oil to the West Coast to the earliest possible date while at the same time proceeding toward providing a means for relieving Middle West shortages.

4. On the environmental question, it is well to bear in mind that a Canadian pipeline would cross 1,500 miles of permafrost compared to less than 300 miles for the Alaska route. The overall length of the Canadian line would be about 2,700 miles compared to 789 miles for the Alaska route.

## 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 the bill (S. 1672) to amend the Small Business Act, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service, in which it requested the concurrence of the Senate.

## HOUSE BILL REFERRED

The bill (H.R. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service, was read twice by its title and referred to the Committee on Post Office and Civil Service.

## FEDERAL LAND RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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 PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. GRAVEL) is recognized to call up his amendment.

AMENDMENT NO. 226

Mr. GRAVEL. Mr. President, I call up my amendment No. 226, as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The legislative clerk proceeded to read the amendment.

Mr. GRAVEL. 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, as modified, will be printed in the RECORD.

The amendment, as modified, is as follows:

At the end of the bill add a new title III as follows:

TITLE III—AUTHORIZATION FOR TRANS-ALASKAN PIPELINE

SHORT TITLE

SEC. 301. This title may be cited as the "Trans-Alaskan Pipeline Authorization Act".

CONGRESSIONAL FINDINGS

SEC. 302. The Congress finds and declares that:

(a) The early delivery of oil and gas from Alaska's North Slope to domestic markets is in the national interest.

(b) Transportation of oil by pipeline from the North Slope to Valdez, and by tanker from Valdez to domestic markets, will best serve the immediate national interest.

(c) A supplemental pipeline to connect the North Slope with a trans-Canadian pipeline may be needed later and it should be studied now, but it should not be regarded as a substitute for a trans-Alaskan pipeline that does not traverse a foreign country.

(d) Actions of the Secretary of the Interior and all other Federal agencies and officers heretofore taken on behalf of the executive branch with respect to the proposed trans-Alaskan oil pipeline shall be regarded as satisfactory compliance with the provisions of the National Environmental Policy Act of 1969 and all other applicable laws.

RIGHTS-OF-WAY AND PERMITS

SEC. 303. (a) The Congress hereby grants and the Secretary of the Interior and all other Federal agencies and officers are hereby authorized and directed to issue, without further action under the National Environmental Policy Act of 1969 or any other law, and notwithstanding the provisions of any law other than this title, such rights-of-way, leases, permits, approvals, and other authorizations of any kind that they deem necessary for the construction, operation, and maintenance of a trans-Alaska oil pipeline system, a State of Alaska highway, and no more than three State of Alaska airports, all in accord with applications on file with the Secretary on the date of this Act.

(b) The route of the trans-Alaska oil pipeline system shall follow generally the route described in applications pending before the Secretary of the Interior on the date of this Act: *Provided*, That the Secretary may approve amendments to said applications if he deems it appropriate.

(c) At any time he complies with the Act by performing the ministerial acts of issuing a right-of-way, lease, permit, approval, or other authorization required under subsection (a) of this section, the Secretary shall make such action subject to the terms and conditions of the stipulations contained in volume 1 of the final Environmental Impact Statement on the proposed trans-Alaskan pipeline issued by the Secretary on March 20, 1972, prepared by him to prevent or mitigate any adverse environmental impact.

(d) No right-of-way, permit, or other form of authorization which may be issued; nor any other action taken by the Secretary of the Interior or by any other Federal agency with respect to the construction of such pipeline system; no public land order or other Federal authorization with respect to the construction of such highway; nor any lease or permit granted by the Secretary of the Interior for such airports shall be subject to judicial review.

PUBLIC ROADS AND AIRPORTS

SEC. 304. A right-of-way or permit granted under this title for a road or airport as a related facility of the trans-Alaskan pipeline system may provide for the construction of a public road or airport.

ANTITRUST LAWS

SEC. 305. The grant of a right-of-way, lease, permit, approval, or other authorization pursuant to this Act shall grant no immunity from the operation of the Federal antitrust laws.

Mr. GRAVEL. Mr. President, I yield to the Senator from Missouri.

The PRESIDING OFFICER. Under the previous order, the Gravel amendment will be temporarily laid aside and will remain in a laid-aside status until the amendment of the Senator from Missouri (Mr. EAGLETON) and S. 1083 are disposed of, or until the close of business today, whichever is earlier.

Under the previous order, the Senator from Missouri is recognized to call up an amendment.

AMENDMENT NO. 323

Mr. EAGLETON. Mr. President, I call up my amendment at the desk, No. 323.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. EAGLETON. 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 32, line 7, immediately after "must", insert "(1)".

On page 32, line 10, immediately before the period, insert a comma and the following: "and (2) submit a report to the Congress containing such findings. Such crude oil may be exported on the basis of such finding that such exports are in the national interest and are in accord with the provisions of the Export Administration Act of 1969, as contained in such report, after the date of expiration of a period of sixty calendar days of continuous session of the Congress following the date on which such report is submitted to the Congress, unless during such period there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or House of Representatives, as the case may be, does not approve the export of such oil, in which case such export shall not be made. For the purposes of this subsection, in the computation of the sixty-day period, there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die. The provisions of section 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under this subsection in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a 'resolution with respect to a reorganization plan' shall be deemed for the purposes of this subsection to refer to a resolution of disapproval under this subsection.".

On page 32, strike out all following line 13 and substitute in lieu thereof the following:

"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 the most feasible, economic, and environmentally sound 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 and the Secretary of the Interior to undertake studies for the purposes set forth in sections 202 through 205.

"SEC. 202. (a) The 'Academy' means the National Academy of Sciences.

"(b) The 'Academy President' means the President of the National Acedemy of Sciences.

"(c) A 'corridor' means an all-land trans-Alaska-Canada utility corridor, including any pipelines contained therein, for the delivery of North Slope Alaska oil to markets in the forty-eight contiguous States of the United States.

"SEC. 203. (a) The President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon enactment of this Act to ascertain within sixty days from the date of enactment of this Act:

"(1) the willingness of Canada to receive applications for the construction of a corridor, and

"(2) should such willingness exist, the route which would be preferred by the Canadian Government for the Canadian sector of a corridor (hereinafter, the 'preferred Canadian route').

"(b) If, as a result of the preliminary negotiations authorized under subsection (a) of this section, no preferred Canadian route is determined within sixty days after enactment, the Academy shall designate a preferred Canadian route for purposes of the study to be undertaken pursuant to section 205 of this title.

"(c) The Secretary of State is directed to report to the Interior and Insular Affairs Committees of the House and Senate within seventy days from the date of passage of this Act the results of the preliminary negotiations authorized under subsection (a) of this section.

"(d) For purposes of determining the feasibility of construction, operation, and maintenance of a corridor, the President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon the conclusion

of the preliminary negotiations undertaken pursuant to subsection (a) of this section.

"(e) Within two hundred and forty days from the date of passage of this Act, and based on the negotiations conducted pursuant to subsection (d) of this section, the Secretary of State shall submit to the Interior and Insular Affairs Committees of the House and Senate, his findings on—

"(1) the need for understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party involved with construction, operation, and maintenance of a corridor;

"(2) the estimated costs of construction and operation of an oil pipeline in a corridor;

"(3) the estimated feasible date for commencement and completion of construction of an oil pipeline within a corridor;

"(4) the quantity levels of oil from the North Slope of Alaska which the Government of Canada would guarantee through a corridor;

"(5) the willingness of the Government of Canada to increase its exports of oil to the United States during the period of time before a corridor is in operation;

"(6) the ownership, financing, and regulation of the Canadian sector of a corridor; and

"(7) any other results of the negotiations which he may deem relevant.

"SEC. 204. Within thirty days following passage of this Act, the Director of the National Science Foundation shall contract with the Academy President for the performance by the Academy of a study in accordance with the requirements set forth in section 205 of this title.

"SEC. 205. (a) The Academy shall undertake a comparative study of the following means for the delivery of North Slope Alaskan oil;

"(1) an Alaskan land and maritime route, as outlined in the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system, and

"(2) a corridor from the North Slope area of Alaska across land in the State of Alaska, connecting with the preferred Canadian route to the Canadian-American border, and then to Seattle and Chicago.

"(b) The study of the Academy shall include, for each of the routes in subsection (a) above, a detailed statement on:

"(1) the actual and potential effects on the environment, including, but not limited to—

"(A) the environmental impact of the proposed route;

"(B) any adverse environmental effects which cannot be avoided should the proposal be implemented;

"(C) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

"(D) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented;

"(2) the effects of such a route or routes on the national interests of the United States, including, but not limited to—

"(A) effects on national security;

"(B) overall economic effects, including effects on consumers; and

"(C) effects on American balance of payments.

"(3) Such other factors as the Academy may deem relevant.

"(c) The Academy, for each of the factors above, shall analyze and compare the relative advisability and feasibility of transporting North Slope Alaskan oil through either or both the routes studied under this section.

"(d) For purposes of this study, the Secretary of State is authorized and requested to periodically inform the Academy President of the progress and interim results of the negotiations authorized by section 203 of this title.

"(e) In carrying out the study, the Academy—

"(1) is directed to solicit and take full account of relevant views of and materials from members of the public, government agencies, citizen groups, and all others concerned with the delivery of North Slope oil to the forty-eight coterminous States of the United States and the effects thereof;

"(2) is authorized to use to the extent deemed advisable the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system for describing and evaluating the route described in subsection (a)(1) of this section;

"(3) is authorized and requested to cooperate, and develop and exchange appropriate information, with public and private bodies in Canada with a view toward insuring that the environments of both nations are protected, legal and regulatory uncertainties are reduced, and the energy requirements of the people of the United States and the people of Canada are adequately met;

"(4) is directed to utilize to the maximum extent feasible information currently available for purposes of describing and evaluating the route described in subsection (a)(2) of this section;

"(5) is directed, when describing and analyzing the routes in subsection (a) of this section, to consider the relationship of environmental, economic, and other effects of a projected natural gas pipeline from the North Slope of Alaska through Canada for markets in the forty-eight coterminous States of the United States to the factors set forth in subsection (b) of this section.

"(f) Within three hundred and thirty days after passage of this Act, the Academy President shall submit simultaneously to the Director of the National Science Foundation, the President of the Senate, the Speaker of the House of Representatives, and the House and Senate Committees on Interior and Insular Affairs, the study of the Academy, together with his findings and conclusions based thereon, pertaining to the relative advisability and feasibility of transporting North Slope Alaskan oil through either or both of the routes studied under this section.

"SEC. 206. (a) In conducting the study pursuant to section 205 the Academy President is authorized to enter into contracts and other agreements with such persons, institutions, or agencies as he may determine necessary and appropriate to carry out the purposes of this title.

"(b) The Academy President is authorized to secure from any department, agency, or instrumentality of the Federal Government any information he deems necessary to carry out his functions under this title. Upon request of the Academy President, the head of any Federal department, agency, or instrumentality is authorized—

"(1) to furnish the Academy President such information as may be necessary for carrying out his functions to the extent it is available to or procurable by such department, agency, or instrumentality, and

"(2) to detail to temporary duty with the Academy President, on a reimbursable basis, such personnel within his administrative jurisdiction, as the Academy President requests, each such detail to be without loss of seniority, pay, or other employee status.

"SEC. 207. (a) Within thirty days of receipt of the study provided for under section 205 of this title, and after determining, based on the results of said study, and results of the negotiations provided for under section 203 of this title, which delivery system or systems for North Slope oil will best serve the overall national interest, the House and Senate Committees on Interior and Insular Affairs shall report legislation to the full House or Senate, as the case may be, authorizing and directing the Secretary to take such action as may be required to implement the results of said study, including the granting or revoking of rights-of-way for the transmission of oil.

"(b) Legislation reported under subsection (a) of this section shall be highly privileged in each House. It shall be in order at any time after the third day following the day on which such legislation is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(c) Debate on such legislation shall not exceed ten hours, which shall be divided equally between those favoring and those opposing the legislation. Debate on amendments shall not exceed five hours, divided equally between those favoring and those opposing the amendment. A motion further to limit debate is not debatable. A motion to recommit the legislation is not in order, and it is not in order to move to reconsider the vote by which the legislation is agreed to or disagreed to.

"(d)(1) Motions to postpone, made with respect to the consideration of legislation reported pursuant to subsection (a) of this section, and motions to proceed to the consideration of other business, shall be decided without debate.

"(2) Appeals from the decisions of the Chair relating to the application of the Rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such legislation shall be decided without debate.

"(e) If, prior to the passage by one House of legislation pursuant to section 207(a) of this title, that House receives from the other House legislation of such other House passed pursuant to said section, then—

"(A) the procedure with respect to the legislation of the first House shall be the same as if no legislation from the other House had been received; but

"(B) on any vote on final passage of the legislation of the first House, the legislation of the first House shall be voted on as an amendment in the nature of a substitute to the legislation received from the other House.

"(f)(1) There shall be a conference of the two Houses to resolve any differences between the legislation as passed by each House.

"(2) A conference report shall be highly privileged in each House. It shall be in order at any time after the third day after which such conference report is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(g) Debate on the conference report shall be limited to four hours, which shall be divided equally between those favoring and those opposing the conference report. A motion to recommit the conference report shall not be in order and it shall not be in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

"(h) Motions to postpone, made with respect to the consideration of such conference report and motions to proceed to the consideration of other business, shall be decided without debate.

"(i) Appeals from decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives,

as the case may be, to the procedure relating to such conference report shall be decided without debate.

"(j)(1) The provisions of this section are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

"(2) Any rule provided in this section may be waived or suspended by the Senate or the House of Representatives only by a vote of two-thirds of the Members voting, a quorum being present.

"(3) If a point of order is made in either the Senate or the House of Representatives, and sustained by the Presiding Officer of that House, that any bill, resolution, amendment, motion, or other matter is not in order by reason of any rule provided in this title, the decision of the Presiding Officer may be overruled only by a vote of two-thirds of the Members voting, a quorum being present.

"SEC. 208. 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 render moot any actions commenced under the National Environmental Policy Act (Public Law 91–190) with respect to 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 or the conduct of the study provided for in this title before making such a grant.

"SEC. 209. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title."

The PRESIDING OFFICER. There is 1 hour of debate on this amendment. Who yields time?

Mr. EAGLETON. I yield myself such time as I may consume.

Mr. President, I send to the desk a modification of amendment No. 323.

Mr. NELSON. Mr. President, may we have order in the Senate? I cannot hear the Senator.

The PRESIDING OFFICER. The Senator will suspend until Senators take their seats and the Senate is in order.

Mr. EAGLETON. Mr. President, I have sent a modification——

Mr. NELSON. Mr. President, the Senate is not in order.

Mr. EAGLETON. Mr. President, I can hear the Senator from Wisconsin.

The PRESIDING OFFICER. Senators will please take their seats.

Mr. NELSON. Mr. President, the Senate is not in order.

Mr. EAGLETON. Mr. President, to whom is this time being charged?

The PRESIDING OFFICER. The time is not being charged. The time is being charged to the Chair.

Mr. EAGLETON. Mr. President, I have sent to the desk a modification of amendment No. 323.

The PRESIDING OFFICER. The amendment will be so modified.

The modified amendment is as follows:

S. 1081

Intended to be proposed by Mr. EAGLETON to S. 1081, a bill 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, viz:

On page 32, strike out all following line 13 and substitute in lieu thereof the following:

"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 the most feasible, economic, and environmentally sound 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 and the Secretary of the Interior to undertake studies for the purposes set forth in sections 202 through 205.

"SEC. 202. (a) The 'Academy' means the National Academy of Sciences.

"(b) The 'Academy President' means the President of the National Academy of Sciences.

"(c) A 'corridor' means an all-land trans-Alaska-Canada utility corridor, including any pipelines contained therein, for the delivery of North Slope Alaska oil to markets in the forty-eight contiguous States of the United States.

"SEC. 203. (a) The President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon enactment of this Act to ascertain within sixty days from the date of enactment of this Act:

"(1) the willingness of Canada to receive applications for the construction of a corridor, and

"(2) should such willingness exist, the route which would be preferred by the Canadian Government for the Canadian sector of a corridor (hereinafter, the 'preferred Canadian route').

"(b) If, as a result of the preliminary negotiations authorized under subsection (a) of this section, no preferred Canadian route is determined within sixty days after enactment, the Academy shall designate a preferred Canadian route for purposes of the study to be undertaken pursuant to section 205 of this title.

"(c) The Secretary of State is directed to report to the Interior and Insular Affairs Committees of the House and Senate within seventy days from the date of passage of this Act the results of the preliminary negotiations authorized under subsection (a) of this section.

"(d) For purposes of determining the feasibility of construction, operation, and maintenance of a corridor, the President of the United States is authorized and requested, utilizing the services of the Secretary of State, to enter into negotiations with the appropriate officials of the Government of Canada immediately upon the conclusion of the preliminary negotiations undertaken pursuant to subsection (a) of this section.

"(e) Within two hundred and forty days from the date of passage of this Act, and based on the negotiations conducted pursuant to subsection (d) of this section, the Secretary of State shall submit to the Interior and Insular Affairs Committees of the House and Senate, his findings on—

"(1) the need for understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party involved with construction, operation, and maintenance of a corridor;

"(2) the estimated costs of construction and operation of an oil pipeline in a corridor;

"(3) the estimated feasible date for commencement and completion of construction of an oil pipeline within a corridor;

"(4) the quantity levels of oil from the North Slope of Alaska which the Government of Canada would guarantee through a corridor;

"(5) the willingness of the Government of Canada to increase its exports of oil to the United States during the period of time before a corridor is in operation;

"(6) the ownership, financing, and regulation of the Canadian sector of a corridor; and

"(7) any other results of the negotiations which he may deem relevant.

"SEC. 204. Within thirty days following passage of this Act, the Director of the National Science Foundation shall contract with the Academy President for the performance by the Academy of a study in accordance with the requirements set forth in section 205 of this title.

"SEC. 205. (a) The Academy shall undertake a comparative study of the following means for the delivery of North Slope Alaskan oil:

"(1) an Alaskan land and maritime route, as outlined in the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system, and

"(2) a corridor from the North Slope area of Alaska across land in the State of Alaska, connecting with the preferred Canadian route to the Canadian-American border, and then to Seattle and Chicago.

"(b) The study of the Academy shall include, for each of the routes in subsection (a) above, a detailed statement on:

"(1) the actual and potential effects on the environment, including, but not limited to—

"(A) the environmental impact of the proposed route;

"(B) any adverse environmental effects which cannot be avoided should the proposal be implemented;

"(C) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and

"(D) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented;

"(2) the effects of such a route or routes on the national interests of the United States, including, but not limited to—

"(A) effects on national security;

"(B) overall economic effects, including effects on consumers; and

"(C) effects on American balance of payments.

"(3) Such other factors as the Academy may deem relevant.

"(c) The Academy, for each of the factors above, shall analyze and compare the relative advisability and feasibility of transporting North Slope Alaskan oil through either or both the routes studied under this section.

"(d) For purposes of this study, the Secretary of State is authorized and requested to periodically inform the Academy President of the progress and interim results of the negotiations authorized by section 203 of this title.

"(e) In carrying out the study, the Academy—

"(1) is directed to solicit and take full account of relevant views of and materials from members of the public, government agencies, citizen groups, and all others concerned with the delivery of North Slope oil to the forty-eight coterminous States of the United States and the effects thereof;

"(2) is authorized to use to the extent deemed advisable the Department of the Interior's final environmental impact statement on the trans-Alaska pipeline system for describing and evaluating the route described in subsection (a)(1) of this section;

"(3) is authorized and requested to cooperate, and develop and exchange appropriate information, with public and private bodies in Canada with a view toward insuring that the environments of both nations are protected, legal and regulatory uncertainties are reduced, and the energy requirements of the people of the United States and the people of Canada are adequately met;

"(4) is directed to utilize to the maximum extent feasible information currently available for purposes of describing and evaluating the route described in subsection (a)(2) of this section;

"(5) is directed, when describing and analyzing the routes in subsection (a) of this section, to consider the relationship of environmental, economic, and other effects of a projected natural gas pipeline from the North Slope of Alaska through Canada for markets in the forty-eight coterminous States of the United States to the factors set forth in subsection (b) of this section.

"(f) Within two hundred and forty days after passage of this Act, the Academy President shall submit simultaneously to the Director of the National Science Foundation, the President of the Senate, the Speaker of the House of Representatives, and the House and Senate Committees on Interior and Insular Affairs, the study of the Academy, together with his findings and conclusions based thereon, pertaining to the relative advisability and feasibility of transporting North Slope Alaskan oil through either or both of the routes studies under this section.

"SEC. 206. (a) In conducting the study pursuant to section 205 the Academy President is authorized to enter into contracts and other agreement with such persons, institutions, or agencies as he may determine necessary and appropriate to carry out the purposes of this title.

"(b) The Academy President is authorized to secure from any department, agency, or instrumentality of the Federal Government any information he deems necessary to carry out his functions under this title. Upon request of the Academy President, the head of any Federal department, agency, or instrumentality is authorized—

"(1) to furnish the Academy President such information as may be necessary for carrying out his functions to the extent it is available to or procurable by such department, agency, or instrumentality, and

"(2) to detail to temporary duty with the Academy President, on a reimbursable basis, such personnel within his administrative jurisdiction, as the Academy President requests, each such detail to be without loss of seniority, pay, or other employee status.

"SEC. 207. (a) Within thirty days of receipt of the study provided for under section 205 of this title, and after determining, based on the results of said study, and results of the negotiations provided for under section 203 of this title, which delivery system or systems for North Slope oil will best serve the overall national interest, the House and Senate Committees on Interior and Insular Affairs shall report legislation to the full House or Senate, as the case may be, authorizing and directing the Secretary to take such action as may be required to implement the results of said study, including the granting or revoking of rights-of-way for the transmission of oil.

"(b) Legislation reported under subsection (a) of this section shall be highly privileged in each House. It shall be in order at any time after the third day following the day on which such legislation is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(c) Debate on such legislation shall not exceed ten hours, which shall be divided equally between those favoring and those opposing the legislation. Debate on amendments shall not exceed five hours, divided equally between those favoring and those opposing the amendment. A motion further to limit debate is not debatable. A motion to recommit the legislation is not in order, and it is not in order to move to reconsider the vote by which the legislation is agreed to or disagreed to.

"(d)(1) Motions to postpone, made with respect to the consideration of legislation reported pursuant to subsection (a) of this section, and motions to proceed to the consideration of other business, shall be decided without debate.

"(2) Appeals from the decisions of the Chair relating to the application of the Rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such legislation shall be decided without debate.

"(e) If, prior to the passage by one House of legislation pursuant to section 207(a) of this title, that House receives from the other House legislation of such other House passed pursuant to said section, then—

"(A) the procedure with respect to the legislation of the first House shall be the same as if no legislation from the other House had been received; but

"(B) on any vote on final passage of the legislation of the first House, the legislation of the first House shall be voted on as an amendment in the nature of a substitute to the legislation received from the other House.

"(f)(1) There shall be a conference of the two Houses to resolve any differences between the legislation as passed by each House.

"(2) A conference report shall be highly privileged in each House. It shall be in order at any time after the third day after which such conference report is reported to move to proceed to its consideration (even though a previous motion to the same effect has been disagreed to). Such a motion shall be highly privileged and shall not be debatable. An amendment to the motion shall be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(g) Debate on the conference report shall be limited to four hours, which shall be divided equally between those favoring and those opposing the conference report. A motion to recommit the conference report shall not be in order and it shall not be in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

"(h) Motions to postpone, made with respect to the consideration of such conference report and motions to proceed to the consideration of other business, shall be decided without debate.

"(i) Appeals from decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such conference report shall be decided without debate.

"(j)(1) The provisions of this section are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

"(2) Any rule provided in this section may be waived or suspended by the Senate or the House of Representatives only by a vote of two-thirds of the Members voting, a quorum being present.

"(3) If a point of order is made in either the Senate or the House of Representatives, and sustained by the Presiding Officer of that House, that any bill, resolution, amendment, motion, or other matter is not in order by reason of any rule provided in this title, the decision of the Presiding Officer may be overruled only by a vote of two-thirds of the Members voting, a quorum being present.

"SEC. 208. 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 render moot any actions commenced under the National Environmental Policy Act (Public Law 91-190) with respect to 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 or the conduct of the study provided for in this title before making such a grant.

"SEC. 209. Such funds are hereby authorized to be appropriated as are necessary to implement the provisions of this title."

Mr. EAGLETON. Mr. President, at the outset, I should like to explain the modification for the benefit of Senators who have on their desks a copy of the printed amendment.

We strike the entirety of the first page, lines 1 through 7, and almost the entirety of page 2, lines 1 through 23, those matters dealing with export restrictions, and so forth, which have already been the subject of amendments and votes in the Senate.

The second modification occurs on page 9 of amendment 323, line 22, wherein we strike the words "330 days" and make it 240 days. So the report, study, and negotiations with the Canadian Government all have to take place and be brought together in 8 months or 240 days.

Mr. President, this amendment represents a conscious effort to bridge the dif-

ferences that exist between those favoring a trans-Alaskan pipeline and those favoring a trans-Canadian line as an alternative.

As a Senator from the Midwest, quite naturally I would prefer a line which would bring crude oil into the midwestern parts of the country where fuel shortages are most severe.

However, I am acutely conscious of the national dimensions of our energy crisis and the undesirability of excessive dependence on foreign oil supplies—considerations which incline me to favor the pipeline that can be constructed at the earliest date consistent with environmental protection. Senator JACKSON's bill, as reported by the committee, would expedite the process of tapping the North Slope oil resources by authorizing the immediate grant of right-of-way for a trans-Alaska pipeline and allowing the court to resume consideration of the environmental aspects of such a line.

So I am less than comfortable, Mr. President, with the choice that confronts us:

First. Either we commit ourselves now to the construction of a trans-Alaskan pipeline without a full exploration of the feasibility of a route across Canada that would bring fuel directly into the Midwest; or

Second. We delay construction of the trans-Alaskan pipeline in favor of the possibility of a Canadian route, but in so doing we insure additional delay in tapping the great fuel resources of the North Slope—a delay we can ill afford in view of the energy shortage facing the Nation.

The amendment we are introducing today seeks to avoid this dilemma. It is grounded on the undisputed premise that work on the trans-Alaskan pipeline will be delayed for at least a year pending resolution of litigation brought under the National Environmental Policy Act testing the environmental impact of this line. At the same time, this environmental litigation cannot be disposed of until a right-of-day for the trans-Alaskan pipeline is granted.

Thus, my amendment would have the following effects:

First. It leaves unchanged the authorization for the Secretary of the Interior to grant an expanded right-of-way—exactly as provided in Senator JACKSON's bill—which is necessary before the courts will resume consideration of the environmental aspects of the trans-Alaskan Pipeline case.

To state it another way, the right-of-way which is granted under the JACKSON bill for the trans-Alaskan pipeline would be unaffected by the Eagleton amendment. That right-of-way would go forward.

Second. It adopts, for the most part, the language of the Mondale-Bayh amendment calling for the initiation of negotiations with the Canadian Government and commissioning an 8-month study of the feasibility of a trans-Canadian route. It departs from the Mondale-Bayh amendment in that the Alaskan and Canadian routes are not presented as mutually exclusive and there is no prohibition against a grant of right-of-way for the Alaskan route pending the study of the Canadian prospect. The Mondale-Bayh language providing for an expedited action by Congress at the conclusion of the Canadian study is retained.

Third. It makes clear the congressional intention that the litigation regarding the environmental impact of the trans-Alaskan line shall continue. Once the Secretary grants a right-of-way for the trans-Alaskan pipeline, the court will have before it a live question with respect to the environmental impact of that line regardless of the pendency of the Canadian study and the possibility that Congress will take another look at the matter 8 months hence.

Fourth. Finally, the amendment opens up the study to a consideration of three possible findings: First, to proceed with the Alaskan line only; second, to proceed with a trans-Canadian line only; or third, to proceed with both lines.

This approach to the question avoids any further delay in the court's consideration of the Alaskan case while at the same time preserving the option of Congress, 8 months from date of enactment of this bill, to make a final judgment on whether to change the route or supplement the trans-Alaskan route with a trans-Canadian route. Most importantly, the judgment would be based on solid facts both with regard to the economic and environmental feasibility of a trans-Canadian line and the willingness of the Canadian Government to enter into an agreement.

Mr. President, to summarize the thrust of the amendment, the right-of-way across Alaska is granted and thus the pending court suit that has been hung up on the question of right-of-way can go forward under the National Environmental Policy Act. I am a believer in that act. I think it was significant, forward-looking and progressive when it was enacted in 1969 and I believe it is now. Thus, I did not like that portion of the Mondale-Bayh amendment which foreclosed action under NEPA and placed a lid on the pending litigation. I like the National Environmental Policy Act and I want it utilized. I think the litigants are entitled to a judgment.

Mr. NELSON. Is there a time limitation on the amendment?

The PRESIDING OFFICER. One-half hour to a side.

Mr. EAGLETON. Does the Senator wish me to yield.

Mr. NELSON. No, I have to go to a markup. I just wish to say that the Senator from Missouri has drafted a very important, useful, and effective proposal that, if it is understood by the Senate, should draw the support of everyone. I commend the Senator from Missouri.

Mr. EAGLETON. I thank the Senator from Wisconsin.

Mr. President, I ask unanimous consent that the names of the junior Senator from Connecticut (Mr. WEICKER) and the senior Senator from Massachusetts (Mr. KENNEDY) may be added as cosponsors of the Eagleton amendment.

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

Mr. EAGLETON. Mr. President, I ask unanimous consent that two members of my staff, Messrs. Murphy and Lewis, may be granted the privilege of the floor during the debate on the Alaskan pipeline bill.

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

Mr. EAGLETON. Mr. President, I was reiterating the key difference in the approach between the amendment we have just voted on, the Mondale-Bayh amendment, and my amendment. I was trying to explain why I could not support the Mondale-Bayh amendment but why I can support, obviously, my own amendment.

Under my amendment, the right-of-way is granted but the National Environmental Policy Act is not compromised, short circuited, or otherwise circumvented. I think NEPA is a landmark piece of legislation, and it should stand on its own two feet and not be tinkered with by Congress.

Further, I wish to make clear that after the 8-month study is completed, as provided in my amendment, any action Congress takes based on those findings would be subject to court litigation under the National Environmental Policy Act. Having enacted NEPA, Congress should see that it is lived up to and not short circuited. NEPA is not compromised, jeopardized, or thwarted insofar as my amendment is concerned.

The other differences between my amendment and the Mondale-Bayh amendment have been mentioned and I think adequately covered.

Mr. President, I am looking for someone—perhaps this amendment is going to be accepted by acclamation. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. EAGLETON. Mr. President, this is unusual, but I suggest the absence of a quorum, with the time to be charged to opponents of the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Mr. President, reserving the right to object, what was the request?

The PRESIDING OFFICER. The unanimous-consent request was that there be a quorum call with the time to be charged to the opponents.

Mr. FANNIN. I object. The time should be equally divided.

Mr. EAGLETON. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, I feel very keenly about this amendment. We have every reason to oppose the amendment on the basis of what has already transpired regarding the Mondale amendment. I have indicated that the same subject matter is involved in this amendment as was in the amendment on the last vote. This is just a rerun of the Mondale amendment. Yes, there are changes made, but they are of little consequence.

I would like to refer to the testimony that was received before the Interior and Insular Affairs Committee in regard to the national energy research and development bill, S. 2183, and particularly the testimony of John Partridge, chair-

man of the board and chief executive officer of the Columbia Gas System, Wilmington, Del. He also is Chairman of the American Gas Association Research and Development Executive Committee.

I bring this up again because it illustrates the necessity of building the Alaskan pipeline to Valdez at the very earliest possible time.

Here we have the Columbia Gas System speaking out for the Alaskan pipeline. If they had determined that it would have been more advantageous for them, they would have expressed favor for the Canadian line. They want to get the product into this country and want the assurance that it would be coming in at the earliest possible time, before they favor the trans-Alaskan line.

Here we have a company that serves in its retail markets 3,600 industries in different States and provides reliable gas service to 4 million homeowners in 7 States. They have been advised by its nonaffiliated customers that they serve over 7,000 industrial customers, which employ literally hundreds of thousands of people. This company and the American Gas Association's research and development committee have given careful consideration to this issue and decided to support the trans-Alaskan line.

Just to give Senators an idea of what has been done as an example of this company's efforts to increase gas supplies, Columbia is participating in joint venture exploratory drilling programs in the Gulf of Mexico and seismic exploratory efforts in the Atlantic outer continental shelf. It is presently engaged in construction of a liquid natural gas facility at Cove Point, Md., and a liquid hydrocarbon gasification plant in Ohio. It is a member of the Canadian Gas Arctic Study Group, a consortium of 24 companies seeking to build a trans-Canada gas pipeline, a project which will be greatly enhanced by congressional action to permit construction of the trans-Alaska oil pipeline. It is participating in the coal gasification research program undertaken jointly by the American Gas Association and the Department of Interior.

I emphasize that because these companies are interested in providing gas supplies.

Mr. President, we are talking about programs that are vital to this Nation, but the most important factor is that we get something underway. It is costing us at least $5 million a day, and before many years it will cost $10 million a day in our balance of payments if the pipeline is not built.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. FANNIN. I will be pleased to yield to the Senator on his time.

Mr. EAGLETON. Does the Senator realize that under my amendment the case continues? It goes right on just as it does under the Jackson bill. So with respect to the expeditious resolution of this dilemma, my amendment does the same thing as the Jackson bill, because it leaves that part of the bill unaffected.

Mr. FANNIN. I will comment on the Senator's proposal——

Mr. EAGLETON. On the Senator's time.

Mr. FANNIN. If the Senator wants me to talk about his proposal, I will be glad to. The Eagleton amendment would call for consultations with Canada regarding a trans-Canadian route, followed by a report to the House and Senate Interior Committees within 70 days of enactment. Within 240 days of enactment, the Secretaries of State and Interior would provide followup reports to the same committees.

It calls for a National Academy of Sciences' comparative study of the Alaskan and Canadian routes to be completed within 240 days after enactment.

It calls for the House and Senate Interior Committees to report legislation on a pipeline system for North Slope crude within 30 days of receipt of the National Academy of Sciences' study.

It also provides for procedures for expeditious consideration of such legislation.

That is the essence of the Eagleton amendment but it should be opposed for the following reasons:

It is a mere rehash of the Mondale amendment.

It would delay commencement of construction of both the Alaskan and Canadian lines for at least 1 year. Even under the best of circumstances, there still would be a delay which would result in increased imports of crude into the United States, with consequent adverse impact on our balance of payments and jeopardy to national security.

It could risk dependence on the Canadian Government—I do not think the Senator would disagree with this—with attendant national security problems such as increased curtailment of Canadian crude to U.S. markets and the imposition of other terms and conditions on the construction of a Canadian route more economically favorable to Canada than the United States.

It would cost U.S. taxpayers and consumers more money for 1 year's study.

I think it has been pointed out previously that millions of dollars have been spent, and I was referring to what has been spent by the companies themselves as well as the Government. If they thought additional gas supplies would have been provided by a Canadian route, they would not have wanted a delay, but they knew it could not be done. That is why they are still spending this tremendous amount of money to build a trans-Alaskan route.

I will go on to further arguments against the Eagleton amendment.

If a Canadian route were adopted, it would result in the export of dollars to Canada for construction of the Canadian pipeline and other expenses, with consequent loss of U.S. jobs, including those of Alaskan Natives.

It would prohibit Alaskan Natives and the State of Alaska from receiving royalties from production of North Slope crude for at least an additional year, and, in my opinion, it could be as much as 10 years.

Construction of a Canadian route would be more expensive and take 7 to 10 years longer than construction of an Alaskan route, even under the best of conditions.

I believe it would be an absolute catastrophe if the Eagleton proposal were adopted.

The amendment would merely change the time period in which the Mondale amendment was offered. There is very little change. We still have the same undesirable features of that earlier amendment. Thus, the Eagleton amendment would still provide for a further delay of 1 year.

The arguments offered against the Mondale amendment, which the Senate has already voted upon, are applicable here.

We cannot be sure that the Canadians will negotiate in good faith. There is no way of knowing the Canadians will negotiate at all. I personally have talked with some of them in meetings.

The time constraints of this amendment are nonsense, since we cannot dictate to the Canadians even if they wished to negotiate.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, the statement of the chairman of the board and chief executive officer of the Columbia Gas System be printed in the RECORD.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

(See exhibit 1.)

Mr. FANNIN. We cannot say that we have a sufficient study of a Canadian route because a sufficient study has not been made. Environmental studies have been going forward on the trans-Alaska route. Millions of dollars have been spent on it. The companies have spent their stockholders' money for these purposes and wish to start seeing a return on their investment.

With regard to the Canadian route, on the other hand, we do not even know that the equipment is available to build a line across Canada. We have no assurance as to how it would be financed. I have never heard an explanation from any of the proponents of the program as to how a Canadian line would be financed.

Mr. President, in summary, I oppose the Eagleton amendment. It is just as devastating as the Mondale amendment. It would be a tremendous expense for the people of this Nation, and it would mean again that we would be further aggravating our imbalance of payments. We cannot afford to have that happen.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

TESTIMONY: SENATE INTERIOR AND INSULAR AFFAIRS, S. 1283, NATIONAL ENERGY RESEARCH AND DEVELOPMENT, JULY 12, 1973

Mr. Chairman, my name is John Partridge. I am Chairman of the Board and Chief Executive Officer of The Columbia Gas System, Inc., of Wilmington, Delaware. I am also Chairman of the American Gas Association's Research and Development Executive Committee. I appear here today on behalf of the American Gas Association and the Columbia Gas System. Accompanying me today are two members of the A.G.A. staff, G. H. Lawrence,

Senior Vice President, Public Affairs, and Douglas King, Vice President, Research and Engineering.

The American Gas Association is a national industry association composed of some 300 distribution and transmission companies. These companies deliver about 92% of the natural gas consumed by 150 million people in this nation. Natural gas provides one-third of the nation's total energy requirements, including some 43% of that used by industry. When energy for transportation is excluded, natural gas accounts for 43% of our national stationary energy needs as compared with 27.5% for oil, 23% for coal, and 6.5% for hydropower and nuclear.

The Columbia Gas System is responsible for providing reliable gas service to 4 million homeowners in the seven states of Kentucky, Maryland, Ohio, Pennsylvania, New York, Virginia, and West Virginia, as well as the District of Columbia. Columbia also serves in its retail markets directly 3,600 industries and has been advised by its non-affiliated customers that they serve over 7,000 industrial customers, which employ literally hundreds of thousands of people.

Gas service to Columbia's residential, commercial, and industrial customers required last year approximately 1.5 trillion cubic feet of gas. For some time, in the large retail service area of the Columbia Gas System, there has been a complete freeze on serving new customers—no homes, commercial establishments, or industries are being attached for gas service. Unfortunately, this is a situation duplicated in many other gas company service areas throughout the country. This is not good for our nation's consumers, for the nation's economy, and—since natural gas is our cleanest fuel—for an improved environment.

Therefore, the critical natural gas supply problem and proposals for its solution are matters in which the Columbia Gas System and the American Gas Association have an abiding interest.

We appreciate this opportunity to testify on S. 1283, the "National Energy Research and Development Policy Act of 1973." This Committee's investigations of the energy crisis through the S. 45 proceedings have made a major contribution toward focusing national attention on this critical situation as well as preparing the Committee for forthcoming essential policy decisions including the vital ones on energy research. This is evident in that the concept of greatly expanded government energy research to develop domestic resources, which S. 1283 addresses, is fundamental to solution of our nation's most serious energy problems. The Committee's timely consideration of this matter is most commendable, and it is interesting and helpful that the Administration's energy research proposal, quite similar in concept to S. 1283, was issued not long after announcement of these hearings. Efforts to expand realistic and effective government-industry relationships in areas of vital energy research are, in my opinion, foremost in the public interest. So let me express sincere appreciation to the sponsors of S. 1283 as a major stride toward that goal, and I say that in full light of the fact that we will take issue with some of the specifics in the bill.

The facts of the energy shortage facing this nation have been well-documented, not only before this Committee but also before numerous other Congressional committees. Also, the principal requirements for solution have been presented in extensive detail by various spokesmen for both the public and private sectors. I will not dwell on these facts, only to add that the situation is worsening day by day.

As an example of my own company's efforts to increase gas supplies, Columbia is participating in joint venture exploratory drilling programs in the Gulf of Mexico and seismic exploratory efforts in the Atlantic OCS; we are presently engaged in construction of an LNG facility at Cove Point, Maryland, and a liquid hydrocarbons gasification plant in Ohio; we are a member of the Canadian Gas Arctic Study Group, a consortium of 24 companies seeking to build a Trans-Canada gas pipeline, a project which will be greatly enhanced by Congressional action to permit construction of the Trans-Alaska oil pipeline; and we are participating in the coal gasification research program undertaken jointly by A.G.A. and the Department of the Interior.

This latter program is a most significant effort in creating a domestic energy supply because it is an essential step in permitting utilization of our nation's vast coal reserves in a manner fully compatible with our national environmental goals.

This joint research effort was formalized in August of 1971, when the Department of the Interior and the American Gas Association executed an agreement for "The Cooperative Coal Gasification Research Program." A copy of the agreement is attached to my statement as Exhibit A. That agreement provides for a joint Interior/A.G.A. program of pilot plant research into coal gasification, funded two-thirds by the Federal Government and one-third by A.G.A. There are presently eight separate processes being studied. Attached to my statement as Exhibit B is a copy of the fourth of our Quarterly Progress Reports which are prepared for the subscribing member companies. It will give you a brief description of the various processes under study and the status of each.

As A.G.A. stated earlier this year in testimony before both the Senate and House Appropriations Committees, the state-of-the-art is such that right now we cannot predict what process, or combination of processes, will offer the best prospects for a successful demonstration plant. Also, we cannot say at this time just how much Federal assistance will be required to construct and operate a demonstration plant. We do feel certain, however, that it will be necessary to have significantly more Federal funding as we move into this more advanced stage of coal gasification research. The cost of such a demonstration plant can be as much as $400 million and it appears doubtful that industry by itself can finance such a project. As we noted in our May 10 statement to this Committee on the President's April 18 Energy Message, "Government research funds will be essential."

However, as members of this Committee and the sponsors of S. 1283 well recognized, Coal Gasification Research is not the only area which will require government funding. Yet, at this time there is no coordinated Federal approach to energy research and development, and present efforts are widely scattered throughout the various agencies and departments. The right form of centralized coordination and control is necessary to assure that further fuels and energy research is pursued expeditiously and efficiently. Also, the proper structure of the organizations which will construct, operate, and maintain demonstration plants for coal gasification and other areas of research should be resolved.

Thus, it is most timely to consider the provisions of S. 1283 and analyze them along with the subsequent proposals of the President's statement on Energy of June 29 as set forth in the recommended enabling legislation, H.R. 9090.

Before proceeding with these specifics, I would like to discuss the ongoing joint Government-industry pilot plant research program.

THE INTERIOR DEPARTMENT (OCR)—A.G.A. PILOT PLANT RESEARCH

As noted earlier, the Interior Department and the American Gas Association have an agreement for "The Cooperative Coal Gasification Research Program." This is a 4-year program with a scheduled funding of $30 million per year—$20 million by Government and $10 million by industry. The intent of this program is to provide pilot plants for the eight most promising high Btu coal gasification processes. Its goal is to choose from the pilot results the process or processes or best components thereof that should be incorporated into a demonstration plant or plants. Results to date confirm that this joint Government-industry funded and managed project is working. As the project enters its third year, there are two pilot plants in operation and a third under construction. The first of these pilot plants to go on stream, the HYGAS plant in Chicago, recently completed 100 successive hours of operation converting coal to high Btu, pipeline quality gas. Also, the $CO_2$-Acceptor pilot plant in Rapid City has recently completed over 100 successive hours of operation converting char to synthesis gas.

As this program was discussed and negotiated with Administration officials and at appearances before Appropriations Committees of Congress, the question was repeatedly raised, "Could you obtain better results faster with more money?" We answered no. That was as fast as we were programmed to spend the money efficiently. Now after two years of actual operation and the experience gained therefrom, because of a recognized need for certain unique equipment development, and because of inflating costs of construction and engineering, the program is projected to proceed in a most optimum and efficient manner with the additional expenditure of about $11 million per year beginning in Fiscal 1974.

The President's Message of June 29 stated that an additional $100 million for energy research was earmarked for Fiscal 1974 with at least $50 million of this for coal research. This, of course, includes all coal research—the high Btu gas project in which we are engaged, low Btu gas programs, coal liquefaction, improved combustion and mining techniques. In view of the facts (a) that the Interior-A.G.A. program is a tangible example of Government/industry cooperation, (b) that it is an ongoing program with visible, significant results, (c) that its expenditures have been and are rigorously scheduled at a prudent level, and (d) that its timely conclusions are essential to proceed with the demonstration plant phase in the most efficient manner, this program should be entitled to first consideration in allocating that additional $50 million in Fiscal 1974 and we will so contend to the Administration and to the Appropriations Committees. By today's standards for research expenditures, an additional $11 million per year is a modest amount. However, for the reasons set out above, we submit that it is an expenditure of the highest priority. We would urge this Committee's support in obtaining it.

I strongly emphasize that regardless of whatever energy research legislation is finally enacted, that extreme caution be exercised that nothing in the legislation could in any way slow down this essential and realistic program. I have concern that in the transition phase of some of the proposals, inadvertently something might creep in that would adversely affect the OCR–A.G.A. project. This must not happen.

Now let me turn to certain of the specific provisions of S. 1283 and H.R. 9090, a comparative analysis of which is attached as Exhibit C. The recent Administration proposal included the establishment of a new Department of Energy and Natural Resources (DENR), a matter not addressed in

S. 1283. We believe the DENR to be a desirable step toward consolidation of the quite splintered Federal Government energy responsibilities, and an acknowledgement that sound energy policies are an absolute must if our national well-being and the health, comfort and standard of living of our citizens are to be preserved. Therefore, A.G.A. supports early Congressional approval of the DENR. We consider it to be entirely consistent with the purposes of S. 1283.

Title I of S. 1283 establishes an Energy Research Management Project as the centralized agency to direct fuels and energy research and development. Titles II through VI establish joint Government-industry corporations for the construction, operation and maintenance of demonstration plants for a variety of energy research efforts including a coal gasification corporation in Title II. H.R. 9090, Part B, would have all research efforts coordinated by a new Energy Research and Development Administration. There are elements of both bills which have merit and the overall objectives are substantially similar, and commendable.

We would like to specifically comment on two major areas of importance—Organization and Functions and structures to implement commercial-size projects for demonstration purposes.

As to the first, we believe the proposed Energy Research and Development Administration (ERDA) as prescribed in H.R. 9090 is preferable to that proposed by S. 1283 and it should be established simultaneously with the DENR. Our reasons are:

1. H.R. 9090 provides centralization of all Federal Government energy research while S. 1283 continues for the time being the present proliferation of such efforts. H.R. 9090 calls for a permanent agency of the type ultimately envisioned by S. 1283.

2. An Administrator in full charge is preferable to the collegial approach of the Energy Research Management Project, members of which have full-time Government positions and who not only lack the time to devote to this effort but who would also not have the accountability for results. The agencies designated in the S. 1283 management approach are always available for consultation as needed.

3. H.R. 9090 calls for a full-time staff experienced in energy research, while S. 1283 would rely on a small technical budget staff and the respective staffs of the various agencies which contribute representatives to the Energy Research Management Project, who, like their principals on the Management Project, have existing full-time duties.

Other comments on organization and functions are:

1. We endorse the transfer of the Office of Coal Research and certain Bureau of Mines functions to ERDA. However, we strongly oppose the alternate proposal by the Administration to transfer these functions to the Atomic Energy Commission in the event Part A of H.R. 9090, the DENR, is passed by Congress and Part B, the ERDA, is not passed. One of the problems in Federal Government research efforts to date has been the disparity between the emphasis on nuclear research and that on fossil fuel research. Transferring and absorbing coal research efforts into an existing AEC is not an encouraging prospect for correcting this imbalance. For example, such a move could have devastating effect on the current OCR–A.G.A. Pilot Program. The answer is, of course, that the ERDA provision should be passed thus establishing a permanent independent agency to coordinate all energy research of the type envisioned by S. 1283.

2. While A.G.A. does not take issue with the Federal Government directing the energy R&D activities of those entities receiving Federal funding, we object to such intervention and direction where no Federal funds are involved. Both A.G.A. and my own company, Columbia, as well as numerous other gas companies, are also engaged in numerous research projects which do not receive Federal assistance. In these cases, we believe Federal direction, as provided for in Section 102(f) is unnecessary and unwarranted. We urge modification of this provision of S. 1283 to assure that such intervention will not take place.

3. We endorse the concept that the considerable expertise available in the various scientific, industrial, environmental organizations and groups in the broad field of energy research and development should be utilized as advocated by S. 1283 and the President's Message. A.G.A. recommends establishment of a formal Scientific, Industrial and Environmental Advisory Group, composed of appropriate industry representatives, academic groups and organizations. This Advisory Group could meet regularly at specified times each year with the ERDA Administrator and his staff for the consultation and exchange of ideas and information. The gas industry would wlecome participation in such a group and in light of our extensive history in coal gasification, shale oil gasification and other basic research, we believe that we could make a significant contribution. I now turn to the second major area of importance—structures to implement commercial-size projects for demonstration purposes. With certain minor technical changes and the addition of one new section, the provisions of Title II are identical to the provisions of S. 1846, on which we testified before this Committee in 1971. That testimony is attached to this statement as Exhibit D.

At that time, A.G.A. endorsed establishment of a Coal Gasification Development Corporation "as a vehicle to perform the essential, final step in the long and rigorous research efforts which will result in a vital new coal gasification industry." Culmination of the joint OCR/A.G.A. program of pilot plant evaluations will lead to the Coal Gasification Corporation as a suitable organization to perform the next logical step—namely "to design, construct, operate and maintain . . . a full-scale commercial-size facility to manufacture substitute natural gas from coal." Thus, creation of a Coal Gasification Corporation is entirely compatible with the present OCR/A.G.A. research program. It is important that the Coal Corporation be established and organized now so that the demonstration commercial project can start promptly upon completion of the pilot plant phase.

For example, much of the demonstration plant design and engineering can be accomplished during the later stages of the pilot plant testing. We are confident that A.G.A. member companies will be among "the private entity or entities . . . to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance." In this connection, we recommend deletion of the provision in S. 1283 limiting appropriations to not more than 60% of costs to the Coal Corporation. We believe that rather than fixing a percentage at this time that flexibility is required so that the board of the Corporation can set the percentage according to the circumstances existing at the time of the start of a given project.

Funding flexibility becomes even more important in connection with our next recommendation, which is to consolidate all coal research into one Coal Research Corporation.

The suggestion was made in the June hearings on S. 1283 that all the coal related research provisions in this bill—Coal Gasification (Title II), Advanced Power Cycle Development (Title IV), and Coal Liquefaction (Title VI), as well as mining developments—can be consolidated into a single Corporation. This would enable the assembly in one entity of the best available coal research personnel and most important would provide the most desirable close liaison on all coal research. So many areas of coal research interrelate and overlap that great efficiencies should be achieved by consolidation. Also, the overheads of one corporation should be considerably lower than the total of several corporations. This would be most compatible with the proposed move of OCR into ERDA in that their broad expertise in all phases of coal research could be best utilized.

A.G.A. offers the following recommendations for other changes in Title II of S. 1283:

1. *Section 202(d):* In view of our support for the ERDA as discussed above, we would recommend that the Administrator rather than the General Services Administration, should be "authorized to enter into contractual arrangements." This would also permit utilization of the long-standing experience and expertise of the Office of Coal Research. The General Services Administration would still be available for appropriate assistance such as auditing and other administrative services, and could serve as the repository for patent rights. However, the more substantive, decision-making authority should be vested in the Federal office with the direct research responsibilities as well as the most knowledge in the field. Further, with the Office of Coal Research serving the key role in the current pilot research there is greater assurance of continuity in progressing from the pilot to the demonstration plant phase without duplication of effort of expenditures. We believe this is a persuasive point in obtaining both future Federal appropriations and industry financial commitments.

2. *Section 203(2):* The Corporation is directed to select "the two or more most technically, environmentally, and economically feasible methods" for manufacture of substitute natural gas from coal. However, the joint O.C.R./A.G.A. program could well produce results which would permit selection of a single process or one combination of processes. Hopefully, this would obviate the requirement to proceed initially with more than one demonstration plant. A.G.A. now estimates that a single demonstration plant could cost as much as $400 million, and with a cost of this magnitude we believe there should be no statutory requirement to build two or more such plants.

A.G.A. recommends that Section 203(2) be revised to provide flexibility to the Coal Research Corporation to determine the number of methods that would be directed toward demonstration plants.

3. *Section 206:* The bill requires dissolution of the Corporation ten years after date of enactment. We believe this should be changed to require dissolution ten years after initial construction of the demonstration plant. This would permit the Corporation to be created and the Board of Directors and other officers appointed during the remaining years of the O.C.R./A.G.A. program, and would still permit the Corporation up to ten years to conduct its principal business of initiating commercial-size demonstration plant operations.

4. *Section 208:* This is the new section of the bill to which we referred earlier. It directs the Secretary of the Interior to make available to the Corporation Federal lands under his jurisdiction which contain coal which the Corporation determines it needs, provided the coal is extracted in an environmentally acceptable manner. This is a desirable provision and should be incorporated into H.R. 9090.

The Committee has before it A.G.A.'s statement and subsequent letter on certain of the provisions of S. 425, Surface Mining Reclamation, about which we are concerned. Among those concerns is the provision calling for issuance of surface mining permits

for five-year periods, subject to one-year renewals. If that bill is enacted as presently written, it could have disastrous effects on the ability of the natural gas industry to finance coal gasification plants, since these plants depend on long-term financing. We are pleased to see Section 208 of S. 1283, but must express our concern that provisions of S. 425, as presently written could conflict with Section 208 and we would hope that this apparent conflict can be resolved.

A.G.A. supports the formation of the remaining two Corporations, namely Geothermal Energy Development (Title V) and Shale Oil Development (Title III). The function of the latter should be amended to include the converting of oil shale directly to high Btu gas, a program in which the gas industry has great interest.

A.G.A. research on hydrogasification of oil shale began at the Institute of Gas Technology in 1959 under a program which closely paralleled its then ongoing work on hydrogasification of coal. This work has led to the development of a novel process which can produce either high Btu gas or middle distillate oil (or both as desired).

A.G.A. has near completion a program to identify near and long term research needs and opportunities for the gas industry encompassing exploration, supply, transmission, distribution, and utilization together with a planning process for periodically examining the priorities. We believe this study will provide valuable input to ERDA in assessing research programs.

CONCLUSIONS

In summary, the principal points discussed above may be restated as follows:

1. Efforts to expand realistic and effective government-industry relationships in areas of vital energy research are foremost in the public interest. S. 1283 represents a timely major stride toward that goal;

2. S. 1283 and H.R. 9090 are similar in concept. Analysis indicates that portions of each should be incorporated into the final bills;

3. The Energy Research and Development Administration (ERDA) as proposed in H.R. 9090 (with modifications detailed in the text) is preferable to that in S. 1283.

4. Titles II–VI of S. 1283 (with modifications detailed in the text) are essential to the success of the program, with the major modification that Titles II, IV, & VI all having to do with coal should be combined into one entity—the Coal Research Corporation; and

5. The ongoing two-year-old Interior Department (OCR)–A.G.A. Pilot Plant Research program is an example of a realistic government-industry research effort with visible significant results. Prudent funding of it should be assured. Caution must be exercised that nothing in any way slow down this advanced program.

Again, we commend this Committee for its abiding interest in the energy problem and steps necessary for its solution, and we appreciate this opportunity to express our views.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, I yield to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, amendment 323, I am constrained to say, incorporates within it the worst features of amendment 240 and the weakest features of S. 1081.

It provides at the same time that:

First. Congress shall study both the trans-Alaska pipeline route and the trans-Canada pipeline route. This will entail at least 1 year.

Second. The court litigation in Wilderness Society against Morton which is presently in the U.S. District Court for the District of Columbia must proceed uninterrupted and unaffected by this legislation. This will also probably delay the pipeline construction at least 1 year. In other words, this amendment will then build in 1 more year's delay in obtaining North Slope oil.

In my good friend from Missouri, Senator EAGLETON's Dear Colleague letter of July 12, he indicates that—

It is generally conceded that even with resolution of the right-of-way problem, the court will be *at least a year and probably longer* in finally deciding the environmental aspects of the Alaskan pipeline case. That being the situation, there would be ample time to complete the negotiations and study called for by my amendment and for Congress to make a final judgment over the best route or combination of routes.

Thus the Senator from Missouri does not profess that amendment 323 will shorten the delay. This was, I believe, the chief defect in the trans-Canada route and amendment 240 that the Senate has just rejected earlier today. Amendment 323 will not cure that defect. In fact, it will lengthen the delay.

Most of us in the Senate are lawyers. My colleagues will, I am sure, remember the judicial doctrine of "ripeness"—in this case an application of the constitutional requirement in article III that a lawsuit must be a "case or controversy" before it is justiciable in the Federal court system. The U.S. District Court would be well within its judicial prerogatives and, I would argue, be acting unconstitutionally were it not to stay the proceedings until the completion of the required year's study and enactment of new Federal legislation under amendment 323.

Mr. President, what I am saying is this. There would be no assurance that Congress would enact legislation favoring a trans-Alaska pipeline route. I believe Congress should enact such a route and that it ultimately will do so. But no court of law could say with any certainty, were amendment 323 adopted, that this would be the case. Therefore, prior to the enactment of any legislation any judicial opinion on the present case—Wilderness Society against Morton—involving a trans-Alaska pipeline, might only be an "advisory opinion" were Congress eventually to enact legislation favoring a trans-Canada route.

I do not believe the Federal district court would, as the Senator from Missouri postulates, proceed until Congress had actually legislated a trans-Alaska pipeline route. Therefore, the case would lie on the docket in the Federal district court until legislation favoring a trans-Alaska pipeline route were enacted by Congress. Only then would we be to the point we are now—where the litigation can proceed. And now, we are faced with a year's delay in the litigation should it go to the U.S. Supreme Court as it most certainly will.

Of course, under amendment 323 were Congress to enact a trans-Canada route, there is no assurance a new lawsuit would not be filed. And I have every reason to suspect it will be, either on the Alaskan portions of the route or on the Midwest portions thereof.

Of course, a lawsuit might also be filed in Canadian courts. I have explained this elsewhere and will not repeat it now.

Suffice it to say that this amendment builds in an extra year's delay. It does not cure the defects in either approach—amendment 240 or S. 1081 unamended. It does not bypass NEPA as amendment 240 would have. It requires a year's delay pending completion of the congressional study and enactment of additional legislation. This S. 1081 would not do. Amendment 323 would do both.

Amendment 226 proposed by my colleague from Alaska (Mr. GRAVEL), the Senator from Texas (Mr. TOWER), the distinguished Senator from Oklahoma (Mr. BARTLETT), and the distinguished Senator from Virginia (Mr. SCOTT), and myself would do both. Amendment 226 would bypass NEPA and would legislate one route—the trans-Alaska pipeline route—now. Congress should vote on this issue now. We have studied the matter. The Department of the Interior has studied the matter. The American public has studied the matter.

The whole country is looking to us for leadership. Amendment 323 would build in 1 more year's vacillation. This is what the American public does not want.

Congress must assert itself on this issue. The American people have a right to get a decision from Congress on this issue now.

Mr. President, I wanted the Senator from Missouri to understand my problem. I would do anything I could to accelerate the consideration required by the committee bill of a second pipeline.

I tell my friend, the Senator from Missouri, that I feel that we must open up Naval Petroleum Reserve No. 4 and the 14 billion or 15 billion barrels of oil that are there. That oil will, in fact, support a second pipeline. And that oil exceeds the reserves in the Prudhoe Bay area, the 10 billion barrels of oil, that supports the trans-Alaskan pipeline proposal.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. STEVENS. Mr. President, I yield for a question.

Mr. EAGLETON. Mr. President, I am not sure that the Senator from Arizona realizes, but I ask the Senator from Alaska if he realizes that the right-of-way under the Jackson bill is left intact and untouched by my amendment. Is the Senator aware of that?

Mr. STEVENS. I am aware of that.

Mr. EAGLETON. Is the Senator also aware that section 208 of the amendment, on page 15, states:

"SEC. 208. 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 render moot any actions commenced under the National Environmental Policy Act (Public Law 91–190) with respect to 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 or the conduct of the

study provided for in this title before making such a grant.

Mr. STEVENS. Mr. President, I am not worried about our case being moot. I am worrying, before acting on it, if Congress indicates in language which is unfortunately familiar in view of my long study of the Mondale amendment, that the Canadian route is needed.

Mr. EAGLETON. Section 208 is not from the Mondale-Bayh amendment.

Mr. STEVENS. I understand that. However, much of the language in the amendment is.

Mr. EAGLETON. What is similar to the Mondale amendment is the 8-month study to be undertaken by the National Academy of Sciences, a study of the feasibility of a trans-Canada route. After that study is done, Congress would still enjoy a whole range of alternatives, including that of doing nothing. And if it does nothing, the Alaska line proceeds as it is, because it is going through the courts.

Mr. STEVENS. In the Mondale-Bayh amendment language which the Senator from Missouri has incorporated in his amendment, there is a directive that the Academy undertake a study of the Alaskan land and maritime routes.

Mr. EAGLETON. On a comparative basis. It will also consider both.

Mr. STEVENS. They are to study both and then compare them.

Mr. EAGLETON. The Senator is correct.

Mr. STEVENS. Any court looking at this, if it is agreed to, would have to say that Congress is still considering the trans-Alaskan pipeline environmental impact statement made by the Interior Department and that, therefore, it would have to enjoin the Wilderness Society against Morton suit.

Mr. EAGLETON. Mr. President, I would have to disagree with my friend.

Mr. STEVENS. Mr. President, I hate to disagree with my friend, the Senator from Missouri. We are talking about whether it is right for decision, and I do not think it would be if this language from the Mondale amendment were agreed to by the Congress.

Mr. EAGLETON. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Missouri has 18 minutes remaining.

Mr. BAYH. Mr. President, will the Senator from Missouri yield me 3 or 4 minutes?

Mr. EAGLETON. Yes, I yield to the Senator from Indiana.

Mr. BAYH. I compliment my friend from Missouri for his efforts to try to move along the direction that some of the rest of us have been trying to move along relative to a sane, considered, and equitable solution to the present energy crisis.

I direct this question to my friend from Missouri: It is my understanding that if the Eagleton amendment is adopted, the court test which everyone recognizes will be necessary if the Jackson bill is passed can proceed, and that every month that passes will be a month closer to a final resolution of the judicial process on the requirements of NEPA and other requirements that can be tested in court. Is that correct?

Mr. EAGLETON. The Senator is precisely correct.

Mr. BAYH. Furthermore, am I correct in assuming that for the first time we will have a procedure in the law to study an alternative to the Alyeska pipe line route?

Mr. EAGLETON. Yes, a very meaningful study; and if I may elaborate just a bit on that answer, I will make this prediction to the Senator from Alaska: That the day will come when the Senator from Washington (Mr. JACKSON) and the Senators from Alaska (Mr. STEVENS and Mr. GRAVEL) and the others will wish they had this study.

What do I mean by that? I think down the line, in the NEPA litigation on the Alaska line, the Wilderness Society case that is already in court, it is entirely possible that the court will say, "We need a detailed, fairly comparative study between the Alaska line and the trans-Canadian line before we can make a final determination in this case."

So I say I think we are doing the proponents of the Alaska pipeline a favor, insofar as the litigation is concerned, by bringing this study to an expeditious conclusion within 8 months.

Mr. BAYH. Some of us who supported the Mondale-Bayh amendment have been suggesting that very thing: suggesting that NEPA does require, as I believe it does, that one of the factors that must be dealt with is the study of alternative routes, alternative vehicles, pipelines, or whatever it may be.

Mr. EAGLETON. Unquestionably.

Mr. BAYH. I have searched high and low and have not found one scintilla of a study going into other alternatives. All we have is preparations for the pipeline—pipe purchased, and everything in gear except the right-of-way and NEPA.

I want to salute the Senator from Missouri on his continuation of this fight to find out the facts as to what we will do with 10 billion barrels of American oil in Alaska, that we have all the facts before we rush out and adopt a solution, and that we not adopt a solution just because a lot of people read these expensive full-page ads paid for by a group of companies that have only one interest in the solution of this critical problem; a problem of concern to millions of Americans.

Mr. EAGLETON. I thank the Senator for his valuable contribution, because he is unquestionably correct beyond any doubt that a part of a proper NEPA analysis has to be the comparison of alternative routes, and I believe there is, to use his words, not one scintilla of a study of a Canadian route.

I believe we are doing a favor for this litigation that has been in court because of a lack of right-of-way—we are getting rid of the right-of-way problem now, and the Eagleton amendment does not touch that. We also would be doing a favor for the State of Alaska by requesting this study, because, like the Senator from Indiana, I believe the time will come when the court will insist upon such a study, and then they will have to delay the litigation while it is done.

Mr. BAYH. Mr. President, if the Senator will yield further, I would like to make one further observation, which I made relative to the debate on the amendment of the Senator from Minnesota and the Senator from Indiana: The report of the Committee on Interior and Insular Affairs which recommends the construction of the Alaskan pipeline says, in very clear English, that the committee does not have sufficient evidence to be able to judge which of the two routes, the Alaskan route or the trans-Canadian route, is preferable.

It only makes commonsense to me that if the committee that is charged with this responsibility, having all the information available relative to the Alaskan route and none of the information relative to the Canadian route, still comes down in a neutral position on the relative merits, that is even more reason to say, "Let us wait a minute; let us give ourselves a little time to study the situation, time during which the court proceedings can go ahead and be completed."

Mr. EAGLETON. So that the record will be clear, we give time for a study, of course, 8 months under the Eagleton amendment. At the same time, we do not hold up the litigation already in court. This study, like that encompassed in the Mondale-Bayh amendment, might not only reveal that we need the trans-Canadian route, but that we need both. There are some indications that potential reserves on the North Slope could justify the construction of both lines.

So for whatever purpose, whether comparing the Alaskan and Canadian routes or looking at a combination, I say having the study made is not harmful. In fact, I think it could be enormously beneficial, and will be found to be indispensable, insofar as the environmental litigation is concerned, in connection with the Alaskan route.

Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, I rise in opposition to the amendment. The language of the amendment is essentially the same as that contained in the Mondale amendment which was just voted down in this body by a vote 61 to 29.

Section 207 of the amendment contemplates that the Congress would, after today's vote, vote once again on this issue 30 days after receipt of an 8-month study of the Canadian alternative by the National Science Foundation and the National Academy of Sciences.

Mr. President, providing for further congressional action, after having decided the issue, only confuses the matter. It invites delay and creates uncertainty. It flies in the face of the facts about Canadian attitudes, laws, and procedures.

The provisions of the amendment changing Senate and House rules, and seeking to commit Congress to a vote on this matter at a date in the future is a bad precedent. It is a unique procedure which, in effect, seeks to adopt into law a unanimous consent agreement to limit the right of debate on a set of facts

which may have drastically changed in 9 months.

Finally, can my good friend, the Senator from Missouri, tell me what the impact of this amendment would be on the pending litigation? Would the courts defer action pending a further congressional decision on this matter?

Clearly, it places a cloud over the whole process of litigation.

I certainly appreciate the Senator's concern on this matter and I regret that I am unable to support his amendment. I do, however, assure him that as chairman of the Interior and Insular Affairs Committee I will take any action within my power to insure an aggressive and fair negotiation with Canada as mandated by title II of S. 1081.

I am, however, convinced that the amendment would create uncertainty, its net effect would be to delay, and keep Alaska oil in the ground.

Finally, Mr. President, I am prepared in the future, if we are not in a position to move the oil from Alaska by reason of litigation or other action, to introduce legislation authorizing the Federal Government to build the line. Time is of the essence and there comes a time when we can no longer defer for endless litigation.

I am prepared to introduce that legislation at an appropriate time in the future. In the meantime, as the author of the National Environmental Protection Act, I feel that it is sensible legislation to require that environmental impact statements be submitted by those applicants who are involved in any activity involving, in turn, a major Federal undertaking.

I believe that this is the sensible route to follow, that it will bring oil to the other 49 States a lot faster, and a lot faster if we follow the provisions of S. 1081, rather than to go off now on a diversion which can only have as its impact further litigation and further delay.

I do not know how the courts will interpret this language. I think they will probably say, "We cannot very well litigate this matter because Congress has reserved the right, 8 months hence, to review it all over again." In looking at the bill, the court will look at this particular provision in the Eagleton amendment and they will defer litigation. What I want to see is that the provisions of section 102 of NEPA are implemented.

Mr. President, you implement it finally by a final adjudicatory process involving the use of the courts. It seems to me that that is the wise course to follow. We cannot delegate responsibility to third parties. Certainly Congress ought not to create a precedent, which I think would be bad and dangerous, that is, that we are going to oppose environmental studies, that we are going to adjudicate these matters.

Obviously, no matter whether it involves such overriding national interests as the economic conservation of the United States, Congress in its prudence may well have to make a decision such as that which I have suggested, namely to have the Federal Government build the line if there is no other way in which we can move the oil to the rest of the United States.

Mr. President, I reserve the remainder of my time. I am prepared to yield back my time whenever the Senator from Missouri is prepared to yield back his time.

Mr. EAGLETON. Mr. President, I have some brief remarks; then I shall, indeed, be prepared to yield back my time.

By reason of my amendment, there is a subsequent right of Congress to render moot the present case. I suggest to the Senator from Washington that he runs the same risk; in the words of the Senator from Alaska, his amendment could make the case nonripe.

I bring the attention of the Senator from Washington to section 208 of our amendment, wherein we say:

> Nor to render moot any actions commenced under the National Environmental Policy Act with respect to such a grant, nor to require that the Secretary in the execution of any of his statutory dutie : await the results of negotiations with the Canadian Government or the conduct of the study provided for in this title before making such a grant.

Nothing in your bill's right-of-way provision is tampered with. All that the court will have to decide on is the adequacy of the existing environmental impact statement.

Even if we pass the Senator's bill, Congress, 20 years from now, could repeal it and revoke the right-of-way. It has been foreclosed from considering that action now. We have considered the right-of-way question, and we have resolved it.

Mr. JACKSON. Section 106 of S. 1081 refers to the right of the Secretary to terminate a right-of-way permit or right-of-way permits where there is a violation.

Mr. EAGLETON. But that is a contingency. A court might say, "I don't know what Senators are going to do. No one can figure out what those fellows are going to do or what the Secretary of the Interior is going to do under section 106."

I happen to disagree with the Senator's rationale.

Mr. JACKSON. I disagree with the rationale no matter whose it may be. Section 106 does not affect retention.

Mr. EAGLETON. It no more affects retention than does my amendment.

Mr. JACKSON. The trouble with the Senator's amendment, as I see it, is that it casts a cloud over the whole procedure, because it raises the question that a court, in going through the process, could say in effect, 8 months from now, after we have gone all through this, "Congress can turn around and come back and undo the whole process."

Mr. EAGLETON. Suppose the bill passes the Senate tomorrow, is passed by the House on Monday, and is signed by the President on Monday. On Friday someone else could submit the Bayh amendment or could come in with a new amendment. Something might sail through. What would happen then? Congress can always act.

Mr. JACKSON. But the point is that we would have written into the law that 8 months hence this matter comes back to Congress. In fact, a date is fixed. I do not know why we should amend the rules of debate for both the House and the Senate by such a procedure. Suppose Senators insist on wanting to go into this matter in more detail, with hearings and so forth? Obviously, Congress cannot be bound in the future, but by this amendment we would be changing the rules of the Senate.

Mr. EAGLETON. This is the so-called Ervin procedure.

Mr. JACKSON. I do not care whose procedure it is. The fact is that debate would be limited on a specific measure before the Congress before any determination could be made on the nature of the measure.

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

Mr. JACKSON. I yield.

Mr. STEVENS. I do not know of any investor or company that would put up the money to construct the Alaska pipeline, if the right-of-way permit were issued, so long as this study and this further decision by Congress were even considered to be the proper course by Congress.

Mr. EAGLETON. That is true under the committee bill itself.

Mr. STEVENS. That is not correct.

Mr. EAGLETON. If the committee bill becomes law, and that case is still in court, does the Senator think they are doing to start digging on that right-of-way?

Mr. STEVENS. No, but the committee bill ends the question of the one pipeline through Canada and deals with the two-pipeline concept. I have an amendment to insure that the pipeline would start in September.

Mr. EAGLETON. I have heard of that.

Mr. STEVENS. I can assure the Senator that it would start in September very quickly.

That is a matter to be discussed later, and it will come up Tuesday morning. But this amendment would destroy any confidence of the investing public in the current Alaska pipeline, even if we won the case in court.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. WEICKER. Mr. President, I am pleased today to cosponsor the compromise amendment offered by the distinguished junior Senator from Missouri (Mr. EAGLETON) that recognizes the paramount national concern to utilize our vital Alaskan oil reserves.

I do not believe the litigation over the proposed trans-Alaskan pipeline route should be further delayed. I, therefore, support this amendment to adopt the right-of-way provisions of the Jackson bill, S. 1081, thereby allowing the court to proceed with consideration of the environmental aspects of the case.

Although I have voted against the Bayh-Mondale proposal, I see no reason why a feasibility study of the trans-Canada route should not proceed, provided that litigation involving the Alas-

kan pipeline is not impeded. This amendment does authorize preliminary negotiations and a feasibility study of the trans-Canada pipeline and insures the Congress that it will be presented with the full facts surrounding this controversial issue.

By adopting this commonsense approach, the Congress will allow all viable alternatives to be fully considered, thereby insuring that the critical North Slope oil resources will be tapped in the quickest and most environmentally sound manner. Mr. President, I urge the Senate to adopt this essential compromise.

Mr. EAGLETON. Mr. President, I have a few more remarks, and then I will be prepared to yield back the remainder of my time and vote.

I voted against the Mondale-Bayh amendment for reasons which were compelling to me—that it would further delay the litigation on the Alaskan pipeline question and that those litigants in the suit, the plaintiffs and the respondents, in my judgment, were entitled to have their day in court and were entitled to have their case proceed to culmination under NEPA. Thus, when the Mondale-Bayh amendment, which still postponed that litigation because it refused to grant the right-of-way, was not amended, I was compelled to vote against it.

The amendment I have offered in no way, in my judgment, jeopardizes the litigation, impedes it, thwarts it, sidetracks it, or renders it moot. The litigation will go forward, as it properly should. It is unfortunate that it has not been completed by now. It is unfortunate that the proponents of this measure did not realize what any freshman law student would realize—that the right-of-way question had to be resolved. The law was crystal clear. Apparently, someone in the Interior Department or someone in Alaska forgot to read the law. That is part of the reason for the great dilemma today—someone forgot to read a statute that on its face is so clear as not to be susceptible of varying interpretations.

In any event, here we are, and I would like to see the case go forward.

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

The yeas and nays were ordered.

Mr. EAGLETON. I would like to see the Alaskan case go forward. At the same time, I would like to see an intelligent, in-depth study made of the so-called trans-Canada route to determine whether we need one or the other or some combination.

The PRESIDING OFFICER. All time of the Senator from Missouri has expired.

Mr. JACKSON. Mr. President, I yield the Senator 1 additional minute.

Mr. EAGLETON. Finally, I repeat my prediction: The day will come in this litigation with respect to the Alaskan pipeline when proponents might very well wish they had the benefit of a study such as that recommended in this amendment.

I thank the Senator from Washington for his courtesy. I have no time to yield back.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. 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 Missouri. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BUCKLEY (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Iowa (Mr. CLARK), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that 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 Iowa (Mr. CLARK) is paired with the Senator from Washington (Mr. MAGNUSON).

If present and voting, the Senator from Iowa would vote "yea," and the Senator from Washington would vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

The result was announced—yeas 33, nays 58, as follows:

[No. 285 Leg.]

YEAS—33

| | | |
|---|---|---|
| Abourezk | Haskell | Muskie |
| Bayh | Hathaway | Nelson |
| Biden | Hughes | Packwood |
| Brooke | Humphrey | Percy |
| Burdick | Kennedy | Proxmire |
| Case | Mansfield | Ribicoff |
| Chiles | Mathias | Stafford |
| Church | McGovern | Stevenson |
| Eagleton | McIntyre | Symington |
| Fulbright | Metcalf | Weicker |
| Hart | Mondale | Williams |

NAYS—58

| | | |
|---|---|---|
| Aiken | Ervin | Moss |
| Allen | Fannin | Nunn |
| Baker | Fong | Pastore |
| Bartlett | Goldwater | Pearson |
| Beall | Gravel | Pell |
| Bellmon | Gurney | Randolph |
| Bennett | Hansen | Roth |
| Bentsen | Hatfield | Saxbe |
| Bible | Helms | Schweiker |
| Brock | Hollings | Scott, Pa. |
| Byrd, Robert C. | Hruska | Scott, Va. |
| Cannon | Huddleston | Stevens |
| Cook | Inouye | Taft |
| Cotton | Jackson | Talmadge |
| Cranston | Javits | Thurmond |
| Curtis | Johnston | Tower |
| Dole | Long | Tunney |
| Domenici | McClellan | Young |
| Dominick | McClure | |
| Eastland | Montoya | |

ANSWERED "PRESENT"—1

Buckley

NOT VOTING—8

| | | |
|---|---|---|
| Byrd, Harry F., Jr. | Griffin | McGee |
| Clark | Hartke | Sparkman |
| | Magnuson | Stennis |

So Mr. EAGLETON'S amendment (No. 323), as amended, was rejected.

## UNANIMOUS-CONSENT AGREEMENT ON AMENDMENT NO. 320 AND ON S. 426 AND HOUSE JOINT RESOLUTION 512

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—having been authorized by the distinguished majority leader to do so and having cleared the matter with the distinguished manager of the bill (Mr. JACKSON) and with the distinguished ranking minority member (Mr. FANNIN) that amendment No. 320 by Mr. BARTLETT be laid before the Senate at the close of business today and made the pending question; that the Gravel amendment be temporarily laid aside for that purpose; and that a vote occur on the Bartlett amendment tomorrow at 11 a.m.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow, the Senate resume the consideration of the unfinished business, and that amendment No. 320 be the pending question before the Senate at that time.

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

Mr. ROBERT C. BYRD. Mr. President, I have been authorized by the majority leader—and this has been cleared with the other side of the aisle—to ask unanimous consent that at such time as S. 426, a bill to regulate interstate commerce by requiring premarket testing of new chemical substances and for other purposes, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between the Senator from California (Mr. TUNNEY) and the minority leader or his designee; that time on any amendment, debatable motion, or appeal be limited to one-half hour; and that the agreement be in the usual form.

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

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Missouri.

Mr. President, I ask unanimous consent that at such time as House Joint Resolution 512, relating to insurance of loans and mortgages, and so forth, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: that time for debate be limited to 4 hours, the time to be equally divided between the distinguished majority leader or his designee and the distinguished minority leader or his designee; that time on any amendment be limited to 1 hour; that time on any debatable motion or appeal be limited to 30 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

The texts of the unanimous-consent agreements are as follows:

S. 426

*Ordered*, That, during the consideration of S. 426, the Toxic Substances Control Act of 1973, debate on any amendment, debatable

motion, or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of any such amendment or motion and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from California (Mr. Tunney) and the Senator from Pennsylvania (Mr. Scott) or his designee: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

H.J. RES. 512

*Ordered*, That, during the consideration of H.J. Res. 512, a joint resolution to extend the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages, to extend authorizations under laws relating to housing and urban development, and for other purposes, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That on the question of the final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority leader and the minority leader, or their designees: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

## AMENDMENTS OF 1973 TO FEDERAL LAW RELATING TO EXPLOSIVES

The PRESIDING OFFICER (Mr. CHILES). Under the previous order, the Senate will now proceed to the consideration of S. 1083, which the clerk will state by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 1083) to amend certain provisions of Federal law relating to explosives.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as "Amendments of 1973 to Federal Law Relating to Explosives".

SEC. 101. Section 845(a) of title 18 of the United States Code (relating to exemptions from certain provisions of Federal law relating to explosives) is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) commercially manufactured black powder, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches, and friction primers, intended to be used solely for sporting, recreational, or cultural purposes in antique firearms as defined in section 921(a) (16) of title 18 of the United States Code, or in antique devices as exempted from the term 'destructive device' in section 921(a)(4) of title 18 of the United States Code; and".

SEC. 102. Section 921(a)(4) of title 18 of the United States Code is amended by inserting after the word "sporting" in the last sentence the following: ", recreational or cultural".

The PRESIDING OFFICER. Debate on this bill is limited to 2 hours, with the time being divided equally between the Senator from New York (Mr. JAVITS) and the Senator from Indiana (Mr. BAYH).

Who yields time?

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill which has just been called up be temporarily laid aside and that the Senator from New York (Mr. BUCKLEY) be recognized to call up an amendment to the Alaska pipeline bill, and that the explosives bill then be laid before the Senate upon disposition of the amendment of the Senator from New York.

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

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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.

Mr. BUCKLEY. Mr. President, I call up my amendment No. 308.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 33, between lines 6 and 7, insert the following new paragraph:

"(4) That the purpose of the Alaska Native Claims Settlement Act was to provide for a speedy and just settlement of the claims of Alaska Natives and Native groups and delay in the construction of a pipeline for the delivery of North Slope oil will prevent timely realization of the revenue sharing benefits of the Native claims settlement."

On page 35, between lines 20 and 21, insert the following new section:

"SEC. 206. (a) The Congress realizes that the delay in construction of a pipeline to transport North Slope crude oil will delay payment into the Alaska Native Fund of revenues resulting from the revenue sharing scheme provided by section 9 of the Alaska Native Claims Settlement Act (Act of December 18, 1971, 85 Stat. 688), and the Congress therefore authorizes a sum of $7,500,000 to be paid from the United States Treasury into the Alaska Native Fund every six months beginning July 1, 1976, as advance payments against the revenues to be received under section 9 of the Alaska Native Claims Settlement Act, until such time as the delivery of North Slope crude oil to a pipeline is commenced.

"(b) Section 9 of the Alaskan Native Claims Settlement Act is amended by striking the language in subsection (g) thereof and substituting the following language: 'The payment required by this section shall continue only until a sum of $500,000,000 has been paid into the Alaska Native Fund less the total of advance payments paid into the Alaska Native Fund pursuant to section 206(a) of the Federal Lands Right-of-Way Act of 1973. Thereafter, payments which would otherwise go into the Alaska Native Fund will be made to the United States Treasury as reimbursement for the advance payments authorized by section 206(a) of the Federal Lands Right-of-Way Act of 1973. The provisions of this section shall no longer apply, and the reservation required in patents under this section shall be of no further force and effect, after a total sum of $500,000,000 has been paid to the Alaska Native Fund and to the United States Treasury pursuant to this subsection.'."

On page 35, line 21, strike "SEC. 206." and insert in lieu thereof "SEC. 207.".

Mr. BUCKLEY. Mr. President, I yield myself such time as I may require.

Almost 2 years ago, this body took a historic step in treating America's original inhabitants with justice and fairness. In 1971, this body passed the Alaska Native Claims Settlement Act to settle the longstanding land claims of the Alaska Native people. That act provided for fair and just compensation through grants of land and money for the extinguishment of the Natives' land rights.

The act was wisely drafted to share the burdens of compensation between the United States and the State of Alaska. An important part of the compensation was a 2-percent royalty on mineral revenues to be paid to the Alaska Natives up to a ceiling of $500 million. This payment would come almost entirely from the State of Alaska and was predicated on an assumption that the North Slope oil would provide the bulk of the royalty income.

In 1971, we expected passage of land claims would eliminate a major hurdle which had stalled production on the North Slope. We, consequently, anticipated that the oil would soon begin to flow and that the Alaska Natives would soon begin receiving royalty income. Our optimism has proven incorrect. Today, nearly 2 years after passage of that act, the Alaska Natives have still not received royalty income from North Slope production.

The amendment I propose would adopt a reasonable means of insuring that excessive delays in production of North Slope oil would not unduly burden the Alaska Native people by postponing indefinitely the compensation provided by the Claims Settlement Act. My amendment provides that if production on the North Slope has not commenced by July 1, 1976, the United States will advance money to the Alaska Natives in the amount of $7,500,000 each 6 months until North Slope production begins. These advances would be paid back by the State of Alaska from mineral royalty income after the Alaska Natives had received the promised total royalty income of $500 million. My amendment would do two things. It would provide cash to the Alaska Natives rather than further postponing fulfillment of the Settlement Act. Second, it would provide this payment without cost to the

United States since the advance payments would ultimately be repaid by the State of Alaska. The Alaska Natives would receive the promised $500 million and we would insure that the money was received with reasonable promptness as we anticipated when the Settlement Act was passed.

Mr. President, I have discussed this amendment with the distinguished chairman of the committee, and I believe he is prepared to accept it.

Mr. JACKSON. Mr. President, I yield myself such time as I may require.

I commend the Senator from New York for bringing to our attention an important human consequence of the delay in production of the North Slope oil. I share his concern and endorse his amendment. I believe the approach he has suggested is a just and reasonable one. However, I feel the Senator's approach could be significantly improved by two minor amendments.

When the Native Claims Settlement Act was enacted, the Interior Committee calculated that the $500 million royalty income had a then present value of only $187 million. This difference resulted from the fact that the royalty income would be spread over an anticipated period of almost 30 years. In fact that schedule has itself been delayed nearly 2 years since passage of the Settlement Act. The Alaska Natives have pointed out to me that each year's delay in receipt of the royalty income is an effective economic loss of $15 million in lost interest alone. In other words, even if the production of North Slope oil began next year and the Natives received every cent of the promised $500 million they would already have effectively lost $30 million because of the 2-year delay. Based on this fact, the Natives have urged that the advance payments provided by the Buckley amendment should not be deducted from future royalty income, but should instead be outright grants of Federal funds.

While the Natives' arguments are economically sound, they seem to me to ask the Federal Government to bear the entire cost and risk of delay. I think this delay was an inherent possibility in the Settlement Act and should, to a great extent, not be borne exclusively by the Federal Government. However, the Natives' argument does show that they have already lost many millions in anticipated income from investment of the $500 million royalty payment. Accordingly, I propose that the Buckley amendment be further amended to provide that the advance payments begin in fiscal year 1975, rather than in July 1976. This amendment would simply recognize the fact that the Alaska Natives are already suffering to a great degree from the delay of the production of North Slope oil.

Moreover, it has come to my attention that beginning in 1977 an annual advance payment of $15 million would be far less than the present estimates of the State of Alaska on anticipated royalty income. According to July 1973 figures of the Alaska Native Foundation based on projected royalty payments prepared by the Alaska Department of Community and Regional Affairs, production of North Slope oil is anticipated to produce roughly $50 million annually in royalty payments to the Alaska Native fund beginning in calendar 1977. This fact indicates that if production of the North Slope oil is delayed beyond December 31, 1976, the advance payments provided by the Buckley amendment would not be sufficient to provide an equivalent income based on today's projections of expected oil production. Accordingly my amendment would provide that in the event production of North Slope oil has not commenced by December 31, 1976, the loans provided by the Buckley amendment would be forgiven in recognition of the fact that further delays would diminish the value of the Settlement Act far below even today's depreciated values.

Mr. President, I again commend my colleague from New York and urge this body to adopt his amendment together with my own proposed modifications. I share Senator BUCKLEY's view that this approach is a just and reasonable means of fulfilling our promise to the Alaska Native people and insuring fair and honorable delays with our country's first citizens.

Mr. President, I ask unanimous consent to call up my amendments as an amendment to the Buckley amendments. They are at the desk.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

On page 2, line 11, strike the words "beginning July 1, 1976" and insert "of each fiscal year beginning with the fiscal year ending June 30, 1975".

On page 2, line 15, strike the period and insert ": *Provided*, That if such delivery has not commenced by December 31, 1976, such payments shall not be deemed advance payments under this section for purposes of section 9 of the Alaska Native Claims Settlement Act, as amended.".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

There is 15 minutes to the side. Who yields time?

Mr. JACKSON. Mr. President, I believe that the Senator from New York is in a position to accept the amendments.

Mr. BUCKLEY. Mr. President, I am grateful to the Senator from Washington. The amendments of the Senator from Washington totally wipe out the inequity in the present situation, and I gladly accept them.

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

Mr. JACKSON. Mr. President, I yield such time as he may require to the Senator from Alaska.

Mr. STEVENS. Mr. President, I am indebted to the Senator from New York for his concern, and the Alaskan Native people will be grateful to him for his concern over their rights under the Alaskan Native Land Claims Act.

I had heard of this amendment previously, and had it been offered before the Mondale amendment or the Eagleton amendment was voted on, I would have opposed it strenuously.

I do not wish to question the motives of my good friend, the Senator from New York. However, I would say that the amendment assumes that there will be delay. We have an amendment that would eliminate the delay.

Mr. BUCKLEY. My amendments refer to the delay in the future.

Mr. STEVENS. The delay we have suffered is being suffered by all Alaskans. And if we could get the Alaskan pipeline started now, I doubt that the Alaskan Native people would object to the delay that has already occurred.

Mr. President, this assumes that there will be further delay and it assumes that the Alaskan Native people are suffering because of this. I agree with that. However, the problem is that all Alaskans are suffering, because of this delay.

Mr. President, I have a letter from the Alaska Federation of Natives which was addressed to the chairman of the committee, the Senator from Washington (Mr. JACKSON). I would hope that the Senator from Washington would agree that we could have this letter printed in the RECORD at the conclusion of my remarks so as to show their feelings about this matter.

Mr. JACKSON. That is perfectly all right.

Mr. STEVENS. Mr. President, I ask unanimous consent that the letter be printed in that RECORD at the conclusion of my statement.

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

(See exhibit 1.)

Mr. STEVENS. They are not opposing the Buckley amendments. However, they firmly state that their interest, together with the interest of all Alaskans, is to get a pipeline. And if this measure should be used by anyone who seeks to delay the pipeline and assumes that it is irrelevant to the great human interest in the Alaskan pipeline and the development of the North Slope oil, I think it would be unfortunate to include such amendments in the bill.

I will have an amendment later which I hope that the Senator from Washington will consider.

Mr. President, as we have viewed the budgets that have been presented since the Alaskan Native Claims Act was passed, the payment of the money by the Government has appeared in the budget of the Bureau of Indian Affairs. This was first in the amount of $12.5 million. It is now $70 million. It appears in the BIA budget, and people will look at it and say that the budget has gone up and that we are giving this to the Alaskan people. It should not be there at all. It is no different from an award by the Court of Claims. It is an award by the Congress for the Indian claims.

As such, I think we should add another $15 million to it now, since the Senator from Nevada knows that we are dealing with $85 million annually in the BIA budget. Otherwise, the people will say:

Look at all the money the Alaskan Natives are getting. They don't need any more money for schools or any of the other related functions of the Federal Government to carry out our trust and responsibilities to the Alaskan Native people.

Again, I say to my good friend, the Senator from New York, that I appreciate his concern that we protect the Alaskan Native people. We have done our best to do this.

I point out that through the Senator from Nevada (Mr. BIBLE), as chairman of the Subcommittee on Interior Appropriations, we included last year $12.5 million advance to the Alaskan Native fund, and $500,000 to each regional corporation. We added $1 million. This year the bill as marked up would make available an additional $500,000 for each regional corporation and an additional $1 million differential for allocation by the Secretary of the Interior for the losses they are suffering because of the delay in the pipeline.

Mr. President, I am not going to object to the amendments, because they have merit. However, who will take care of the interest that is being paid on the $1.5 billion by the oil companies on the Alaskan pipeline, the $9.5 million they have paid, and the money they paid for the pipe and the Valdez dock? Who will pay that? And who will pay the businesses that went bankrupt, because of the wilderness lawsuit?

Company after company went bankrupt, because they had to buy trucks and pipeline and equipment that would be necessary to carry out the letters of the intent given to them by the pipeline company that they would proceed as a result of the contract that was issued.

The Alaskans have lost millions of dollars, because of the foolishness involved in this delay.

The Senator from New York is doing a good thing in saying that we will prevent the Alaskans from suffering by reason of a longer delay. I hope that the Senator from New York will join with me in providing that there will be no delay.

This is discrimination in reverse. Twenty percent of our people will be held harmless and 80 percent of our people will suffer great financial losses.

I am not sure if this is the right step to take, particularly if anyone in the House or Senate wishes to have a further delay of the Alaskan pipeline bill.

A pipeline will solve the problem. The Alaskan people will receive 6 cents a barrel on every barrel of oil that goes through that pipeline, and that 6 cents a barrel that the Alaskan people will receive will amount to over $43 million annually without any question.

No one that I know of can say that they have that direct interest; 65,000 to 70,000 people have that interest in the proposal before the Senate.

I will not object to the amendments. However, I wish that the Senator from New York would help me get the pipeline started. If he does, this will cost the taxpayers of the United States nothing; if not, a delay for every year will add $15 million to the cost to the taxpayers to make up the shrinkage in the fund.

EXHIBIT 1

ALASKA FEDERATION OF NATIVES, INC.,
*Anchorage, Alaska, July 11, 1973.*

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.*

DEAR CHAIRMAN JACKSON: In view of Senator Buckley's amendment No. 308, I believe I should advise you and, through you, the members of your Committee and the Senate, of the views of the Alaska Federation of Natives, Inc., concerning the trans-Alaska route for the transport of North Slope crude oil.

Preliminarily but of the utmost importance to our people, is the absolute necessity of assuring that those Alaska Natives who may be damaged by reason of the construction or operation and maintenance of any pipeline, whatever its route, be afforded prompt and sure compensation. For that reason, our first concern has been to secure the inclusion in any right-of-way permit of a stipulation protecting the Natives. In its report on S. 1081, your Committee has recognized the peculiar exposure of Alaska Natives to damage that might occur by reason of a pipeline. The Committee included in S. 1081 as reported out a directive to the Secretary of the Interior to incorporate the necessary stipulation in favor of the Alaska Natives in any pipeline permit that is issued to transport North Slope oil, and the Committee specifically endorsed the specific stipulation we proposed.

With the assurance afforded by the necessary permit stipulation, we turn to the question of routing.

The trans-Alaska route affords the greatest opportunity for economic benefit to Alaska Natives and their regional and village corporations as well as to the economy of Alaska generally. Many more economic benefits would accompany the development of a pipeline route running the length of the State of Alaska than would be the case with any alternate route. Accordingly, on the premise that a pipeline permit includes the stipulation which Alaska Natives must have for their protection, we unhesitatingly support the trans-Alaska route.

Turning to the Buckley amendment itself, it should first be noted that it would be applicable to delays in the initiation of the flow of North Slope oil whatever the pipeline route.

The Buckley amendment should be judged on its own merits. It does not, either in its present form or modified, as we believe it should be, constitute an acceptable trade-off, so far as we are concerned, for the trans-Alaska route.

The principle of the Buckley amendment is sound. However, the $15 million annually which it would provide for delay in initiation of North Slope oil transport beyond July 1976 would simply be an advance, ultimately to be deducted from the $500 million royalty payments provided for by the Alaska Native Claims Settlement Act. Therefore, in its present form it falls considerably short of the mark of making up the shrinkage in the real value of those royalty payments which has been the inevitable consequence of the delay in pipeline construction.

In reporting out the Alaska Native claims settlement legislation in the Ninety-First Congress, this Committee estimated the $500 million royalty segment of the compensation to be paid to the Alaska Natives for the extinguishment of their aboriginal land claims as having a present value of approximately $188 million, using a 6-percent discount rate. That present value has shrunk substantially by reason of delay in initiation of the pipeline needed to transport North Slope crude to market. Inflation has added to the shrinkage.

The 1970 present value estimate of $188 million would return $15 million annually at the current 8-percent discount rate. In other words, to keep the $188 million from shrinking further, a $15 million annual return would be required. But that $15 million would be a return on capital, whereas the $15 million per year provided for in the Buckley amendment would be a return of capital, since it would be deducted from royalties.

The principle of the Buckley amendment is that the delay in pipeline construction should not be at the expense of the compensation intended by Congress to be paid to the Alaska Natives as partial compensation for the extinguishment of their aboriginal rights. That principle is sound. But to accomplish that objective, the payment cannot be deducted from royalty payments accruing under the Alaska Native Claims Settlement Act. We would hope that the Buckley amendment would be revised accordingly and adopted.

In summary, then, our position, is:

1. We support the principle of the Buckley amendment but in view of the delays that have already occurred and delays that may yet occur, the full measure of compensation intended by Congress to be accomplished by the $500 million royalty payments provided for in the Alaska Native Claims Settlement Act can only be realized if the annual payments provided for in the Buckley amendment are made without offset against royalty payments accruing under the Settlement Act.

2. The Buckley amendment is not, in our view, an acceptable trade-off for the earliest possible construction of a pipeline using the trans-Alaska route under a permit containing the stipulation necessary to protect Alaska Natives.

3. The stipulation to protect Alaska Natives, endorsed by this Committee in its report on S. 1081, is essential.

4. With that stipulation, we favor the earliest possible initiation of the trans-Alaska route, since it offers the greatest benefits to Alaska Natives and to Alaska.

Sincerely yours,

WILLIAM L. HENSLEY,
*President, Alaska Federation of Natives, Inc.*

Mr. JACKSON. Mr. President, I yield to the Senator from New York such time as I have remaining.

Mr. BUCKLEY. Mr. President, I appreciate the eloquence and the strength of the sentiments expressed by the Senator from Alaska. I do believe that there is a reason to differentiate between what happens to businessmen when they take their risks and what happens to Natives who, after long negotiations, have been promised certain funds after a period of time.

I believe the figures cited by the Senator from Alaska as to the much larger benefit that will accrue to the Natives when the oil is on stream are assurance enough that my amendment will not affect, one way or the other, the outcome of this debate.

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 amendments of the Senator from Washington (Mr. JACKSON) to the amendments of the Senator from New York (Mr. BUCKLEY).

The amendments were agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendments of the Senator from New York (Mr. BUCKLEY) as amended.

The amendments, as amended, were agreed to.

TIMING IS IMPORTANT

Mr. STEVENS. Mr. President, timing is another very important factor which must be considered when alternatives to the trans-Alaska route are discussed.

The construction of the trans-Alaska pipeline will take approximately 3 years. Approval and construction of the trans-Canada pipeline would take 9 to 10 years. The additional 6 to 7 years would be broken down as follows: probably 2 to 3 years for approval, legislation, and litigation plus 3 to 5 years for additional construction and engineering.

The delay would be the inevitable result of the need to prepare a detailed design and route analysis, longer construction time, and a desire on the part of the Canadian and Provincial governments, to review proposals, to consider alternatives, and to determine stipulations for construction and operation. All these are the same kinds of reviews and analyses that have already been completed for the trans-Alaska route.

Having suffered from shortages of heating fuel in the winter and now facing a summertime squeeze on gasoline supply, the Midwest is feeling the effects of an oil shortage probably more seriously than the west coast of our country. Yet in contrast to what might appear on the surface to some to be commonsense, a trans-Canadian oil pipeline to Chicago will not help to relieve the mounting energy problem of the Midwest while a trans-Alaska pipeline carrying oil from Alaska's North Slope to the west coast ports will.

Proceeding with a trans-Canada pipeline would not only delay delivery of much needed Alaskan oil for many years, it would delay the time when natural gas from Alaska's North Slope can be delivered to the Midwest. During the first years of oil production at Prudhoe Bay, natural gas will be reinjected in order to insure recovery of the maximum amount of oil. Only after that will gas be available for shipment through a trans-Canadian gas line.

If a trans-Alaskan oil pipeline is built within the next 3 or 4 years, allowing Prudhoe Bay production to begin, natural gas will be available for the Midwest at the time construction of a trans-Canadian gas line is completed. Otherwise, Alaskan natural gas would not be produced until after Prudhoe Bay oil production began, following the completion of a trans-Canadian oil line in the 1980's.

Getting back to why proceeding with a Canadian oil pipeline would delay delivery of Alaskan oil, this has probably been the most discussed topic in comparing the two routes. Because of this I will not dwell on these reasons today. Let me just summarize them very briefly:

First. The corporate entity must be formed and the proper documents and agreements negotiated. The proper route must be determined and analyzed, a governmental and environmental impact statement must be drafted, hearings held and the Canadian executive agencies must comment.

To enlarge on this, those companies interested in constructing a Canadian oil pipeline must come forth and must agree on a basic project. They must then engage in extensive "consultations" with various agencies of the Canadian Government to determine what requirements the Government will impose on the project. At this stage, international negotiations between the United States and Canada would be held on throughput volumes and other matters, and social and environmental impact statements would have to be developed and an agreement reached on Canadian conditions for financing.

The project would have to be modified to conform to the requirements of the various governmental agencies. Then a formal application would be made to the Canadian National Energy Board, which would review it, hold hearings and approve or dismiss it. If the application is dismissed, an amended application might be filed. The board would recommend an approved application to the Canadian cabinet, which would review it for consistency with national policy considerations. After cabinet approval, opponents of a pipeline might well raise legal challenges that would have to be resolved before construction could begin.

Mr. President, I am addressing matters which would take several years to resolve.

Second. The Canadian Native claims must be resolved.

Reports, during the past few months, confirm the seriousness of the Canadian land claims. It is apparent that Canada's northern natives have launched an all-out drive to establish their right to land. The key element of this drive is native opposition to government approval of construction of a Mackenzie Valley pipeline. With the cry of "no settlement, no pipeline"—the Financial Post, Toronto, April 15, 1973—Canada's natives have raised this issue, which the United States has just taken 15 years to resolve. The Prime Minister of Canada has recently agreed to negotiate treaty claims with the Indians for a cash land settlement, including perpetual royalties on natural resources. Moreover, Mr. Trudeau at the same time refused to say definitely that aboriginal rights exist legally. These treaties involve nearly 7,000 Indians in the territories; 13,000 Eskimos have no treaties, nor do 5,000 Metis, living side by side with the Indians in the Mackenzie area. In any event, the Indians want to do more than just negotiate their treaty claims, and rightfully so. They are organizing with the Eskimos and Metis to settle their aboriginal land claims. It took this country 5 years to settle Alaska's Native claims. Canadian natives have watched Alaska's 60,000 Natives win a $962.5 million cash and royalty payments settlement plus title to 40 million acres of land. Any major proposed trans-Canada pipeline from Alaska to the lower 48 would have international repercussions that the Canadian natives could rightfully use to gain additional leverage. By the same token, such Canadian native land claims would doubtless delay the construction of any trans-Canada pipeline.

In his testimony before the Joint Economic Committee, Mr. Donald Wright, the president of the Alaskan Federation of Natives, stated:

> We have learned from hard experience that it is imperative to settle the question of aboriginal land rights prior to the construction of any pipeline. The resolution of this issue in Canada is still in its early stages and nothing should be done to undermine its opportunity for successful resolution. To advocate a trans-Canada pipe-line must include as its premise a fair settlement of Canadian Indian land claims prior to any construction taking place. Based on our experience in the United States, this will require a number of years of careful and thorough negotiation, perhaps even litigation.

Third. Engineering and construction would take 3 to 5 additional years.

It is certain that the construction of a 3,200-mile trans-Canada oil pipeline would, simply due to its greater length, take much longer to build than would a 789-mile trans-Alaska route. This estimate of additional time is supported by a recent detailed analysis of the trans-Canadian route by the Standard Oil Co. Their analysis shows that it will take approximately 6 years from the time a Canadian permit is granted until the first oil would reach Chicago markets.

I am sure that opponents of a trans-Alaska pipeline will argue about the extent of the delay which will occur if a trans-Canadian route were used to transport Alaskan oil. However, I am more positive that no one will disagree that Alaskan oil will reach U.S. markets much more quickly if an Alaskan route is used. Each year of delay brings these consequences:

One. A continuing dependence on foreign imported oil, especially from the Middle East;

Second. The delay of North Slope gas deliveries to the Middle West;

Third. A continuation and magnification of Alaska's financial problems;

Fourth. A continuing dollar drain to foreign countries for oil purchases;

Fifth. A delay in reduction of the Alaska Native claims settlement;

Sixth. A cessation of domestic oil and gas exploration in Alaska; and

Seventh. A loss of jobs in Alaska for the construction and maintenance of the pipeline coupled with a loss of jobs in the shipbuilding industry.

ENVIRONMENTAL CONCERNS

Mr. President, let us talk about environmental concerns for a moment. The proponents of a Canadian route state that it is environmentally superior to a trans-Alaska route.

The facts I have show no such environmental superiority, all things considered, in a Canadian route. First of all, the environmental impact statement prepared in connection with the Alaska route considered various possible Canadian routes, and from the information available it is possible to make a judgment about the relative environmental merits of the various Canadian routes and the proposed Alaska route. The Alaska and Canadian routes were found to be equal in terms of their effect on

land based wildlife and on surface and ground water. However, it is clear that any pipeline through Canada would involve more unavoidable environmental damage than the Alaska route. Because the Canadian route is over twice as long, it would affect more wilderness, disrupt more wildlife habitat, cross almost twice as much permafrost, and necessitate the use of at least twice as much gravel that has to be dug from the earth; and it would obviously use about twice as much land.

The potential environmental damage of these alternatives was found to be more difficult to assess. The two routes are approximately equivalent with respect to risks from slope failure and permafrost. A Canadian route would also cross seismically active terrain. The Canadian route would not have a marine leg, but it would involve many more large river crossings which are a major hazard to pipelines. It is generally the rule that the wider the river, the greater the risks.

The environmental risks in the Alaska route are not insurmountable and they will be guarded against. Indeed the amount of technical planning and the extent of environmental studies undertaken in preparation for the Alaska pipeline are unprecedented. Since its inception the participants in this project have spent many millions of dollars in research, engineering, design, and planning for the construction and operation of the system.

For instance, the pipeline is designed to withstand the largest earthquake that has ever been experienced in Alaska; it will be constructed more carefully than many buildings in known earthquake zones, such as Los Angeles and San Francisco.

Much has been said about the danger of oil spills on the Alaska route, particularly on the sea leg. Regarding marine oil spills, again very 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.

Opponents of the trans-Alaska pipeline know that every safeguard is being taken to protect the environmental quality of our waterways. For instance, the ballast treatment plant at Valdez is being designed to produce an effluent of 10 parts per million of oil, which is the environmental standard. Second, assuming a maximum pipeline throughput of 2 million barrels per day, the ballast from the ships required to carry this oil would result in a treatment plant effluent of only four barrels of oil per day.

Some of the operational procedures to be enforced are as follows. Checklists are being developed for the terminal tanker operation on an individual ship basis, and the checkout between the dock and the ship will be confirmed to the terminal supervisor before loading starts. All ballast from the cargo tanks will be piped to the Valdez ballast treating plant and each shipmaster will be required to sign an affidavit to the effect he has not discharged oil at sea during his voyage to the terminal. This affidavit will be confirmed by an inspection of the ship's oil record log book. All tankers will take aboard a State pilot in Prince William Sound and all pilotage laws will be observed. Alyeska will provide tugs at Port Valdez and all docking and undocking will be tug assisted.

Thirty-five U.S. tankers will be used to haul oil from Valdez and 27 of them are yet to be constructed. In this regard, the Secretary of Interior in June 1972, made this statement to the Joint Economic Committee:

NEW AMERICAN INITIATIVE

Nonetheless, I am convinced that we must seize this opportunity to set new and exacting standards to govern the marine transport of American oil. This goal is worth accomplishing by itself; but if our standards can set an example for solving the broader problems of international oil movements, we will have accomplished a task of long range significance for mankind. I have discussed this matter with Secretary Volpe, and we are now studying the implementation of the following steps:

All tankers, foreign and domestic, operating in the TAPS trade will be prohibited from discharging oil into the ocean, including oil contaminated ballast, tank cleaning waste, or bilge effluent. The facilities at Port Valdez will not be allowed to deliver oil to tankers that have violated this prohibition. Newly constructed American flag vessels carrying oil from Port Valdez to United States ports will be required to have segregated ballast systems, incorporating a double bottom, which will avoid the necessity for discharging oily ballast to the onshore treatment facility. All other tankers will be required to discharge oily wastes into the treatment facility at Port Valdez. That facility will be required to eliminate as much oil from these wastes as technologically practicable. In no instance will the discharge exceed 10 ppm of oil, and the standard will be upgraded as improved technology becomes available.

Vessel Traffic Systems will be required for Port Valdez and the West Coast ports. These systems will incorporate traffic separation schemes and will be geographically situated so as to avoid the fishing grounds and ecologically sensitive areas off Canada, Alaska and our West Coast. The Coast Guard will increase its staff and equipment as necessary to implement these schemes. Aids to navigation will also be modified as required to implement these systems.

New United States flag vessel designs will be evaluated, looking toward improving their maneuverability with regard to stopping distance and turning characteristics.

All accidental discharges during loading and unloading will be eliminated to the fullest extent possible and if they occur, will be subject to substantial penalties. Coast Guard regulations scheduled to become effective late this summer are being reviewed to assure their adequacy for Alaskan operations. Construction specifications and required manning and equipment standards are also being reviewed to provide further insurance against accidental discharges during loading and unloading operations.

Contingency plans for cleaning up oil spills must be continually reviewed and proven to minimize the damage in the event any accidents occur. These will be kept current in the light of new technology to assure their maximum effectiveness. The Coast Guard will augment its personnel and equipment to insure a maximum capability in this regard.

A continuing environmental monitoring system will be required during the lifetime of oil movement in American coastal waters.

In June 1973, the Secretary of Interior reaffirmed the initiatives in this statement and has assured the Congress of the continued cooperation of the Department of Transportation and the Coast Guard. Progress has been made in implementing the steps outlined in the statement. However, many of the actions to be taken hinge on the outcome of an International Marine Pollution Conference this fall. Until that conference is held, the question of what construction standards will apply to tankers remains open. It is my belief that a strong, comprehensive, and enforceable convention will provide the necessary controls to insure environmental protection.

In considering an Alaskan versus a Canadian route, it is clear to me that the environmental and technical stipulations built into the plans for the Alaska pipeline will guard against environmental risk; but the United States cannot insist on such stipulations for a Canadian route.

ALASKAN PIPELINE—JOBS

Mr. President, another often ignored factor entering into the economic considerations governing a choice of pipeline routes is the benefits associated with the construction of the Alaskan pipeline and the tankers necessary for the transport of the oil. Twenty-six 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 transportation 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.

The construction trade unions, recognizing the job opportunities available through the construction of the trans-Alaska pipeline, have by and large adopted strong positions to support it. One such union is the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

Last year the Joint Economic Committee held hearings on the trans-Alaskan pipeline. At that time, Mr. Martin J. Ward, general president of UA, submitted an official letter stating the position of the UA to the chairman, Senator PROXMIRE, on behalf of the 323,000-member union.

Only this past month the official publication of UA published a major article on the trans-Alaskan pipeline. The article was entitled "Congress Must End Impasse—Alaska 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 Alaska 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 esti-

mated that at least 10 billion barrels of oil can be produced from the North Slope reserves. That's as much as reserves in Louisiana, Oklahama, Kansas, and half of Texas combined.

Let me reiterate, the loss to the U.S. economy is not simply 26,000 jobs in Alaska. The loss encompasses the spending related to these 26,000 jobs and the other demands for U.S. goods and services which the trans-Alaska construction would entail, as well as the spending that would be engendered on the part of those who provide these goods and services. For instance, the Alaska pipeline offers perhaps the greatest single opportunity for new cargoes and new jobs that the American fleet has ever had.

Studies done with the Wharton long-range econometric model at Atlantic Richfield put the cumulative GNP loss to the U.S. economy as of 1980 at 19 billion 1973 dollars if a trans-Canadian pipeline is built. By itself, this constitutes a persuasive argument in favor of TAPS.

## TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. 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 statements therein limited to 3 minutes.

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

## UNANIMOUS-CONSENT AGREEMENT ON S. 1191 AND ON BUCKLEY AMENDMENT TO THE ALASKA PIPELINE BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 1191, a bill to establish a National Center on Child Abuse and Neglect, is called up and made the pending question before the Senate, there be a time limitation agreement thereon of 1 hour on the bill, to be equally divided between and controlled by the distinguished majority leader and the distinguished minority leader or their designees, the time on any amendment, debatable motion, or appeal to be limited to 30 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. BARTLETT tomorrow the Senate proceed to the consideration of S. 1191; and that the unfinished business be temporarily laid aside and remain in a temporarily laid aside status until the disposition of S. 1191 on tomorrow or the close of business, whichever is the earlier.

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

Mr. ROBERT C. BYRD. I ask unanimous consent that on Monday, at the hour of 1:30 p.m., the Chair recognize the distinguished Senator from New York (Mr. BUCKLEY) for the purpose of his calling up amendment No. 309 to the Alaska pipeline bill, and that a vote occur on the Buckley amendment on Monday at the hour of 2:30 p.m.

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

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. It is my understanding that our amendment would become the pending business somewhere along the line, and I want to make certain when that is, so that my colleague, Mr. GRAVEL, and I may be prepared to be here. Can the Senator from West Virginia tell me when that will be?

Mr. ROBERT C. BYRD. Yes. The distinguished Senator from Alaska has asked a pertinent question. The amendment by Mr. GRAVEL and Mr. STEVENS will be the pending question before the Senate when we go back on the Alaska pipeline bill this afternoon, but it will be temporarily laid aside immediately following morning business today to take up the bill dealing with explosives, on which there is a time limitation agreement, and upon the disposition of that bill the Senate will revert back to the Gravel-Stevens amendment.

Mr. STEVENS. And it will be the pending business also tomorrow morning and Monday, until disposed of, subject to the unanimous-consent agreement?

Mr. ROBERT C. BYRD. On tomorrow morning the pending question when the Senate goes into session will be on agreeing to the amendment by the Senator from Oklahoma (Mr. BARTLETT), and there will be a vote on that amendment tomorrow morning at 11 o'clock. Upon the disposition of that amendment tomorrow, the Senate will proceed to the consideration of S. 1191, a bill to establish a National Center on Child Abuse and Neglect. On the disposition of that bill tomorrow, the Senate will resume the consideration of the amendment by the distinguished Senators from Alaska (Mr. GRAVEL and Mr. STEVENS).

Mr. STEVENS. I thank the Senator.

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

Mr. ROBERT C. BYRD. Will the Senator request the floor in his own right? Then I shall be happy to yield.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

## ORDER FOR YEAS AND NAYS

Mr. BARTLETT. On my amendment tomorrow morning, would it be possible now, by unanimous consent, to get the yeas and nays ordered?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the amendment by Mr. BARTLETT at any time.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays with one show of seconds at any time on the Buckley amendment (No. 309), to be voted on on Monday, and on the passage of S. 1191.

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.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the amendment by Mr. BARTLETT, on the amendment by Mr. BUCKLEY (No. 309), and on the passage of S. 1191.

The yeas and nays were ordered.

The text of the unanimous-consent agreement reads as follows:

S. 1191

*Ordered*, That, during the consideration of S. 1191, the Child Abuse Prevention and Treatment Act, debate on any amendment, debatable motion or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of any such amendment or motion and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders, or their designees: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion or appeal.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

## REPORT ON AGRICULTURAL EXPORT ACTIVITIES UNDER PUBLIC LAW 480—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CHILES) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

*To the Congress of the United States:*

I am pleased to transmit to the Congress the 1972 annual report on agricultural export activities carried out under Public Law 480. This program has once again demonstrated the desire of the people of the United States to help those in other countries who are less fortunate than ourselves and stand in need of our assistance.

Through food donations and concessional sales of agricultural commodities,

the Public Law 480 program in 1972 helped alleviate immediate problems arising from inadequate food supplies, and helped to lay the basis for new agricultural production in many countries throughout the world. A major impact of this program came through our assistance to the distressed victims of war and natural disasters in Bangladesh.

Other principal recipient countries of development and emergency assistance included Korea, Vietnam, Israel, Pakistan, India and Indonesia. By assisting such countries, the Public Law 480 program also helps to offset threats to internal stability and contributes to our objective of reducing the level of international tensions.

RICHARD NIXON.

THE WHITE HOUSE, *July 12, 1973.*

## REPORT ON WORLD WEATHER PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CHILES) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

*To the Congress of the United States:*

Through the World Weather Program, man is acquiring a means not only to cope with his atmosphere and its vagaries but also to understand and assess the impact of his activities on the quality of the global atmosphere.

As a result of recent technological improvements, we are continuing to show substantial progress in furthering the goals of this program:

—Operational geostationary satellites will soon provide a nearly continuous view of storms over a large part of the earth's surface, strengthening our ability to predict and warn of potential natural disasters. Polar-orbiting satellites making vertical measurements of the global atmosphere are already an important aid to weather forecasting.

—Significant advances in computer science are now helping to extend the range, scope and accuracy of weather predictions and to assess the impact of pollution on climate and weather.

—Intensive planning is nearing completion for a large-scale international experiment to be conducted in 1974 in the tropical Atlantic. This experiment will seek a better understanding of the effects of the tropics on global weather patterns. As a result, we expect to gain new insight into the life cycle of hurricanes that affect the coastal areas of the United States.

—Nations are planning to combine their resources in 1977 to observe the entire earth's atmosphere for the first time as a single physical system.

The World Weather Program is a distinctive example of what nations of the world are capable of achieving when united in a common purpose. A recent United Nations Conference on the Human Environment acknowledged the vital contributions of this program. It is most heartening that a program which means so much to the safety and well-being of the American people can at the same time assist in providing these same assurances to other peoples.

In accordance with Senate Concurrent Resolution 67 of the 90th Congress, I am pleased to transmit this annual report describing the current and planned activities of Federal agencies participating in the World Weather Program.

RICHARD NIXON.

THE WHITE HOUSE, *July 12, 1973.*

## REPORT OF NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CHILES) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

*To the Congress of the United States:*

I herewith transmit the Seventh Annual Report of the National Advisory Council on Extension and Continuing Education. The Council is authorized by Public Law 89–329.

The Council's study covers the impact of Federal continuing education, extension and community service programs. I especially commend its analysis of the problems and shortcomings which have resulted from too many fragmented programs operating under various narrow legislative authorities. This study lends further support to a better approach to higher education which would permit academic communities to pursue excellence and reform in the fields they choose and by the means they choose.

The new Fund for the Improvement of Postsecondary Education provides a way to support development of effective programs in continuing education, extension, and community service. Because of the wide range of support possible under the Fund's broad mandate, I shall continue to recommend the termination of other less flexible programs.

RICHARD NIXON.

THE WHITE HOUSE, *July 12, 1973.*

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. CHILES), laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations received today, see the end of Senate proceedings.)

## EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session for action on nominations.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of nominations favorably reported today by the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the following nominations:

Harlington Wood, Jr., of Illinois, to be a U.S. district judge for the southern district of Illinois;

Thomas G. Gee, of Texas, to be a U.S. circuit judge, fifth circuit;

William H. Webster, of Missouri, to be a U.S. circuit judge, eighth circuit;

John F. Nangle, of Missouri, to be a U.S. district judge for the eastern district of Missouri;

Prentice H. Marshall, of Illinois, to be a U.S. district judge for the nothern district of Illinois.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

## LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate resume the consideration of legislative business.

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 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.

## COMMUNICATION FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

REPORT OF BOARD OF TRUSTEES OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND

A letter from the Secretary of the Treasury, Secretary of Labor, Secretary of Health, Education, and Welfare, and Acting Commissioner of Social Security, transmitting, pursuant to law, the 1973 annual report of the board of trustees of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund (with an accompanying report). Referred to the Committee on Finance.

PROPOSED LEGISLATION FROM U.S. TARIFF COMMISSION

A letter from the Chairman, U.S. Tariff Commission, transmitting a draft of proposed legislation to amend section 330(B) of the Tariff Act of 1930 to provide for holding over a Commissioner in office after his term has expired until his successor is appointed and shall have qualified; with

an accompanying paper). Referred to the Committee on Finance.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Assistance for the Economic Development of the Republic of Korea," dated July 12, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Progress and Problems of U.S. Assistance for Land Reform in Vietnam," Agency for International Development, Department of State, dated June 22, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 2323. An act to continue until the close of June 30, 1974, the suspension of duties on certain forms of copper (Rept. No. 93-313);

H.R. 2324. An act to continue until the close of June 30, 1975, the existing suspension of duties for metal scrap (Rept. No. 93-314); and

H.R. 6394. An act to suspend the duty on caprolactam monomer in water solution until the close of December 31, 1973 (Rept. No. 93-315).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 6676. An act to continue until July 1, 1976, the existing suspension of duty on manganese ore (Rept. No. 93-316).

By Mr. CRANSTON (for Mr. HARTKE), from the Committee on Veterans' Affairs, with an amendment:

S. 2087. A bill to amend title 38 of the United States Code relating to basic provisions of the loan guaranty program for veterans (Rept. No. 93-317).

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Harlington Wood, Jr., of Illinois, to be a U.S. district judge for the southern district of Illinois;

Thomas G. Gee, of Texas, to be a U.S. circuit judge, fifth circuit;

William H. Webster, of Missouri, to be a U.S. circuit judge, eighth circuit;

John F. Nangle, of Missouri, to be a U.S. district judge for the eastern district of Missouri; and

Prentice H. Marshall, of Illinois, to be a U.S. district judge for the northern district of Illinois.

By Mr. SYMINGTON, from the Committee on Armed Services:

John L. McLucas, of Virginia, to be Secretary of the Air Force.

(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.)

By Mr. THURMOND, from the Committee on Armed Services:

General George S. Brown (major general, Regular Air Force), U.S. Air Force, to be appointed as Chief of Staff, U.S. Air Force.

(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.)

Mr. NUNN. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations in the Army of Lt. Gen. Charles A. Corcoran to be placed on the retired list of that grade, Maj. Gen. Francis Hollingsworth to be lieutenant general, Gen. Alexander Meigs Haig, Jr., to be placed on the retired list in that grade, Lt. Gen. Claire E. Hutchin, Jr., to be placed on the retired list in that grade, Lt. Gen. Richard G. Stilwell to be general; and 61 for promotion in the Army (31 to the grade of brigadier general and 30 to major general); in the Air Force Lt. Gen. Eugene B. LeBailly to be placed on the retired list in that grade; and in the Navy Adm. William F. Bringle for appointment to the grade of admiral when retired. I ask that these names be placed on the Executive Calendar.

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

Mr. NUNN. Mr. President, in addition, there are 911 for promotion in the grade of colonel and below (includes four Reservists), 984 in the grade of colonel and below, and 1,160 in the Air Force Reserve in the grade of colonel and below; and in the Navy 160 permanent promotions in the grade of captain and commander. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to have the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

The nominations, ordered to lie on the desk, are as follows:

Terry P. Kloss, and Thomas M. Stanley, for promotion in the Regular Air Force;

Russell F. Brown, Jr., and Willam D. Steck, for reappointment to the active list of the Regular Air Force;

Jerry L. Abel, and sundry other officers, for appointment in the Regular Air Force;

Brig. Gen. John A. Wickham, Jr., Army of the United States (lieutenant colonel, U.S. Army), and sundry other officers, for temporary appointment in the Army of the United States;

Eugene William Albrecht, and sundry other reserve officers of the U.S. Navy, for permanent promotion in the Navy;

Jack Ables, and sundry other officers, for promotion in the Air Force Reserve; and

Byron A. Abbott, and sundry other officers, for appointment in the Regular Air Force.

## 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. COOK (for himself, Mr. ROBERT C. BYRD, and Mr. BAKER):

S. 2167. A bill to authorize the Secretary of the Interior to conduct research, development, and demonstration projects in the fields of energy sources and technologies. Referred to the Committee on Interior and Insular Affairs.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 2168. A bill to authorize the Secretary of the Interior to establish the John Day Fossil Beds National Monument in the State of Oregon, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 2169. A bill to provide for the direct financing of low- and moderate-income housing programs under sections 235 and 236 of the National Housing Act. Referred to the Committee on Banking, Housing, and Urban Affairs.

S. 2170. A bill to amend the United States Housing Act of 1937 to require that 20 per centum for new units in public housing projects be available for occupancy by large families. Referred to the Committee on Banking, Housing, and Urban Affairs.

S. 2171. A bill to encourage low rise construction in public housing and elderly housing projects. Referred to the Committee on Banking, Housing, and Urban Affairs.

S. 2172. A bill to require that funds be made available for replacement housing in connection with certain highway programs. Referred to the Committee on Finance.

By Mr. DOLE:

S. 2173. A bill to amend the Act of August 31, 1965, commemorating certain historical events in the State of Kansas. Referred to the Committee on Interior and Insular Affairs.

By Mr. FONG:

S. 2174. A bill to amend the civil service retirement system with respect to the definitions of widow and widower. Referred to the Committee on Post Office and Civil Service.

By Mr. BROOKE:

S. 2175. A bill to amend section 24 of the Federal Reserve Act to simplify, consolidate, and improve the law relating to the investment in mortgages and residential real estate by national banks, and to enable the Federal Reserve banks to extend credit to member banks on any sound collateral at a uniform rate of interest. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. RANDOLPH, Mr. ABOUREZK, Mr. BIBLE, Mr. BUCKLEY, Mr. CHURCH, Mr. HASKELL, Mr. HATFIELD, and Mr. Moss):

S. 2176. A bill to provide for a national fuels and energy conservation policy, to establish an Office of Energy Conservation in the Department of the Interior, and for other purposes. Referred to the Committee on Interior and Insular Affairs; and then to the Committee on Commerce for not to exceed 60 days, if and when reported from the Committee on Interior and Insular Affairs, by unanimous consent order.

Mr. JOHNSTON (for himself and Mr. LONG):

S. 2177. A bill to establish the Allen J. Ellender Memorial Library. Referred to the Committee on Rules and Administration.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2178. A bill to name the United States courthouse and Federal office building under construction in New Orleans, La., as the "Hale Boggs Federal Building," and for other purposes. Referred to the Committee on Public Works.

By Mr. WILLIAMS:

S. 2179. A bill to establish a demonstration program to provide direct financing of housing for the elderly under section 236 of the National Housing Act. Referred to the Committee on Banking, Housing, and Urban Affairs.

S. 2180. A bill to provide for increased security and protection for certain federally related housing projects. Referred to the

Committee on Banking, Housing and Urban Affairs.

S. 2181. A bill to amend the National Housing Act to provide further assistance to public and private nonprofit corporations for the conversion of existing single family housing for occupancy by elderly persons of low or moderate income. Referred to the Committee on Banking, Housing and Urban Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COOK (for himself, Mr. ROBERT C. BYRD, and Mr. BAKER):

S. 2167. A bill to authorize the Secretary of the Interior to conduct research, development, and demonstration projects in the fields of energy sources and technologies. Referred to the Committee on Interior and Insular Affairs.

Mr. COOK. Mr. President, on Tuesday, July 10, I was pleased to join with my colleagues in a colloquy on the energy problems which this Nation faces. I believe most sincerely that in addition to focusing attention on these problems, we also have to come forward with sensible and workable solutions.

At the conclusion of my statement I again expressed my belief that we must solve our problem by the production and use of our domestic resources. I proposed that we expend every effort to improve our research and development efforts to a degree that we are no longer dependent on a foreign power for our energy fuels. In so doing we could insure our status as a world power.

I referred to the President's second energy statement as well as various pieces of legislation before the Congress.

The President has now concluded that the present program for funding energy R. & D. is not adequate. There are many of us who have held this view for some time and I am pleased to see this new approach the President is now taking. His announcement that $10 billion should be funded for energy R. & D. over the next 5 years beginning in 1975 follows very closely the proposal contained in Senator Jackson's bill, S 1283, of which I am a cosponsor.

S. 1283 would establish a national program for Research, Development and Demonstration in Fuels and Energy and for the coordination and financial supplementation of Federal energy research and development. The bill would cost $20 billion over a 10-year period.

Mr. President, regardless of the course we decide to follow I believe that the objective can be achieved only if there is assured financing over a continuing period. If we permit the R. & D. program to be dependent on an annual appropriation we most certainly risk attainment of our goal. The question then arises as to how this assured and continued funding can best be provided.

In 1956, when the decision was made to undertake the construction of 40,000 miles of super interstate highways we recognized that in so doing we were tackling the greatest construction project in the history of man. We recognized further that to achieve our goal that we must have assured funding over a continuing period. We realized that we must remove the uncertainties inherent in dependence on annual appropriations. The decision was made by the 84th Congress and President Eisenhower to establish a Highway Trust Fund for this purpose. Public Law 627 came into being. The fund derived its assets from taxes paid on fuels, tread rubber, tires, tubes, buses, trucks, and other highway use sources. In this way the user paid the cost of the highway. We now enjoy a highway network which I question would exist had we not created this fund. As we seek the best solution to funding required R. & D. programs for energy. I think we would do well to consider our previous action.

The requirement exists for assured and continuous funding of our R. & D. program. What better way to provide this funding than the creation of a Federal Energy Research and Development Trust Fund. This fund could act as a repository for funds of a prescribed amount and expenditure could be made from the fund to meet requirements as they occurred over a continuous time period. I suggest a sum of $2 billion would be paid into the fund annually. I would not restrict or require that a specific amount be expended over any fiscal year and would permit the administration to expand the available funds over a continued period to meet requirements. Experience has shown that R. & D. projects usually begin with small initial funding requirements and their requirements over succeeding periods are dictated by their success or failure.

In suggesting $2 billion as an annual sum I realize that this amount is a quantum jump in R. & D. expenditure. For the period fiscal year 1970; fiscal year 1974 only $2.753 billion was funded. These figures were included in the President's first energy message, and I ask unanimous consent that a copy be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY R. & D. FUNDING

| | Agency | Fiscal year 1970 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|---|
| Coal: | | | | | | |
| Resources development | | 30.4 | 49.0 | 73.5 | 94.5 | 119.9 |
| Production and utilization R. & D. including gasification, liquefaction, and MHD. | DOI, OCR | 13.5 | 18.8 | 30.3 | 43.5 | 52.5 |
| | DOI, BOM | 13.2 | 15.4 | 14.7 | 19.8 | 18.1 |
| Mining health and safety research | DOI, BOM | 3.7 | 14.8 | 28.5 | 31.2 | 28.3 |
| Interior central fund (part) | DOI | | | | | 21.0 |
| Petroleum and natural gas | | 8.8 | 11.5 | 12.9 | 12.8 | 9.1 |
| Petroleum extraction technology | DOI, BOM | 2.7 | 2.7 | 3.2 | 3.1 | 3.1 |
| Nuclear gas stimulation | AEC | 3.7 | 6.1 | 7.1 | 7.2 | 4.0 |
| Oil shale | DOI, BOM | 2.4 | 2.7 | 2.6 | 2.5 | 2.0 |
| Nuclear fission | | 283.4 | 295.2 | 358.0 | 412.0 | 475.4 |
| Liquid metal fast breeder reactor | AEC | 144.3 | 167.9 | 236.0 | 269.0 | 320.0 |
| | TVA | | | .2 | 3.0 | 3.0 |
| Other civilian nuclear power | AEC | 108.5 | 96.6 | 86.8 | 98.0 | 90.5 |
| Nuclear materials process development | AEC | 30.6 | 30.7 | 35.0 | 42.0 | 61.9 |
| Nuclear fusion | | 37.5 | 42.2 | 52.8 | 65.5 | 88.5 |
| Magnetic confinement | AEC | 34.3 | 32.2 | 33.3 | 39.6 | 47.3 |
| Laser | AEC | 3.2 | 10.0 | 19.5 | 25.9 | 41.2 |
| Solar energy | NSF | | | 1.7 | 4.2 | 12.2 |
| Geothermal energy | | .2 | .2 | 1.4 | 3.4 | 4.1 |
| | NSF | | | .7 | .7 | 1.4 |
| | DOI-GS | .2 | .2 | .7 | 2.5 | 2.5 |
| | DOI-BOM | | | | .2 | .2 |
| Electrical generation, transmission and storage. | | | 1.3 | 2.2 | 4.9 | 4.1 |
| | NSF | | .5 | 1.3 | 2.4 | .9 |
| | DOI | | .8 | .9 | 1.0 | 1.0 |
| | AEC | | | | 1.5 | 2.2 |
| Control technology (stationary sources). | | | | 28.6 | 38.1 | 47.5 |
| Air pollution control technology | EPA | 19.8 | 17.4 | 24.5 | 29.5 | 21.5 |
| SOX removal | TVA | | | 1.1 | 3.0 | 18.0 |
| Thermal effects | EPA | .8 | .6 | .7 | 1.0 | 1.0 |
| | AEC | 1.5 | 1.8 | 2.3 | 4.6 | 7.0 |
| Miscellaneous | | | | 6.3 | 6.9 | 11.0 |
| Systems and resource studies | NSF | | | 4.4 | 5.3 | 5.3 |
| Energetics research | NSF | | | 1.9 | 1.6 | 1.7 |
| Interior central fund (part) | DOI | | | | | 4.0 |
| Total research and development | | 382.4 | 419.2 | 537.4 | 642.3 | 771.8 |
| AEC | | 326.1 | 345.3 | 420.0 | 487.8 | 574.1 |
| EPA | | 20.6 | 18.0 | 25.2 | 30.5 | 22.5 |
| NSF | | | .5 | 10.0 | 14.2 | 21.5 |
| DOI | | 35.7 | 55.4 | 80.9 | 103.8 | 132.7 |
| TVA | | | | 1.3 | 6.0 | 21.0 |

Agency codes: AEC—Atomic Energy Commission; DOI, BOM—Department of the Interior, Bureau of Mines; DOI, GS—Department of the Interior, Geological Survey; DOI, OCR—Department of the Interior, Office of Coal Research; NSF—National Science Foundation; TVA—Tennessee Valley Authority.

Mr. COOK. In analyzing these figures it is interesting to note that $2.110 billion or 76.6 percent of this total was funded for atomic energy. The remaining sum—$642 million—was divided over all other R. & D. projects related to energy.

I take no issue with the amount funded for atomic energy as I believe that we will benefit from this important program. I do regret the paucity of funds—$642 million—which has been shared

over the past 5 years by programs related to: coal, oil, gas, geothermal, solar, and other miscellaneous systems. We must correct this deficiency. I believe that the establishment of a fund in the amounts suggested will meet this requirement.

Let us consider the source of these funds. I again suggest the user approach. However, rather than revenue from the tax placed on the user I suggest that we utilize the revenue from the assets of the user. In this instance the user is most certainly the public—you and I. And the asset of which I speak is our public land and more specifically that public land which lies on the Outer Continental Shelf—OCS. For many years we had these assets but we did not consider them to be of any great value because the supply far exceeded the demand.

Today we find that these OCS assets have indeed increased in value. The irony in this increase is that it has come about by an energy shortage, particularly oil and gas, which threatens to destroy many of our much more tangible and recognizable assets.

The revenue comes to us through the lease bonuses paid by the energy industry for permission to explore for and produce oil and gas from our public land. The use of funds collected by the Government in our interest from the energy industries for the use of our land would seem to me to be a most logical source of funds for Government funded R. & D. programs to solve our energy problem. Projections for the adequacy of such funds seem most favorable.

I have received information concerning the OCS lease sales and request that it be printed in the RECORD at this point.

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

OUTER CONTINENTAL SHELF LEASE SALES

| Year | Leased tracts | Acres | Bonus (millions) | 1st-year rentals (millions) |
|---|---|---|---|---|
| 1968 | 197 | 934,167 | $1,346 | $3.0 |
| 1969 | 40 | 114,283 | 112 | 1.1 |
| 1970 | 136 | 591,040 | 944 | 2.1 |
| 1971 | 11 | 37,222 | 96 | .4 |
| 1972 | 178 | 826,195 | 2,251 | 2.5 |
| 1973 [1] | 104 | 600,000 | 1,598 | 1.8 |
| Total | 666 | 3,102,907 | 6,347 | 10.9 |

[1] Preliminary estimates. O & G Journal, June 25, 1973. In addition a lease sale of about 800,000 acres is scheduled for December 1973.

Mr. COOK. If we take the period of calendar year 1968–72 and the first few months of 1973 we find that $6.347 billion have been collected in lease bonus payment by the energy industry. This is considerably more than was expended for the R. & D. during a similar period. I also remind the Congress that the President has announced his intention to increase by threefold our previous lease sales and has announced one additional lease sale of considerable size for December of this year. Judging from the acreage involved the revenue from this sale could well exceed $1 billion. This total sum for this year would be over one-half billion in excess of that required to support the funding for the proposed trust fund.

Mr. President, on July 10, 1973, I announced my intention to propose legislation to provide the necessary funds for energy research and development. I am today introducing a bill for Senator BAKER of Tennessee, Senator ROBERT C. BYRD of West Virginia, and myself to establish in the Treasury of the United States a trust fund to be known as the "Federal Energy Research and Development Trust Fund" and ask unanimous consent that the text be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. COOK. Commencing with the year ending June 30, 1974, and each fiscal year thereafter, all revenues up to $2 billion except as otherwise obligated, due and payable during each such fiscal year to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act shall be credited to the Fund. In the unlikely event the leasing program does not generate sufficient funds: sufficient funds would be authorized as necessary to make the annual income of the Fund $2 billion.

In announcing his cosponsorship of this bill Senator BAKER suggested that an attempt be made to broaden the base of contributions to this Fund and that one possible method might be incorporated in a user's utility tax. He further stated that he intends to offer something concrete along these lines in the near future. I welcome Senator BAKER'S suggestion as I believe that it has considerable merit. It follows very closely the intent of the bill in that the Fund would be supported by the user. I believe that this matter could be considered in detail by the committee to which it is referred, and I so recommend. Certainly we would want to make an ample provision for the necessary funds.

It is my intent that the Secretary of the Interior or, if the Congress so chooses, the Secretary of the Department of Energy and Natural Resources, would use the Fund to conduct research, development, and demonstration projects.

I might suggest at this point, Mr. President, that it might even be considered, in the event the trust were to be established to the full extent, that if it were necessary, the Federal Government could even go into the business, as we did in the atomic energy crisis and as we did in the NASA crisis, as we did prior to World War II and during the course of World War II, and that if it is necessary it might even be considered that it would be prudent to the extent that the Federal Government would go into the business of the establishment of refineries, the establishment of pipelines, or whatever was necessary to solve and create a logical energy program for the United States, so that we would not be dependent on foreign sources.

Therefore, Mr. President, on this basis, the Government could enter into contracts and agreements with any person for conduct by such persons of these projects in all fields of energy sources and technologies.

Mr. President, the 93d Congress is making progress in solving our energy problems. I urge that it continue this progress and support the passage of this bill.

EXHIBIT 1

S. 2167

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is authorized, utilizing moneys in the Fund established by section 2 of this Act, to conduct research, development, and demonstration projects in, and to enter into agreements with any person for the conduct by such person of research, development, and demonstration projects in, the fields of energy sources and technologies. In carrying out the provisions of this Act, the Secretary of the Interior is authorized to make grants, and to enter into contracts, leases, or other arrangements.

(b) As used in this section, the term—

(1) "energy sources" includes fossil fuels, geothermal energy, nuclear energy, and solar energy, tidal energy, and unconventional sources of energy; and

(2) "person" includes any individual, association, institution, corporation, or other entity, any State or political subdivision, or agency or institution thereof, and any Federal department or agency.

SEC. 2. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Federal Energy Research and Development Trust Fund" (hereafter referred to in this section as the "Fund"). The Fund shall consist of such amounts as may be appropriated or credited to it as provided in this section. Moneys credited or appropriated to the Fund pursuant to this section are hereby made available to the Secretary of the Interior for carrying out the purposes of this Act without fiscal year limitations.

(b) Commencing with the fiscal year ending June 30, 1974, and each fiscal year thereafter, all revenues (except so much thereof as may be obligated under the provisions of section 2 (c)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–5)) due and payable during each such fiscal year to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act shall, up to $2,000,000,000, be credited to the Fund.

(c) In addition to the moneys credited to the Fund pursuant to subsection (b) of this section, there is authorized to be appropriated to the Fund, for the fiscal year ending June 30, 1974, and each fiscal year thereafter, such amount as is necessary to make the income of the Fund $2,000,000,000 for each such fiscal year.

(d)(1) It shall be the duty of the Secretary of the Treasury to manage the Fund and (after consultation with the Secretary of the Interior) to report to the Congress not later than the first day of March of each year on the financial condition and the results of the operations of the Fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter. Such report shall be printed as a Senate document of the session of the Congress to which the report is made.

(2) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (A) on original issue at the issue price, or (B) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance

at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(3) Any obligation acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(4) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. ROBERT C. BYRD. Mr. President, I congratulate my distinguished friend from Kentucky (Mr. COOK) on the foresight that he is demonstrating in introducing this legislation.

We in this country have been living in an energy-cheap era. We have been wasteful, we have been thoughtless, and we have lacked the vision and foresight that we should have shown, and are paying for it dearly now and will continue to do so. For too long administrations—Democratic and Republican—have failed to budget sufficient moneys for energy research, and particularly in connection with coal. The problems we are having in the 1970's derive in great measure from the fact that we failed to act in the 1960's to provide adequate funds for coal, oil, and gas research.

As a member of the Senate Appropriations Committee, for 15 years I have sought to secure increased appropriations for coal research. When I was a Member of the other body, and served there with my distinguished friend the junior Senator from Montana (Mr. METCALF)—who is now presiding over this august body—we sought to establish an Office of Coal Research and after several years of persistent efforts, Congress enacted legislation to provide such an office. But the administrations, as I say, both under Democratic leadership and under Republican leadership, have in my judgment failed over the years to provide the necessary funding requests to adequately deal with the energy problem through research.

It is true, as the distinguished Senator from Kentucky pointed out, there has been a considerable amount of money spent in the nuclear energy field, but coal, the most bountiful fossil fuel resource we have in this country, has consistently come up on the low end of the totem pole. There has long been a serious imbalance in funding for research in the energy field. Over the years, I have tried to add moneys for coal research in appropriation bills. It has been like trying to wring water out of a dry towel—a drop here and a drop there—we get a little money from the subcommittee, and then the full committee. It comes to the Senate. It goes to conference and there it gets cut in half. It has been a severe trial to try to add moneys for coal research when the administration fails to request sufficient funds for such in the budget. The very best we can do is too little.

I believe that the able Senator from Kentucky has come up with an idea here which, patterned after the highway trust funds which have been so successful and without which we would not today have the broad network of excellent interstate highways in this country, will provide adequately for the funding of energy research. I want to congratulate him. I appreciate his adding my name as a cosponsor. I trust that we will have the support of other Senators for the legislation.

I hope that the legislation the Senator from Kentucky has introduced will receive speedy hearings and expeditious action.

Mr. COOK. Mr. President, I want to thank the distinguished Senator from West Virginia. Through the efforts of the distinguished Senator from West Virginia in his position as a Senator from West Virginia and his position on the Appropriations Committee, the funds for the Office of Coal Research this year are $113 million, which is almost twice the amount the administration requested.

The point I am trying to make is that the Senator from West Virginia has helped me ever since I came here. The Institute for Surface Mining, established at Berea College in Kentucky, is the only institute of its kind in the United States. We have been able, by hard work, to get it funded at an approximate level of $300,000 a year, yet it has been used in almost every coal State in the United States, including the State of the distinguished Senator from Montana (Mr. METCALF), now the Presiding Officer of the Senate.

I might also say that it was through the efforts of the senior Senator from West Virginia, in approximately 1955 or 1956, that the first money was put in the budget for coal gasification and the institute was established and started work on coal gasification. Yet because it was a budget item that had to be renewed on a year-to-year-to-year basis, within 2 years it was dropped from the budget. The project was stopped. We lost all that time between 1956 and now on coal gasification, coal liquefication, and desulfurization of coal.

Look where we are now. I might say that both Senators from West Virginia (Mr. RANDOLPH and Mr. ROBERT C. BYRD) have been working on this matter far longer than I have. So that I can only say there is only one way to get rid of this frustration that we have to fight every year, and that is by the establishment of a trust so that we know there can be continuing and ongoing funds available, so that we do not have to fight every year for coal research to try to solve the various problems that need to be faced in the energy field.

Mr. ROBERT C. BYRD. I again compliment the Senator from Kentucky. It has indeed been frustrating to try to squeeze out a dollar here and a dollar there for coal research. I was able through great effort to secure moneys to establish a pilot plant to produce high-octane gasoline at Cresap, in Marshall County, W. Va. It was a pilot plant, costing $10 million to $12 million. Its purpose originally was to conduct research in the effort to produce high-octane gasoline from coal. I think we achieved our goal. At least it was proved that such gasoline can be produced from coal at prices that are almost competitive with other fuels. But the plant has been in mothballs now for some time. Yet, the country needs a low-sulfur-content fuel oil and this plant could be utilized for that purpose. The Department of the Interior is supporting the use of this plant for that purpose. I feel that it soon will be put to that use.

But we continue to spend billions of dollars for oil coming to our country from overseas which affects our balance of payments adversely, which affects our balance of trade adversely, whereas if we could spend a comparatively few pennies here, if we had spent a comparative few dollars 10 years ago, a few dollars in comparison with the high cost of importing oil coming into this country now, we would not now have this trade deficit, we would not now have such a balance-of-payments deficit, and we would not have to lean on other countries for the energy so important to our security. We would not have the problems in our own country with respect to blackouts, brownouts, and the other energy shortages that we are confronted with today and which we will be increasingly confronted with for awhile.

I congratulate the Senator from Kentucky again. He has demonstrated tremendous foresight and I hope that the Senate will act favorably and soon on this legislation.

Mr. COOK. May I associate myself with the remarks of the Senator from West Virginia.

Mr. President, it is an amazing situation we find ourselves in in this country that 6 percent of the world's population is now using between 35 percent and 40 percent of the world's fossil fuel resources. We now use 5 million barrels a day of imported crude oil. It does not take anyone long to figure out that a 42-gallon barrel—all we have to do is take a 42-gallon barrel and multiply it 5 million times, and if we continue at the rate we are increasing now, and we are increasing our utilization by 4.5 percent a year, that means that unless we do something between now and 1985, we will be importing into this country 15 million barrels of crude oil a day.

We cannot let that happen to this Nation. We have got to have a program. It is amazing that we have watched the increase in prices of various fuels and various items of fuel, yet we find out that one of the increases is a direct result of the competitive element of bidding for leases from the U.S. Govern-

ment and one of the major costs that has to be put on the books by the companies is the fantastic result of the millions and millions of dollars that they have to bid for the leases and the money goes into the Treasury instead of into a trust fund to solve our energy problems.

Mr. ROBERT C. BYRD. It is a repetition of the old story, "For want of a nail, the shoe was lost. For want of a shoe, the horse was lost. For want of a horse, the rider was lost."

Mr. COOK. I thank the Senator from West Virginia.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. STEVENS. Mr. President, I have a feeling that one of the reasons we have the opposition to the offshore drilling is that the States that are on the shore with the proposed activity have no interests. I have not seen the Senator's proposal and I wonder whether it contains any concept of payments to the States affected by the increased activity offshore as we do in connection with the development of public lands or development of the forests in counties where they are located.

Mr. COOK. To answer the Senator's question bluntly, it does not. But we gave that serious consideration, and I would hope that the Senator from Alaska would pursue it. If he feels that there should be a particular percentage, because of the tug of war that has gone on through the years between the Federal Government and the respective States relative to offshore drilling, I hope he would collaborate with this Senator at least, in trying to find a percentage or trying to find a formula by which a percentage of the trust would be utilized for the State of Alaska, the State of Florida, the State of Louisiana, the State of Texas, the respective eastern shore States and western shore States, to resolve the problem that the Senator from Alaska presents.

Mr. STEVENS. I would be happy to work with the Senator from Kentucky on that.

In connection with the developments of the offshore drilling in the Cook Inlet, where there are now a series of platforms that are producing oil and gas from under the Cook Inlet, we can demonstrate fully the impact of those operations on both the State and what we call the borough, and what the Senator would call the county governments, and the city governments in the area; the cost of schools; increased roads, docks, and everything else associated with that development—all of which comes out of those local governments—and they have no associated income if the drilling is outside the State's jurisdiction. I would be pleased to work with the Senator on that.

I do not think Maryland or the east coast is going to allow drilling off the east coast until they can see that it is in their financial interest to do so, because of the fantastic cost associated today in connection with environmental protection.

I think the Senator has a good proposal, and I am happy that I was here when he presented it. But I think we are going to have to do something to protect the interests of the States and local governments involved.

Mr. COOK. I thank the Senator from Alaska for raising the point, because we did raise it in our discussions. At that stage of the game, we had the information we really wanted for the establishment of the trust. I say to the Senator that we had no way of pinpointing a percentage. We had no way of determining logically and with sound reasoning an equitable formula. I think we can move in that direction, and we should. I am delighted that the Senator from Alaska raised that point.

Mr. STEVENS. I thank the Senator.

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By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 2168. A bill to authorize the Secretary of the Interior to establish the John Day Fossil Beds National Monument in the State of Oregon, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HATFIELD. Mr. President, I rise today to introduce legislation to authorize the Secretary of the Interior to designate the John Day Fossil Beds National Monument in the State of Oregon.

This monument would include a very unique area which clearly deserves further protection. Specimens of the four geological epochs are contained in the proposed monument grounds.

It is necessary for Congress to act now to preserve this area. The National Park Service has completed a preliminary study of the proposed monument, including a total park acreage of 7,300 acres. Three sections would be included: Sheep Rock in Grant County, Oreg.; and Painted Hills and Clarno State Parks in Wheeler County, Oreg. All three involve existing park sites.

Congressman AL ULLMAN has introduced identical legislation in the House of Representatives and Senator BOB PACKWOOD is cosponsoring the bill I am introducing today. This bill also enjoys strong support at the local level. I ask unanimous consent that the letters from the mayors of John Day, Monument, Dayville, Mount Vernon, and Long Creek, and from the Grant County Court, be printed in the RECORD, as well as an article which appeared in the Blue Mountain Eagle.

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

THE CITY OF JOHN DAY,
*John Day, Oreg., June 29, 1973.*

Senator MARK HATFIELD,
*Old Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: As Mayor of John Day I urge your support of the proposed John Day Fossil Bed National Monument. The unusual scenic values of the area are worthy of development and the John Day Fossil Beds are in need of protection to preserve the resource for future generations.

The basic plan of the National Park Service is excellent. The private lands that will be needed are of low value and will have minimal impact on county tax revenue.

Sincerely yours,

CHARLES STEELE, *Mayor.*

CITY OF MONUMENT, OREG.,
*June 29, 1973.*

Hon. MARK HATFIELD,
*U.S. Senator,*
*Salem, Oreg.*

DEAR SENATOR: Your support of the bill to establish the John Day Fossil Beds National Monument in the Painted Hills, Clarno and Thomas Condon Fossil Bed area is requested.

This action will have these beautiful and educational sites for the future good and at the same time will benefit the residents of the area.

Sincerely,

JACK SWEEK, *Mayor.*

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CITY OF DAYVILLE, OREG.,
*June 29, 1973.*

Hon. MARK HATFIELD,
*U.S. Senator,*
*Salem, Oreg.*

DEAR SENATOR: Compared to the costs and benefits conferred by other public recreation projects, the National Monument Program must be one of the most rewarding projects. It is so readily available to so many people. In the case of the proposed Monument in the Wheeler-Grant County area, establishment would also be a boon to the local communities since the economic input of a predicted substantial increase in tourism would help expand job opportunities, ease the tax burden, and provide more need for small business.

I am, therefore, asking on behalf of the citizens of Dayville for your support of this National Monument.

Sincerely,

PAUL GRINDSTAFF, *Mayor.*

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CITY OF MOUNT VERNON,
*Mount Vernon, Oreg., June 29, 1973.*

Senator MARK HATFIELD,
*Old Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: The John Day Fossil Beds National Monument is a project that should be completed in the near future. Steps should be taken to conserve and protect the fossil beds and the beauty of Picture Gorge. This is some of the outstanding scenery in Oregon that should be favorably called to the attention of more tourists.

The proposed plan for the national monument by the National Park Service will adequately (serve this) incorporate all of these resources in their management.

The economic impact of additional tourism will be helpful in planning the future of small communities such as ours.

We respectfully ask your help in obtaining a national monument for this deserving area.

Sincerely yours,

HERMAN L. DESOUZA, *Mayor.*

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TOWN OF LONG CREEK,
*Long Creek, Oreg., June 29, 1973.*

Senator MARK HATFIELD,
*Old Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: Long Creek is a small town in eastern Oregon. Our only income is derived from cattle, lumber and tourists. We have studied the proposed John Day Fossil Beds National Monument and find the plan to be compatible to the cattle and lumber industries. We feel that the National monument would add to our tourist income.

Of equal importance would be that the area involved would be properly managed by the National Park Service for the enjoyment of all our people.

We therefore ask your assistance in establishing the John Day Fossil Beds National Monument.

Sincerely yours,

ORVILLE ALLEN, *Mayor.*

GRANT COUNTY,
*Canyon City, Oreg., June 29, 1973.*

Senator MARK HATFIELD,
*Old Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: Our Court wishes to urge you to lend support to the establishment and fiscal support of the proposed John Day National Fossil Beds Monument here in Grant and Wheeler counties. I have viewed the preliminary plans of the Park Service, and feel they have done an excellent job in selecting areas of beauty and scientifically rich exhibits to be included in this proposed National Monument.

I feel all Oregonians should muster in this cause to preserve and protect these areas described in the proposed monument.

Sincerely,

FRANCIS F. R. COLE,
*Grant County Judge.*

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[From the Blue Mountain (Oregon) Eagle Feb. 15, 1973]

FOSSIL BEDS MONUMENT NEEDS CONGRESS' ACTION

If all goes well, development of the John Day Fossil Beds National Monument would occur over a five-year period from its authorization by Congress, two National Park Service officials told a local group last week.

Land acquisition is impossible before Congress acts, they noted. The remainder of the time would be devoted to development of interpretation facilities and other improvements.

Attending the meeting, held Thursday evening at the Courthouse in Canyon City, were about two dozen agency officials, ranchers who reside in the Dayville-Kimberly area and others interested. Jack Steiwer and Herb Wright, two Wheeler County residents very interested in the project, also were present.

Dan Buroughs, a retired National Park Service officer who now works in consulting roles for the NPS, answered questions about the project, assisted by Ernest Borgman, manager of the Greater Lake Lava Beds near Klamath Falls, a NPS facility.

Referring to the fossil beds area, Buroughs said, "This type of area is not designed for recreation primarily; it's for education and enjoyment." In answer to questions by Ralph Denney, Oregon Game Commission game biologist for this area, Buroughs said there could be no public hunting within the fossil beds area.

Planning for the national monument was instigated in 1965 by Congressman Al Ullman, who urged the National Park Service to take steps to protect the well-known fossil resources.

The NPS preliminary study now completed indicates a total park acreage of 7,300 acres, plus scenic easements on additional land. Buroughs said the actual land taking will involve very little bottom land. Grazing, he added, would be phased out on the acquired acreage over a 10-year period.

The monument would consist of three sections, of which the Sheep Rock section in Grant County would be the largest. Also involved are the Painted Hills and Clarno state parks in Wheeler County and lands around them. All three sections involve existing state park sites. Ten private landowners, under the preliminary plan, would lose acreage to the enlargement of the Sheep Rock section in Grant County.

Buroughs said a developed campsite of 75 to 80 spaces would be installed at the Painted Hills section. A small boat launching facility is envisioned in the Turtle Cove area of the Sheep Rock section. However, the NPS official said, it would be designed primarily for rubber rafts and not power boats.

Buroughs, asked by OGC fish biologist Errol Claire how the project would affect game angling, said he could see no effect at all.

Buroughs said no camper facilities were planned in Grant County on the expectation that the surrounding communities would provide meal and overnight accommodations.

The national monument, Buroughs added, is strictly a "proposal." Until Congress acts, he added, neither land nor scenic easements can be obtained.

He said it is important to preserve the geology of the Sheep Rock area since it contains specimens of three of the world's four geological epochs. The fourth, he added, is present at Clarno.

Asked about buffer zones or possible designation of a NPS recreation area around the fossil beds, Buroughs said NPS requires a minimum acreage of 20,000 acres for recreation areas. The Oregon Dunes Recreation Area is the only designation of this kind in Oregon, he added.

Buroughs told Denney, who expressed concern about game buildup on the protected area, that the two—a natural area, such as the fossile beds project, and a recreation area—could not be combined.

The boundaries of all three sections are "movable," Buroughs said. There will be a public hearing at the proper time and if one is not scheduled, area residents should ask for one.

Mr. PACKWOOD. Mr. President, it is with great pleasure that I join with Senator HATFIELD today in introducing a bill to establish the John Day Fossil Beds National Monument in the State of Oregon. The area is justly famous for its incredible assortment of fossils comprising a unique geologic formation, a priceless treasure house of natural history within the State. The town of Fossil and the surrounding area have become a magnet for casual rock hunters and more serious geologic students alike.

The monument area would consist of the John Day Fossil Formations, the Painted Hills State Park, and the Clarno State Park, thereby uniting three separate marvels of the Oregon wilderness into a single paradise. The Clarno section, once a bountiful garden, has yielded many specimens of tropical fruits, nuts, and leaves, and has been found to be particularly rich in invaluable samples of the two-toed, three-toed, and four-toed horse, remains of the beasts which roamed this land millions of years before the faint beginnings of mankind. Yet another natural wonder of the area are the pastel rock formations known as the Painted Hills. Bands and splotches of color were deposited by volcanic eruptions during formation of the Cascade Mountains, resulting in the formation of this scenic wonder.

Thomas Condon was responsible for discovering the famous fossil beds north of Dayville along the John Day River just inside Grant County. He was the State's first and great geologist, one of the great forgotten heroes of our Nation, a geological genius whose tireless hunt among the fossil beds first brought them to national attention. John Day himself was an explorer, and a number of landmarks in Oregon bear his name. The John Day Fossil Beds are said to be the second largest fossil repository in the world and their discovery in 1862 gave Thomas Condon his well-deserved title of the founder and father of Oregon geology. The entire region is a treasure trove of geologic history and holds within it the secrets of a boundless past that stretches back more than 75 million years. Flowing north through central Oregon's vast Columbia River basalt plateau, the John Day River has exposed some of the world's most productive fossil beds, including the John Day mammal beds and the Clarno nut beds. The region itself abounds in rugged scenery and is a veritable Eden for rockhounds and deer hunters alike. These fossil beds expose relics of a far-off tropical period, a time when ancestors of present-day animals traveled over the land. Hardy sagebrush now thrives in place of the ancient flora and fauna. After the tumultuous and earth-shaking upheaval that caused formation of the Coast Range, volcanic eruptions laid a thick cloak of lava and ash over the earth. Then came the great icecap over the north country, and, later, the great deluge of its melting during which some of Oregon's chief rivers were formed. As these rivers, including the John Day, cut down through the crust accumulated through the ages, they revealed the deposits that tell the story of the land's prehistoric past. Certainly, this area has great fascination and would be a source of endless learning and pleasure for even those who are not students of its history. Through this legislation, we hope to preserve the area for the enjoyment of all Oregonians and those others who visit the region.

The bill to establish the John Day Fossil Beds National Monument represents a continuation of the efforts first begun by Congressman ULLMAN in the 92d Congress and is parallel to the measure he introduced earlier this year in the House. Support for the monument is becoming increasingly evident within the State and the National Park Service has indicated that it is ready to go ahead with legislative proceedings. In light of this overall support, I would hope that we can expect enactment of the legislation in the near future.

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By Mr. PROXMIRE:

S. 2169. A bill to provide for the direct financing of low- and moderate-income housing programs under sections 235 and 236 of the National Housing Act. Referred to the Committee on Banking, Housing and Urban Affairs.

BILL TO PROVIDE DIRECT FINANCING OF LOW- AND MODERATE-INCOME HOUSING PROGRAMS, $4 TO $5 BILLION SAVINGS

Mr. PROXMIRE. Mr. President, I introduce and ask for appropriate reference a bill which provides for the direct financing of low- and moderate-income housing programs. The estimates of the Comptroller General and of the Joint Economic Committee is that such a provision could save from $4 to $5 billion in the cost of financing the low- and moderate-income housing needed to meet the Nation's housing goals as established by the 1968 Housing Act.

DOUGLAS COMMISSION RECOMMENDATION

At the end of 1968, when the Douglas Commission made its final report entitled "Building the American City," it proposed that low- and moderate-income housing be financed directly through Government rather than private borrowing.

It pointed out that it costs the Government from 1.5 to 2 percent more to borrow funds from the private sector to build housing than it would cost the Government to borrow the funds directly. This is especially true of the section 235 and section 236 programs where the funds are borrowed privately and the interest rate subsidized.

GOVERNMENT UNWILLING TO DO IT

Traditionally the Bureau of the Budget has refused to support direct financing. Due to the nature of existing Federal Government budget practices, the amount expended for a housing unit has to be written off in 1 year as a charge against that year's budget.

This is a silly way to budget. No private business does it. But the Federal Government does it. And that has kept them from financing housing by direct borrowing. Instead of writing off the costs of a $25,000 housing unit over the 25 to 30 year life of the asset through equal annual payments, the entire $25,000 is a charge against the Federal Government's budget in the year it is provided.

Private business would not and does not do this. They would consider that they had a $25,000 expenditure which was offset on the asset side of the ledger by a $25,000 house secured by a mortgage. This would be a blue chip asset which pays back both interest and principal and which would probably appreciate in value over time. To treat that as a $25,000 liability and write it off a company's books in one year as the Federal Government does, would be and is looked upon as fiscal insanity by private business.

The Government therefore pays out vast sums of money needlessly for Government supported housing because of its ridiculous bookkeeping methods.

As I say, the Douglas Commission proposed in 1968 that the Government borrow the funds directly and said that these direct payments "can be the least costly and most effective" method of subsidizing housing.

COMPTROLLER GENERAL RECOMMENDATION

The Comptroller General, Mr. Elmer Staats, himself a former Deputy Director of the Budget Bureau under three administrations, recommended direct financing of subsidized housing in his testimony before my Subcommittee on Priorities and Economy in Government of the Joint Economic Committee last December.

His estimates of savings based on use of the long term interest rate for Government borrowing was $1 billion for section 235 and $1.2 billion for section 236.

But if the "average" Government interest rate is used, in the calculation, the savings would be double that amount or between $4 and $5 billion according to the testimony of the Comptroller General and his staff last December.

In its report following these hearings, the subcommittee recommended that subsidized housing be financed by direct Government borrowing.

These are savings which can not and should not be pushed under the rug. We should not let some traditional method of accounting—purely an accounting procedure—stand in the way of a $4 to $5 billion savings in Government expenditures.

I have therefore drafted a bill which I believe will do the job and which I am introducing today so that it can be considered by the Senate Banking, Housing, and Urban Affairs Committee at its hearings during this week and next week.

WHAT THE BILL DOES

First of all the bill would provide a national subsidized housing loan fund which would be established through Government borrowing. This fund would be used to finance section 235 and section 236 housing instead of borrowing the funds from the private sector at interest rates 1.5 percent to 2 percent higher than the Government can borrow them. The amount of the fund would be determined by the committee.

Second, offsetting the payments made from the fund would be the house, the land, and the mortgage on the housing unit. The fund would receive principal and interest on the loans made from the fund which was repaid by the mortgagors.

Third, each year the Appropriations Committees of the Congress would appropriate the difference between the amount of interest paid on the obligations which are issued and the amount of interest paid by the mortgagors. This is exactly what is now done under sections 235 and 236. It represents the interest rate subsidy now paid between what the homeowner or tenants can afford to pay and the higher cost of the mortgage. But in this case, the interest payments would be lower by 1.5 to 2 percent than they are now.

Fourth, only the subsidy or the amount of the appropriated funds, would be a charge against the budget. That is a proper charge and represents the cost of the program. But the principal amounts borrowed for the fund would be outside the budget on grounds that they are backed by a blue chip asset namely, land, a housing unit, and a mortgage which pays both principal and interest.

CONGRESS KEEPS CONTROL

Fifth, in order to prevent this from becoming an open-ended or back-door method of financing, two safeguards are provided. They are:

First. The number of units built each year would have to be authorized by the Congressional Banking, Housing, and Urban Affairs Committees.

Second. The Appropriations Committees of the House and Senate would provide limits on the amount of loans, and hence the number of units subsidized, made under the Act in each fiscal year.

In this way the public gets the benefit of the Government's ability to borrow at a rate much lower than is now paid privately without the abuses which in the past have come from open-ended or back-door methods of financing. Both the authorization and Appropriation's Committees would remain in control of the program. They would control the number of units authorized and the amount of the annual subsidy, which in effect means the number of units which could be built each year. This is exactly what happens now under the section 235 and section 236 programs.

NO ADVERSE EFFECTS ON MONEY MARKET

Some may argue that this would have an adverse effect on the money markets. I do not see how that could happen.

If at the present time the private market makes $1 billion available to finance section 235 and section 236 housing, substituting Government borrowing for the private borrowing would have no net effect on the total amount of debt in the economy. But it would have a tremendous effect on the cost of subsidized housing. It would reduce that cost by $4 to $5 billion over the life of the program established under the Housing Act of 1968 that the Government provide 6 million subsidized units over a 10-year period.

WHY IT IS IMPORTANT

We have a housing goal both for total housing and subsidized housing. At the present time over half the people in the United States cannot afford to buy a new home. They just do not have the income.

The average family income is now a little over $11,000 a year. Using the rule of thumb of 2½ times annual income as the amount one should pay for a house, this means that half the families in the country cannot afford a unit costing $27,500 or more.

There are very few family housing units now built at $27,500 or less. They just do not exist.

The only way, therefore, that the housing goals can be met is to reduce housing costs. Half the taxpayers in the United States cannot end up subsidizing the other half of the taxpayers. That will not work.

But if through a series of programs, with special emphasis on reducing the cost of money, housing costs can either be reduced or prevented from going up as fast as increases in income, then we can meet the housing goals.

$4 TO $5 BILLION NOT TO BE SNEEZED AT

Mr. President, a $4 to $5 billion savings in the cost of subsidized housing programs should not be sneezed at.

That is a lot of money. And the Government of the United States is simply crazy to continue a system of budgetary financing for housing which no private industry, including the most fiscally conservative private industry, would ever follow.

It is time to make a change. This bill will help.

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By Mr. PROXMIRE:

S. 2170. A bill to amend the U.S. Housing Act of 1937 to require that 20 percent of new units in public housing projects be available for occupancy by large families. Referred to the Committee on Banking, Housing and Urban Affairs.

BILL TO PROVIDE THAT 20 PERCENT OF NEW PUBLIC HOUSING UNITS PROVIDE THREE BEDROOMS OR MORE

Mr. PROXMIRE. Mr. President, under the public housing program in this country in recent years that virtually no housing was built for the large poor family in the central cities of the United States.

Almost 50 percent of the units have

been for housing for the elderly. These have been efficiency or one-bedroom units.

Most of the remainder of public housing has been one- or two-bedroom units. The reason for this is that the Secretary of Housing or HUD itself has established a unit cost which just did not allow for more than two bedrooms in most cases.

DOUGLAS COMMISSION STUDY

In a study done for the Douglas Commission entitled "The Large Poor Family: A Housing Gap" by Walter Smart, Walter Rybeck, and Howard E. Shuman who is now my administrative assistant, it was established that 80 percent or more of the need for housing by poor families was totally unmet through the public housing program. In city after city which was studied—Washington, D.C., San Francisco, Calif., and others—virtually no public housing with more than two bedrooms was being built.

ELDERLY PREFERRED OVER FAMILIES

There are many reasons for this. One major one is that communities do not want to build public housing for poor families. They much prefer the elderly. The units cost less. No new schools have to be built. City services for the elderly cost far less than for a growing family.

HUD, representing the prejudices of the society as a whole, failed to provide for the poor families to any degree at all.

I agree that there is a limit to the amount of subsidized housing that can be or should be provided for large families. But a three-child family is not a large family—it is about the average family—but almost no housing units with three bedrooms were provided under public housing, and that many bedrooms are needed as a minimum in a family of three children with children of both sexes.

TWENTY PERCENT FOR FAMILIES

My bill provides, therefore, that in the future at least 20 percent of the public housing units shall have at least three bedrooms. I think that is necessary and appropriate not only for the future but to make up for the deficiencies of the past.

I introduce the bill and ask for its appropriate referral. I intend to bring up this matter in the hearings before the Senate Banking, Housing, and Urban Affairs Committee in its housing hearings during the next 2 weeks.

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By Mr. PROXMIRE:

S. 2171. A bill to encourage low rise construction in public housing and elderly housing projects. Referred to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF A BILL TO ENCOURAGE LOW RISE CONSTRUCTION OF PUBLIC HOUSING AND ELDERLY HOUSING UNITS

Mr. PROXMIRE. Mr. President, I am introducing today a bill to encourage the construction of low rise public housing and housing for the elderly units instead of the high rise construction which has been all too prevalent in the past.

LOW RISE CHEAPER

High rise construction costs far more than low rise construction. High rise is only justified, in my opinion, where land costs are so high that low rise construction is out of the question. This, in practice, is limited to the areas of very high land costs in the largest metropolitan centers of the United States. In almost every other case, low rise construction is far less costly and provides far better housing. It certainly gets away from the Pruitt Igoe's and other high rise disasters of the recent past which have crowded and concentrated the poor into huge high rise apartment projects.

IRONIES OF HOUSING FOR ELDERLY

The best public housing is scattered site housing and leased housing. That is the way it is done by the best housing officials and housing agencies.

But one of the ironies of housing for the elderly is that in small town after small town scattered across this country, where there has never before been a high rise building, the housing for the elderly project is inevitably a high rise building.

That makes no sense at all. Land costs are low. Scattered site or individual units would cost less. There is more air space, trees, and grass in low rise buildings. Building high rise units in the small towns of America is nothing more or less than bureaucratic stupidity. Some HUD bureaucrat in Washington, New York, or Chicago has the mistaken view that every place in the country is like these major cities.

Because of this stupidity, the high rise for the elderly units dot the prairies rivalling only the grain elevators next to the railroad sidings.

PROPOSAL

My bill proposes, therefore, that in cases of projects located in communities of less than 500,000 in population, there can be no high rise construction for elderly or public housing projects. And the simple reason is that virtually without exception it is cheaper to build low rise than high rise units in such areas.

By bill also provides that in cases of projects located in communities with a population in excess of 500,000, high rise construction can only take place upon a showing that the costs of high rise are lower than low rise construction would be.

In general that would be true only where land costs were exceedingly high and would offset the very high added costs of high rise construction over low rise construction.

CONSIDERED BY SENATE BANKING COMMITTEE

I am introducing this and other bills today so that they can be considered by the Senate Banking, Housing and Urban Affairs Committee during its hearings on housing in the next 2 weeks.

Mr. Lawrence Katz, former director of the Federal Housing Administration Office in Milwaukee, Wis., suggested that this be done in testimony before the Joint Economic Committee last December.

No man has had more general experience in housing programs than Mr. Katz and no one exceeds his contribution to the programs. Most people think he was the best director in the country.

I am pleased, therefore, to put his suggestion into legislative form for consideration by the Senate Banking, Housing and Urban Affairs Committee.

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By Mr. PROXMIRE:

S. 2172. A bill to require that funds be made available for replacement housing in connection with certain highway programs. Referred to the Committee on Finance.

INTRODUCTION OF BILL TO PROVIDE THAT THE HIGHWAY TRUST FUND MUST PAY FOR HOUSING CONDEMNED OR DESTROYED BY CONSTRUCTION OF A FEDERAL-AID HIGHWAY

Mr. PROXMIRE. Mr. President, I introduce and ask for appropriate reference a bill to provide that any house or dwelling unit condemned or destroyed in connection with the construction of a Federal-aid highway, must be replaced through a payment from the highway trust fund.

My bill provides that the Secretary of the Treasury shall pay out of the Highway trust fund to the Secretary of Housing and Urban Development an amount equal to the average construction cost of a three-bedroom public housing unit.

There is good reason to do this. The Douglas Commission found in 1968 that more housing in this country had been destroyed by public action than had been built by public action. The units destroyed by highway construction, by code enforcement, by so-called equivalent demolitions, by urban renewal and slum clearance, and other public actions exceeded those built by public housing, moderate-income housing, and State subsidized housing programs many times over.

The most devastating destruction has been due to highways. Great swaths have been cut through our central cities—Baltimore, Chicago, and Washington, D.C., to name only a few.

Generally speaking, in fact in almost every case, the houses destroyed were the houses of the poor. The well to do had the political clout to make certain that the highways did not come through their well-groomed neighborhoods.

Consequently there is a public interest in tapping the highway trust fund for the cost of the housing units that highway construction destroys.

I am going to propose this as an amendment to whatever housing bill comes out of our hearings and actions in the Banking, Housing, and Urban Affairs Committee which start on July 16.

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By Mr. BROOKE:

S. 2175. A bill to amend section 24 of the Federal Reserve Act to simplify, consolidate, and improve the law relating to the investment in mortgages and residential real estate by national banks, and to enable the Federal Reserve banks to extend credit to member banks on any sound collateral at a uniform rate of interest. Referred to the Committee on Banking, Housing and Urban Affairs.

MORTGAGE INVESTMENT ACT OF 1973

Mr. BROOKE. Mr. President, I rise today to discuss a matter of great importance not only to this Nation's housing industry, but also to the vast number of families who seek decent housing at a reasonable cost. The growth of our hous-

ing stock—and hence our ability to satisfy the ever-expanding needs of low-income families and others—depends in large part on the housing industry's access to credit.

National banks have long served as a significant source of capital for both businesses and consumers; however, they have been needlessly hindered from investigating in real estate by outmoded and cumbersome statutes such as section 24 of the Federal Reserve Act. Although this statute has been amended several times, it still contains restrictions which must be removed if we are to facilitate the orderly development of unimproved real estate and the construction of a sufficient number of dwelling units to meet our national housing goals.

The bill which I am introducing today expands the powers of national banks by permitting them to make real estate loans against unimproved property; establishing realistic amortization requirements; liberalizing restrictions on the granting of construction loans; treating those loans which are guaranteed by Government agencies differently from other loans; eliminating the requirement that real estate loans be secured by first liens only; and other provisions which lend greater flexibility to the investment statutes.

Section 3 of this legislation provides that real estate loans would be eligible as collateral for advances to member banks from the Federal Reserve at the same rate of interest that applies to loans secured by Government securities. At present, the Federal Reserve Act requires that the rate of interest on an advance secured by home mortgages must be at least one-half percent higher than the rate the lending Reserve Bank charges on loans secured by governments.

For several years the Board of Governors has favored permitting member banks to borrow from the Reserve banks on security of any sound assets without paying such a "penalty" rate of interest whenever technically ineligible paper is presented. The need to remove this "penalty" has increased as member banks have reduced their holdings of Government securities and broadened the scope of their lending in order to meet the expanding credit demands of their customers. As a result, many of these loans cannot qualify as security for Federal Reserve advances except at the "penalty" rate of interest, although their quality may be equal to that of presently "eligible" paper.

The removal of this "penalty" provision from section 10(b) of the act is necessary to avoid penalizing those uses of credit that generate sound paper that is not "eligible" under existing law.

Therefore, Mr. President, this legislation which I introduce today will permit member banks to borrow from the Reserve banks on security of any sound assets without paying such a "penalty" rate of interest. Moreover, I believe that the enactment of this provision will further buttress and compliment the provisions of this bill regarding real estate lending by national banks. Together, it is my hope that these provisions will stimulate our national banks to become a significant source of mortgage credit for our beleaguered housing markets.

I ask unanimous consent that the bill be printed at this point in the RECORD.

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

S. 2175

*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 "Mortgage Investment Act of 1973".

SEC. 2. Section 24 of the Federal Reserve Act is amended to read as follows:

"REAL ESTATE LOANS BY NATIONAL BANKS

"SEC. 24. (a) (1) Any national banking association may make real estate loans secured by liens upon unimproved real estate, upon improved real estate, including improved farmland and improved business and residential properties, and upon real estate to be improved by a building or buildings to be constructed or in the process of construction, in an amount which when added to the amount unpaid, upon prior mortgages, liens, and encumbrances, if any, upon such real estate does not exceed the respective proportions of appraised value as provided in this section. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument which shall constitute a lien on real estate in fee or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least ten years beyond the maturity date of the loan, and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan hereafter made shall not exceed 66-2/3 per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by off-site improvements such as streets, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or buildings to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. If any such loan exceeds 75 per centum of the appraised value of the real estate or if the real estate is improved with a one to four family dwelling, installment payments shall be required which are sufficient to amortize the entire principal of the loan within a period of not more than thirty years.

"(2) The limitations and restrictions set forth in paragraph (1) shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans (A) which are insured under the provisions of the National Housing Act, (B) which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, or (C) which are guaranteed by the Secretary of Housing and Urban Development for the payment of the obligations of which the full faith and credit of the United States is pledged, and such limitations and restrictions shall not apply to real estate loans which are fully guaranteed or insured by a State, or any agency or instrumentality thereof, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan, or to any loan at least 20 per centum of which is guaranteed under chapter 37 of title 38, United States Code.

"(3) Loans which are guaranteed or insured as described in paragraph (2) shall not be taken into account in determining the amount of real estate loans which a national banking association may make in relation to its capital and surplus or its time and savings deposits or in determining the amount of real estate loans secured by other than first liens. Where the collateral for any loan consists partly of real estate security and partly of other security, including a guaranty or endorsement by or an obligation or commitment of a person other than the borrower, only the amount by which the loan exceeds the value as collateral of such other security shall be considered a loan upon the security of real estate, and in no event shall a loan be considered as a real estate loan where there is a valid and binding agreement entered into by a financially responsible lender or other party either directly with the association or which is for the benefit of or has been assigned to the association and pursuant to which agreement the lender or other party is required to advance to the association within sixty months from the date of the making of said loan the full amount of the loan to be made by the association upon the security of real estate. Except as otherwise provided, no such association shall make real estate loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 70 per centum of the amount of its time and savings deposits, whichever is greater: *Provided,* That the amount unpaid upon real estate loans secured by other than first liens when added to the amount unpaid upon prior mortgage, liens, and encumbrances shall not exceed in an aggregate sum 20 per centum of the amount of the capital stock of such association paid in and unimpaired plus 20 per centum of the amount of its unimpaired surplus fund.

"(b) Any national banking association may make real estate loans secured by liens upon forest tracts which are properly managed in all respects. Such loans shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument; and any national banking association may purchase or sell any obligation so secured in whole or in part. The amount of any such loan, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, shall not exceed 66⅔ per centum of the appraised fair market value of the growing timber, lands, and improvements thereon offered as security and the loan shall be made upon such terms and conditions as to assure that at no time shall the loan balance, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, exceed 66⅔ per centum of the original appraised total value of the property then remaining. No such loan shall be made for a longer term than three years; except that any such loan may be made for a term not longer than fifteen years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the principal of the loan within a period of not more than fifteen years and at a rate of at least 6⅔ per centum per annum. All such loans secured by liens upon forest tracts shall be included in the permissible aggregate of all real estate loans and, when secured by other than first liens, in the permissible aggregate of all real estate loans secured by other than first liens, prescribed in subsection (a), but no national banking association shall make forest-tract loans in an aggregate sum in excess of 50 per centum of its capital stock paid in and unimpaired plus 50 per centum of its unimpaired surplus fund.

"(c) Loans made to finance the construction of a building or buildings and having

maturities of not to exceed sixty months where there is a valid and binding agreement entered into by a financially responsible lender or other party to advance the full amount of the bank's loan upon completion of the building or buildings, and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed sixty months, may be considered as real estate loans if the loans qualify under this section, or such loans may be classed as commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed at the option of each national banking association that may have an interest in such loans: *Provided*, That no national banking association shall invest in, or be liable on, any such loans classed as commercial loans under this subsection in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 10 per centum of its unimpaired surplus fund.

"(d) Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

"(e) Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) secured by an assignment of rents under a lease, and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, and loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred or guaranteed basis under the Small Business Act shall not be considered as real estate loans within the meaning of this section but shall be classed as commercial loans.

"(f) Any national banking association may make loans upon the security of real estate that do not comply with the limitations and restrictions in this section, if the total unpaid amount loaned, exclusive of loans which subsequently comply with such limitations and restrictions, does not exceed 10 per centum of the amount that a national banking association may invest in real estate loans. The total unpaid amount so loaned shall be included in the aggregate such that such association may invest in real estate loans.

"(g) Loans made pursuant to this section shall be subject to such conditions and limitations as the Comptroller of the Currency may prescribe by rule or regulation."

SEC. 3. "The last sentence of Section 10(b) of the Federal Reserve Act (12 U.S.C. 347b) is repealed."

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By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. RANDOLPH, Mr. ABOUREZK, Mr. BIBLE, Mr. BUCKLEY, Mr. CHURCH, Mr. HASKELL, Mr. HATFIELD, and Mr. MOSS):

S. 2176. A bill to provide for a national fuels and energy conservation policy, to establish an Office of Energy Conservation in the Department of the Interior, and for other purposes. Referred to the Committee on Interior and Insular Affairs; and then to the Committee on Commerce for not to exceed 60 days, if and when reported from the Committee on Interior and Insular Affairs, by unanimous consent order.

NATIONAL FUELS AND ENERGY CONSERVATION ACT

Mr. JACKSON. Mr. President, I am today introducing the proposed National Fuels and Energy Conservation Act.

This act is designed to set in motion a serious and sustained energy conservation effort by the Federal Government. It recognizes that we cannot continue our reckless waste of energy; that we cannot sustain the adverse social, economic, and environmental impacts of that waste; and that we can, through effective conservation programs, minimize these adverse impacts and reduce energy demand.

In brief, the act sets forth a congressional declaration of national policy to "foster and promote comprehensive national fuels and energy conservation programs and practices."

It makes energy conservation the responsibility of every Federal agency.

It provides a statutory basis for the Office of Energy Conservation in the Interior Department.

It mandates a series of energy conservation actions by Federal agencies including development of proposed standards for motor vehicle fuel use and mandatory labeling of appliances to show energy efficiency and operating costs.

It establishes energy conservation research and development programs to stimulate new and improved manufacturing and industrial processes, better building construction and more efficient production and transmission of electric energy.

It requires several significant studies on such subjects as utility rate structures and motor vehicle size to lay the groundwork for later congressional action.

Mr. President, I ask unanimous consent that the text of the National Fuels and Energy Conservation Act, and an outline of its principal provisions be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibits 1 and 2.)

Mr. JACKSON. Mr. President, this act is in effect an action-forcing device to stimulate Executive action on a broad-scale energy conservation program. We have waited too long for evidence that this administration is committed to serious energy conservation.

In his first energy message in 1971, the President referred briefly to the need to use energy wisely. The emphasis of that message was on the price mechanism as a means of reducing energy use and on voluntary efforts by consumers.

In his second energy message last April, the President established an Office of Energy Conservation, but again sidestepped the development of an aggressive conservation program, stating his conviction that conservation "can be undertaken most effectively on a voluntary basis."

In a third Presidential energy statement in June, the discussion of energy conservation is more serious reflecting the administration's growing concern with fuel shortages. But there is still no commitment to fundamental changes in existing patterns of energy use. The emphasis is primarily on short-term voluntary measures to avert shortages, with Presidential appeals to the public to drive at reduced speeds, requests for cooperation from State and local governments and directives to Federal agencies to reduce energy use.

The record suggests, Mr. President, that the administration is taking the "quick fix" approach to energy conservation. But a nation that is using one-third of the world's energy and squandering much of it must do more than pay lipservice to the concept of energy conservation.

The familiar figures on energy demand in the United States should be compeling evidence of the urgent need to make conservation a keystone of national energy policy. Per capita energy consumption rose from the equivalent of 33 barrels of oil per person a year in 1940 to 60 barrels per person a year in 1970. The demand for energy in the United States between 1973 and 1980 is expected to increase by 37 percent—the equivalent of 13 million barrels of oil a day.

We have become all too accustomed to accepting the unacceptable in terms of annual increases in energy use. Our consumption of electricity is increasing at an annual rate of about 7 percent—but we are talking about 7 percent of the highest level of consumption in our history.

As Dr. Jerome B. Wiesner, president of MIT, warned the Interior Committee last month:

> We are victims of a rather deep human perceptual failing, our inability to perceive intuitively the power of exponential growth. That is, the important idea that a phenomena that increases at a fixed rate will one day grow explosively. Five percent of a million gallons is 50,000 gallons; five percent of 10 million gallons is 500,000 gallons, five percent of 100 million gallons is 5 million gallons. We all know this. But we have not learned how to anticipate the consequences of exponential growth.

Mr. President, we are going to pay a high price for our failure to recognize and anticipate the impact of exponential growth in energy demand. Already, it is too late to forestall such consequences as gasoline and heating oil shortages and heavy dependence on foreign imports to meet our energy requirements. But it is not too late to build a national energy policy that restores us to energy self-sufficiency.

We cannot hope to achieve any real degree of self-sufficiency in the next generation merely by working to satisfy energy demand. That is, quite clearly, a losing battle. Until we start questioning the legitimacy of the demand, until we start challenging the reckless waste of energy resources, we cannot expect to satisfy our basic energy requirements in economically and environmentally acceptable ways.

Mr. President, I am convinced that Congress must now take the initiative to assure that energy conservation plays a central role in national energy policy.

The National Fuels and Energy Conservation Act is a significant first step toward that goal.

Mr. President, several sections of the proposed act deal with subject matter within the jurisdiction of the Commerce Committee. I wish to make clear that the legislation will be rereferred at the appropriate time for consideration of these sections by the Committee on Commerce.

Mr. President, I ask unanimous consent that the bill which I have just introduced be referred to the Senate Committee on Interior and Insular Affairs and, when reported by the committee, that it be rereferred to the Commerce Committee for a period of not to exceed 60 days.

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

EXHIBIT 1

S. 2176

*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 "National Fuels and Energy Conservation Act of 1973".

PURPOSE

SEC 2. The purposes of this Act are: to declare a national policy of conserving fuels and energy resources through more efficient conversion and use; to make energy conservation an integral part of all ongoing programs and activities of the Federal Government; to establish an Office of Energy Conservation in the Department of the Interior to promote energy conservation efforts through specific directives to agencies of the Federal Goverment and sectors of private industry; and to provide for the development of additional energy conservation programs pursuant to the policy set forth in this Act.

STATEMENT OF FINDINGS AND POLICY

SEC. 3. (a) The Congress recognizes: (i) that adequate supplies of energy at reasonable cost are essential to the growt of the United States economy and the maintenance of a high tandard of living; (ii) that the availability of low-cost energy has stimulated energy consumption and waste through inefficient use; (iii) that expanding increases in energy consumption in the United States, which already uses almost one-third of the world's energy with only one-sixteenth of its population, cannot be maintained indefinitely; (iv) that the finite nature of energy resources and diminishing reserves of such fuels pose major questions of domestic and international policy; (v) that increasing dependence on energy supplies imported from foreign sources has created serious economic and national security problems; (vi) that a continuation of the present unrestrained demand for energy in all forms will have serious adverse social, economic, political, and environmental impacts; and (vii) that the adoption at all levels of government of laws, policies, programs, and procedures to conserve energy and fuels could have an immediate and substantial effect in reducing energy demand and minimizing such adverse impacts.

(b) The Congress hereby declares that it is in the national interest for, and shall be the continuing policy of, the Federal Government to foster and promote comprehensive national fuels and energy conservation programs and practices in order to assure adequate supplies of energy and fuels to consumers, reduce energy waste, preserve natural resources, and protect the environment.

(c) Every agency of the Federal Government shall have the continuing responsibility of implementing the policies set forth in this Act. Each such agency shall, where its proposed programs and policies will substantially affect energy consumption, consider and adopt feasible alternatives for conserving energy. Each agency shall review its present statutory authority, regulations, policies, procedures, and programs in order to determine what changes may be required to assure conformity with the policies and purposes of this Act and shall report the results of its review, together with recommendations for necessary changes, to the President and the Congress within one year from the date of enactment of this Act.

OFFICE OF ENERGY CONSERVATION

SEC. 4. (a) There is hereby established in the Department of the Interior the Office of Energy Conservation (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5315), and such other officers and employees as may be required. The Director shall have such duties and responsibilities as the Secretary of the Interior may assign.

(c) The Secretary of the Interior, acting through the Office, shall—

(1) work with the Council on Environmental Quality in developing new energy conservation initiatives for the Federal Government;

(2) cooperate with private industry in developing energy conservation programs in industry;

(3) provide assistance to State governments in developing State energy conservation programs;

(4) conduct educational programs to foster public awareness of energy conservation needs and opportunities;

(5) conduct a continuing study of, and maintain current statistics on patterns of energy consumption; and

(6) prepare an annual report to the President and the Congress on his activities and the activities of other Federal agencies in implementing the purposes and objectives of this Act. The report shall also review progress on energy conservation for major categories of energy use, and recommend additional energy conservation measures for each such category.

RESEARCH AND DEVELOPMENT

SEC. 5. (a) The Director of the National Science Foundation shall coordinate the energy conservation research and development programs of the Federal Government, identify energy conservation research and development opportunities, and make recommendations to the President and the Congress for additional research and development programs necessary to achieve the purposes of this Act.

(b) The Secretary of Commerce is authorized to establish within the National Bureau of Standards an energy conservation research and development program to stimulate, through process testing, field demonstrations, and other means, new or improved manufacturing and industrial processes, better building construction, materials, and techniques; and to foster more efficient methods of managing energy use.

(c) The Secretary of the Interior is authorized to establish, utilizing existing facilities of the Federal Government for the production and transmission of electrical energy, one or more electrical equipment testing and development centers for the purpose of developing and testing more efficient equipment for the production and transmission of electric energy. The programs of such center or centers shall be coordinated to the fullest extent possible with existing governmental and industrial research and development programs.

(d) For the purposes of subsection (b) and subsection (c) of this section, there are authorized to be appropriated $8,000,000 and $4,000,000, respectively, for each of the first three fiscal years following the enactment of this Act.

FEDERAL BUILDING AND PROCUREMENT POLICIES

SEC. 6. (a) The Administrator of the General Services Administration is authorized and directed in the design, construction, and operation of all Federal buildings to utilize to the fullest extent possible equipment, methods of construction, and management policies which make the maximum efficient use of energy. The factors to be considered by the Administrator in implementing this section shall include but are not limited to—

(1) design of buildings for life cycle cost rather than initial cost;

(2) design of buildings to be as self-contained as possible;

(3) possible use of exhaust air to precondition incoming air and use of waste heat from utility sources;

(4) reduced illumination levels;

(5) provision for sufficient zones of temperature control within buildings; and

(6) location of buildings near existing or planned mass transit facilities.

(b) The Administrator is authorized to carry out demonstration projects to test and demonstrate methods, policies, and techniques developed pursuant to this section.

(c) The Administrator shall appoint an advisory committee of experts, including architects, engineers, economists, and builders, to advise him in implementing the requirements of this section.

(d) The Administrator is authorized and directed to develop, publish, and implement energy conservation guidelines for all Federal procurement. These guidelines shall be designed to assure that efficient energy use becomes a major consideration in all Federal procurement and shall be followed by all Federal agencies.

(e) The provisions of subsection (a) and subsection (b) of this section shall apply, to the extent consistent with the requirements of national security, to all the construction and procurement policies of the Department of Defense.

BUILDING STANDARDS AND CODES

SEC. 7. (a) The Secretary of Housing and Urban Development is authorized and directed to develop, in cooperation with the National Bureau of Standards and the General Services Administration, improved design, lighting, and insulation standards to promote efficient energy use in residential, commercial, and industrial buildings.

(b) The Secretary is authorized and directed to prepare, in cooperation with the National Bureau of Standards and the General Services Administration, model building codes for different types of classes of buildings, incorporating the most practicable standards possible for efficient energy use in differing regional environments. Such codes shall, to the extent possible, specify the energy conservation which may be achieved by adopting the practices recommended therein.

(c) Within six months from the date of enactment of this Act, the Secretary shall review and revise the existing minimum property standards of the Federal Housing Administration to incorporate therein the most advanced practicable standards for efficient energy use and include minimum standards for heating and cooling equipment and major appliances. Such standards shall thereafter be reviewed and where necessary revised not less than once every three years to include new or improved techniques for more efficient energy use.

APPLIANCE EFFICIENCY DISCLOSURE

SEC. 8. (a) The Secretary of Commerce is authorized and directed, acting through the National Bureau of Standards, to develop standard test procedures and measurement methodologies for determining the efficiency of major electrical appliances and equipment

with respect to the use of electricity. Using such procedures, the Secretary, acting through the National Bureau of Standards, shall establish average and best available standards of efficiency for each type or class of appliances and equipment. Such standards shall be published within twelve months of the date of enactment of this Act and may be revised from time to time thereafter when warranted by the results of further testing.

(b) Within eighteen months from the date of enactment of this Act, the Federal Trade Commission shall by rule on the record after opportunity for a public hearing promulgate standards, which shall become effective within 90 days thereafter, for labeling major electrical appliances and equipment. Such standards shall include the requirement that labels contain clear statements, in nontechnical language designed to facilitate comparative shopping, of (i) the efficiency and operating costs of such appliances and equipment in using electricity, and (ii) how such efficiency compares with the average and best available standards of efficiency for appliances and equipment of the same type or class established pursuant to subsection (a) of this section.

(c) No manufacturer, distributor, wholesaler, or retailer of electrical appliances and equipment shall sell or offer for sale in, or in any manner affecting, interstate commerce any electrical appliance or equipment after the effective date of a standard promulgated by the Federal Trade Commission under subsection (b) of this section applicable to such appliance or equipment unless such appliance or equipment is labeled in accordance with the requirements of that standard.

(d) No manufacturer, distributor, wholesaler, or retailer of electrical appliances or equipment shall advertise or cause to be advertised any such appliance or equipment for sale through any communications medium unless that advertisement contains a statement in accordance with the requirements of the standard promulgated pursuant to subsection (b). This subsection shall become effective six months after the effective date of such standard.

(e) The act of selling or offering for sale (including causing an advertisement to be published or broadcast) any electrical appliance in violation of the provisions of this section constitutes an unfair or deceptive act or practice in commerce in violation of the provisions of section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45) (a)(1)).

(f) Any person who knowingly violates the provisions of subsection (c) or (d) of this section shall be subject to a civil penalty not to exceed $5,000 for each violation. A violation of such subsections shall constitute a separate offense with respect to each electrical appliance or equipment involved. The maximum penalty under this subsection shall not succeed $1,000,000 for any related series of violations.

(g) Any individual officer, director, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any act constituting a violation of subsection (c) or (d) of this section shall be subject to penalties under this section without regard to any penalties to which that corporation may be subject under subsection (f) of this section.

(h) The United States district courts shall have jurisdiction to restrain any violation of subsection (c) or (d) of this section. Such actions may be brought by any aggrieved person or by the Federal Trade Commission (with the concurrence of the Attorney General) or by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

MOTOR VEHICLE FUEL USE STANDARDS

SEC. 9. (a) The Secretary of Transportation is authorized and directed to prepare and submit to the Congress within twelve months from the date of enactment of this Act proposed minimum standards for the average number of miles a vehicle is propelled for each unit of fuel consumed, hereinafter referred to as the degree of fuel use, for all motor vehicles sold in or for use in the United States after such standards take effect.

(b) In order to prepare such standards, the Secretary of Transportation, in cooperation with the National Bureau of Standards and the Environmental Protection Agency, shall develop and utilize standard testing procedures to ascertain the degree of fuel use for all types and classes of motor vehicles produced in the model year during which this Act becomes effective. Such procedures shall include a driving cycle utilizing a representative combination of urban and interurban driving conditions.

(c) The standards prepared pursuant to subsection (a) shall be designed to achieve a substantial increase in the degree of fuel use by all motor vehicles not in compliance with such standards within three years from the enactment of such standards by the Congress, with all motor vehicles being required to meet such standards within five years from the date of their enactment.

(d) The standards prepared pursuant to subsection (a) shall, to the extent possible, take account of all factors affecting directly or indirectly the degree of fuel use, including such factors as vehicle size and weight, accessory equipment, engine and fuel types, safety, environmental controls, and costs to consumers.

(e) In the preparation of such standards, the Secretary of Transportation shall consult with the Chairman of the Council on Environmental Quality, the Administrator of the Environmental Protection Agency, the motor vehicle manufacturers, and other increased parties.

(f) Every manufacturer of motor vehicles shall establish and maintain such records, make such reports, conduct such tests, and provide such materials and information (including the supplying of vehicles or equipment for testing pursuant to subsection (b)) as the Secretary of Transportation may reasonably require for the purpose of establishing standards pursuant to this section. Such manufacturers shall make available all such material and information in accordance with such reasonable rules as the Secretary may prescribe for this purpose. Vehicles and equipment for testing shall be made available under this section at a negotiated price that does not exceed the manufacturer's cost.

(g) Not later than eighteen months from the date of enactment of this Act, all motor vehicles sold or manufactured in the United States shall bear a label stating in nontechnical language the degree of fuel use of such vehicles ascertained in accordance with the standard testing procedures developed pursuant to subsection (b) of this section. No such vehicles may be advertised for sale through any communications medium unless that advertisement states the degree of fuel utilization of such vehicle.

(h) Any person who knowingly violates the provisions of subsection (g) of this section shall be subject to civil penalties not to exceed $1,000 for offering for sale an unlabeled or improperly labeled motor vehicle and not to exceed $50,000 for each advertisement of motor vehicles which does not properly state the degree of fuel use of such vehicles.

UTILITY CONSERVATION REPORTS

SEC. 10. Within six months from the date of enactment of this Act, the Federal Power Commission shall by rule on the record after opportunity for a public hearing promulgate regulations requiring electric and gas public utilities to submit to the Commission annual reports on energy conservation policies. The Commission shall make such reports readily available for public inspection. Each such report shall include—

(1) an indication of the problems the utility is encountering in implementing an energy conservation program, such as regulatory or rate restrictions;

(2) a description of the utility's research effort directed toward the conservation of energy;

(3) an evaluation of the role of the utility's wholesale and retail rate structures in achieving conservation of energy;

(4) disclosure of system inefficiencies, including energy loss during transmission; and

(5) such other relevant information as the Commission may require.

RATE STUDIES

SEC. 11. Each agency of the Federal Government engaged in the sale of electrical energy, including the Tennessee Valley Authority, is authorized and directed to prepare and submit to the Congress within twelve months from the date of enactment of this Act a comprehensive study of the impact of the rate structure of such agency on the consumption and conservation of energy. Each such study shall include—

(1) an analysis of the rate structure within the area served by the agency;

(2) an indication of how marginal cost pricing might affect consumption within the area served by the agency;

(3) an evaluation of the impact various rate changes might have on energy consumption, energy conservation, and the economy of the area served by the agency.

REGULATION OF ADVERTISING AND PROMOTION

SEC. 12. (a) Within six months from the date of enactment of this Act, the Federal Trade Commission shall by rule on the record after opportunity for a public hearing promulgate regulations for the advertising and promotion of energy and fuels. Such regulations shall be designed to prohibit the advertising or promotion of energy or fuels by any person or corporation at a time when such person or corporation is unwilling or unable to meet the requirements for such energy or fuels of existing or prospective customers. Such regulations shall generally prohibit advertising and promotional practices which are calculated or likely to result in unnecessary energy consumption.

(b) The act of causing an advertisement to be published or broadcast in violation of regulations issued pursuant to this section constitutes an unfair or deceptive act or practice in commerce in violation of the provisions of section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)).

(c) Any person who knowingly violates regulations issued pursuant to this section shall be subject to civil penalties not to exceed $50,000 for each violation.

(d) The United States district courts shall have jurisdiction to restrain any violations of this section. Such actions may be brought by the Federal Trade Commission (with the concurrence of the Attorney General) or by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

STUDIES BY COUNCIL ON ENVIRONMENTAL QUALITY

SEC. 13. (a) The Council on Environmental Quality shall prepare and submit to the Congress within one year from the date of

enactment of this Act a report evaluating the impact on fuel consumption of national and regional systems of freight transportation. Such report shall include—

(1) an evaluation of the relationship between existing patterns of freight transportation and energy use;

(2) an evaluation of the role of Government transportation policies in creating and maintaining existing patterns of freight transportation;

(3) an evaluation of the role of Federal rate regulation in encouraging freight transportation practices which are inefficient in terms of fuel use; and

(4) specific recommendations for changes in Federal statutes, regulations, policies, and procedures to conserve fuels used in freight transportation.

(b) The Council on Environmental Quality shall prepare and submit to the Congress within eighteen months of this Act a comprehensive study of the relationships between motor vehicle size, the needs of motor vehicle users, and the public interest. Such study shall include consideration of such subjects as—

(1) the relationship between motor vehicle size and—

(A) environmental pollution;

(B) consumption of the Nation's supply of petroleum, metals, and other finite resources;

(C) the congestion of urban roadways and shortage of parking facilities in many urban areas;

(D) the feasibility of motor vehicle powerplants other than internal combustion engines;

(E) the status of the motor vehicle manufacturing industry and the various industries and businesses which supply services and goods required for the manufacture, operation, and maintenance of motor vehicles;

(2) whether a reduction of motor vehicle size would be in the public interest; and

(3) possible alternatives for reducing the size of motor vehicles, including the various costs and benefits of each such alternative.

APPROPRIATIONS

SEC. 14. In addition to the sums authorized to be appropriated by section 5(d) of this Act, there are authorized to be appropriated each fiscal year such sums as may be necessary to carry out the provisions of this Act.

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EXHIBIT 2

OUTLINE OF NATIONAL FUELS AND ENERGY CONSERVATION ACT

DECLARATION OF POLICY

The Act contains a Congressional declaration of national policy to "foster and promote comprehensive national fuels and energy conservation programs and practices in order to assure adequate supplies to consumers; to reduce energy waste, to preserve natural resources and to protect the environment."

AGENCY RESPONSIBILITIES

The Act imposes on every Federal agency the responsibility of implementing the policies of the Act. Where proposed programs and policies will substantially affect energy consumption, agencies are to consider and adopt feasible alternatives for conserving energy.

OFFICE OF ENERGY CONSERVATION

The Act creates an Office of Energy Conservation in the Department of the Interior, headed by a director subject to Senate confirmation. The functions of the Office include development of new energy conservation initiatives, cooperation with industry and state governments on conservation programs and preparation of an annual energy conservation report.

ENERGY CONSERVATION R. & D.

The Act establishes energy conservation research and development programs to stimulate new or improved manufacturing and industrial processes, better building construction and more efficient production and transmission of electric energy.

FEDERAL BUILDINGS AND PROCUREMENT

The Act directs the Administrator of the General Services Administration to maximize the efficiency of energy use in the design, construction and operation of all Federal buildings and develop and implement energy conservation guidelines for all Federal procurement.

BUILDING STANDARDS AND CODES

The Act directs the Secretary of Housing and Urban Development to develop improved design, lighting and insulation standards to promote efficient energy use in buildings; to develop model building codes incorporating standards for efficient energy use; and to revise the FHA Minimum Property Standards to include the most practicable standards for efficient energy use.

APPLIANCE LABELING REQUIREMENTS

The Act requires the Federal Trade Commission to promulgate standards for labeling major electrical appliances and equipment to show the comparative efficiency and operating costs: failure to label in accordance with such standards is made an unfair trade practice in violation of the FTC Act.

MOTOR VEHICLE FUEL USE LABELING

The Act directs the Secretary of Transportation to prepare and submit to Congress proposed minimum standards for the degree of motor vehicle fuel use (the average number of miles a vehicle is propelled for each unit of fuel consumed). The standards would be designed to achieve a substantial increase in the degree of fuel use by all vehicles not in compliance within three years of the enactment of such standards. Full compliance would be required within five years of the date of enactment.

MOTOR VEHICLE FUEL USE LABELING

The Act requires, within 18 months from the date of its enactment, that every new motor vehicle be labelled to show the average number of miles the vehicle is propelled for each unit of fuel consumed.

UTILITY CONSERVATION REPORTS

The Act requires the Federal Power Commission to prepare regulations requiring utilities to submit annual reports to the Commission on energy conservation policies. Such reports would include data on the role of rate design in conservation and disclosure of system inefficiencies contributing to energy waste.

RATE STRUCTURE STUDIES

The Act requires Federal agencies selling electricity to submit to the Congress studies on the impact of the rate structure on the consumption and conservation of energy.

REGULATION OF ADVERTISING AND PROMOTION

The Act requires the Federal Trade Commission to promulgate regulations governing the advertising and promotion of energy and fuels. The regulations are to be designed generally to prohibit advertising and promotional practices which encourage unnecessary energy consumption. They would prohibit advertising or promotion of energy or fuels by a company unwilling or unable to provide for the needs of existing or prospective customers.

STUDIES BY COUNCIL ON ENVIRONMENTAL QUALITY

The Act requires the Council on Environmental Quality to prepare a report evaluating the impact on fuel consumption of existing freight transportation systems, with specific recommendations for changes in Federal statutes and policies to conserve fuel used in freight transportation.

The Council is also required to prepare a study of the relationships between motor vehicle size, the needs of motor vehicle users and the public interest. This study would consider such factors as the relationship between vehicle size and environmental pollution, resource depletion and urban congestion and evaluate alternatives for reducing the size of motor vehicles.

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By Mr. JOHNSTON (for himself and Mr. LONG):

S. 2177. A bill to establish the Allen J. Ellender Memorial Library. Referred to the Committee on Rules and Administration.

ALLEN J. ELLENDER MEMORIAL LIBRARY

Mr. JOHNSTON. Mr. President, together with my senior colleague, Senator LONG, I am today introducing legislation to authorize the construction of the Allen J. Ellender Memorial Library at Nicholls State University in Thibodaux, La.

Allen Ellender served Louisiana and his Nation with complete dedication for many years, and this library will be a fitting memorial in every way.

Nicholls sits in the area that was his home, and his special affection for Nicholls is evidenced by the fact that his files and official papers were given to Nicholls. Those papers are strong testament to his devoted service in the Senate, and they will offer a rich vein of fact and perspective on the activities of Senator Ellender and his contemporaries spanning nearly four decades of our history.

The esteem in which Allen Ellender was held at home can quickly be measured by the enthusiasm which many people in Louisiana have demonstrated for this proposed library. Among many with whom we have discussed the library, we are particularly grateful to Mayor Warren Harang of Thibodaux, State Senator Harvey Peltier, and Dr. Vernon Galliano, the president of Nicholls.

We are very hopeful and optimistic that the Congress will authorize this construction at an early date.

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By Mr. WILLIAMS:

S. 2179. A bill to establish a demonstration program to provide direct financing of housing for the elderly under section 236 of the National Housing Act. Referred to the Committee on Banking, Housing and Urban Affairs.

DEMONSTRATION LOAN PROGRAM FOR THE ELDERLY

Mr. WILLIAMS. Mr. President, I introduce today for appropriate reference a bill to establish a demonstration program of direct Government loans for low- and moderate-income housing for the elderly. In the past, direct loans have been disfavored because of their heavy impact on the Federal budget as direct outlays. This program will avoid that disadvantage by establishing a National Elderly Housing Loan Fund operating outside the regular Federal budget and financed by U.S. Treasury notes.

The funds made available by the Treasury will then be loaned by the Secretary of Housing and Urban Development to eligible sponsors upon the same terms and conditions applicable to private mortgages under the section 236 program. The rate of interest paid on each loan will be equal to the rate of interest the borrower would pay if sub-

ject to the 236 program. Appropriations will be necessary to make up the difference between the interest paid by the borrower and the interest rate paid on the Treasury notes.

Throughout 1973 we have witnessed a great uncertainty in the field of housing because of the ill-advised moratorium imposed by the administration. I think it is essential to resolve that uncertainty, especially for the elderly.

For older Americans, housing is their No. 1 expense. They pay, on the average, 34 percent of their income for housing, while younger households pay about 23 percent. Additional factors—such as fixed incomes, inflation, rising property tax rates, and severe rent increases—have intensified the housing problems of the elderly.

Over the years the development of multifamily housing projects for older persons has been extremely successful. And the demand for additional units has reached an all-time high. A survey done by my Subcommittee on Housing for the Elderly revealed that, as a very minimum, one elderly person was on a waiting list for every unit currently occupied. And this, I might add, represents only the tip of a very large iceberg.

Prior to the moratorium, the section 236 interest-subsidy program and public housing were the main vehicles for the production of housing for the elderly. The section 236 program has come under strong attack, and it is now under review by the Department of Housing and Urban Development. Weaknesses were clearly evident in this program, and I heartily endorse congressional review of its merits. Hopefully this action can lead to improvement of section 236. And if this is not feasible, then the program should be replaced.

As the Congress continues to reexamine our housing policies, I feel it is essential to consider all approaches. It is for this reason that I introduce today a bill to create a demonstration program of direct loans.

Because this approach to housing has not been tried before, I am presenting this program as a demonstration limited to housing for the elderly. Over the years housing programs for older Americans have a good production record, especially under an earlier direct loan program.

If this demonstration program then proves successful, it can be extended to cover additional housing needs.

Good precedent can be found for a direct loan housing program for the elderly in the section 202 program which still exists today, but has been left idle by the administration in favor of the section 236 approach. Despite the unparalleled success of 202, it was scuttled because of the impact that direct loans had on the annual Federal budget.

I must emphasize what to me is the most compeling reason for exploring this new approach to housing finance. Very simply, it will save a great deal of money.

The savings inherent in the direct loan approach as compared to the section 236 interest-subsidy program has been well established. Two years ago my Subcommittee on Housing for the Elderly heard ample testimony outlining the cost savings that were possible under direct loans. More recently, that testimony has been reaffirmed by the Government Accounting Office—GAO.

It is also very important to point out that payments of principal and interest made by borrowing sponsors to the Government will go back into the loan fund and be available again for further loans. This "revolving fund" concept will provide further savings, and the fund itself will grow each year as the program continues.

With the cost of new housing so high today, there appears to be no alternative to deep subsidies if we are to provide needed housing for low- and moderate-income people. Since we must face that economic fact of life, I feel that the direct loan approach provides a method, far less costly to the Federal Government, that should be examined carefully and tested to determine its worth. Therefore, I recommend the speedy adoption of this legislation.

Mr. President, I ask unanimous consent that the text of ths bill be printed at this point in the RECORD.

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

S. 2179

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

STATEMENT OF PURPOSE

SECTION 1. It is the purpose of this Act to establish a demonstration program to provide direct loans from the Federal Government for the acquisition of land and construction thereon of low- and moderate-income housing for the elderly and handicapped at minimum cost to the United States.

ESTABLISHMENT OF FUND

SEC. 2. (a) There is established in the Treasury of the United States a trust fund to be known as the "National Elderly Housing Loan Fund" (hereinafter in this section referred to as the "fund"). The fund shall consist of—

(1) amounts repaid by mortgagors as principal and interest on loans from the fund;

(2) proceeds credited to the fund under subsection (c);

(3) payments authorized under section 236 (i) (4) of the National Housing Act; and

(4) receipts from any other source.

(b) Amounts in the fund shall be available to the Secretary of Housing and Urban Development (hereafter referred to as the "Secretary") for the purpose of making direct mortgage loans to any limited profit or nonprofit sponsor or public agency approved by the Secretary for the provision of projects designed primarily for occupancy by elderly or handicapped families upon the same terms and conditions that are applicable to private mortgages under section 236(j) of the National Housing Act. A loan made under this section shall bear interest at a rate determined by the Secretary to be equal to the effective rate of interest the borrower would pay if the mortgage loan were subject to section 236 of the National Housing Act and if interest reduction payments computed under subsection (c) of such section were being made with respect to such loan.

(c) To carry out the purposes of this section, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount of not to exceed $50,000,000 in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(d) The receipts and disbursements of the fund shall not be included in the total of the Budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending.

(e) To the maximum extent practicable, the Secretary shall use the services and facilities of the private mortage industry in originating and servicing mortgage loans made under this section.

CONFORMING AMENDMENT

SEC. 3. Section 236 (i) of the National Housing Act is amended by adding at the end thereof the following new paragraph:

"(4) Of the sums appropriated under this subsection, not more than $5,000,000 shall be available in any fiscal year for payment to the National Elderly Housing Loan Fund. The amount of any payment to such Fund with respect to a project shall be determined as the difference between (A) the borrowing costs sustained by such Fund in financing the project, and (B) amounts actually received by the Fund as payment of principal and interest from the sponsor of such project."

LABOR STANDARDS

SEC. 4. All laborers and mechanics employed by contractors or subcontractors on projects which are undertaken by approved sponsors under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not make any loan under this Act for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their service without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the sponsor undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

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By Mr. WILLIAMS:

S. 2180. A bill to provide for increased security and projection for certain federally related housing projects. Referred to the Committee on Banking, Housing and Urban Affairs.

HOUSING SECURITY ACT OF 1973

Mr. WILLIAMS. Mr. President, I am introducing today legislation to improve the safety and security for many citizens who are frequently the helpless victims of crime and vandalism. The name of my bill is the Housing Security Act of 1973. Its purpose is to provide funding earmarked for planning and implementing security programs for the protection of persons and property in multifamily housing financed by the Department of Housing and Urban Development—HUD.

Over the last 2 years my Subcommittee on Housing for the Elderly has held hearings which have clearly demonstrated that many persons are living in daily fear of crime. It has become so bad in some housing projects that people are terrified to leave their apartments at day or night. Many of these same people are vulnerable to crime even when they are in their apartments behind closed and locked doors.

It is not my intention today to deliberate at length on the nature of this critical problem. The record is available for all to read. Instead, I wish to introduce to the Senate a bill which I feel will strike directly at the heart of this problem and produce results.

Unlike many problems faced by Congress, the issue of crime and lack of security in multifamily housing has available many solutions that have already proven successful. In short, the problem here is not one of finding answers, but of paying for the elements of the answer to make them work. Throughout the country witnesses have told us that they do not lack solutions; they simply cannot afford them. This is especially true in public housing, where the denial of adequate operating subsidies from the administration has forced several local housing authorities to the brink of bankruptcy.

As one witness in Boston told us:

One of the most frustrating experiences is to hold well documented security needs in one hand, and intelligent security suggestions as to how those needs could be met in the other hand, while all the time fully realizing that the authority has no funds to pay for an adequate security system.

The bill I introduce today will create at HUD an Office of Security under the Assistant Secretary for Housing Management. This office will administer funding authorized by my bill to plan and implement security programs in HUD-assisted housing. In particular, this money will be used to pay for capital improvements such as remodeling, better lighting, better locks and other hardware. It will also pay for vitally needed security personnel and their equipment.

The case for legislation earmarking funding for security is especially compelling in light of the failure of the Department of Housing and Urban Development to take an active role in the matter. HUD's approach has consistently been to insist that the primary responsibility for security lies with the local police force, and only under "abnormal conditions" should supplemental protective service be needed. Many housing authorities faced with rising maintenance costs and insufficient operating subsidies from the administration have found themselves unable to squeeze an adequate security program out of their greatly overstretched budgets. As a result, these authorities have been forced to seek outside sources of funding for security.

In a very real sense, the need for security resources is much more serious today than 6 months ago because many of these outside sources so successfully utilized in the past are now being phased out by the administration. Specifically, the HUD Modernization program is to be suspended on June 30, 1973, and the Model Cities Program and the Emergency Employment Act are not to be refunded. All three of these programs have served as sources of support for security programs in several cities. Nevertheless, in a recent draft of a HUD Handbook entitled "Security Planning for Multi-Family Housing" the Department suggests that local authorities look for help from these very outside sources which the administration is eliminating. If this is the best that HUD can do, I feel that my bill is the only solution.

In closing, I would like to reemphasize that this critical problem of crime at federally assisted housing projects can be drastically reduced. The expertise is available and well-developed; the major obstacle has been funding.

Last December I visited the Bronx in New York City to see the Clason Point Houses. This is a relatively old public housing project—1943—made up of 400 units of two-story walkups. The crime rate here used to be very high. With $1 million of HUD modernization funds several changes were made. Outer walls were resurfaced with individual colors; back yards were fenced in making them semiprivate; more lighting was put in; play areas were clearly defined and expanded; and the front yards were redesigned as nonpublic. The results have been dramatic. Felonies are down 80 percent and all crimes are down 67 percent.

The Clason Point example is indicative of what can be done. It shows clearly that successful results can be achieved if the money is available.

It is the purpose of my bill to provide the funding for more successes like Clason Point. I urge the speedy adoption of this important legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 2180

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Housing Security Act of 1973".

ESTABLISHMENT OF OFFICE OF SECURITY

SEC. 2. (a) There is established in the Department of Housing and Urban Development an Office of Security which shall be headed by the Assistant Secretary for Housing Management.

(b) The Office of Security shall—

(1) make grants and enter into contracts in accordance with section 3;

(2) serve as a clearinghouse for information relating to the physical security of Federally-related housing projects and to Federal assistance for improved security of such projects; and

(3) cooperate and coordinate with the Law Enforcement Assistance Administration in developing improved methods for providing housing security.

GRANTS AND CONTRACTS

SEC. 3. The Secretary, acting through the Office of Security, is authorized to make grants and enter into contracts with sponsors of Federally-related multifamily housing projects in order to finance—

(1) the planning and development of a security program for the project;

(2) capital improvements, such as design modification or remodeling or the installation of electronic security systems, improved lighting in common areas, and hardware, to improve the security of the project;

(3) the maintenance and equipment of a security force for the project, including salaries and benefits of security personnel and training programs, uniforms, weapons, and other equipment for such personnel; and

(4) research and technical assistance relating to project security.

As used in this section the term "sponsor" includes a mortgagee or sponsor of a multifamily housing project under a mortgage insured under any provision of the National Housing Act and a public housing agency operating a project under the United States Housing Act of 1937.

AUTHORIZATION

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provision of this Act.

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By Mr. WILLIAMS:

S. 2181. A bill to amend the National Housing Act to provide further assistance to public and private nonprofit corporations for the conversion of existing single family housing for occupancy by elderly persons of low or moderate income. Referred to the Committee on Banking, Housing and Urban Affairs.

INTERMEDIATE HOUSING FOR THE ELDERLY AND HANDICAPPED ACT

Mr. WILLIAMS. Mr. President, I introduce for appropriate reference the Intermediate Housing for the Elderly and Handicapped Act.

"Intermediate housing" is not just a theoretical concept or an idea on the drawing board. It is already operating effectively at the Philadelphia Geriatric Center.

As chairman of the Subcommittee on Housing for the Elderly for the Special Committee on Aging, I have had an opportunity to observe firsthand the outstanding achievements of this extraordinarily successful prototype program. To my way of thinking, this pilot project has clearly demonstrated an innovative approach for providing essential housing and social services to enable the infirm elderly to live independently, rather than being institutionalized in a nursing home.

Briefly stated, this program has operated in the following way. Nearby single family dwellings are purchased by the Philadelphia Geriatric Center; they are then converted into efficiency apartments—ordinarily three for each dwelling. A congregate living room is available for all the tenants, but each aged occupant has his own bathroom, kitchen, and bedroom. Tenants are carefully screened to insure compatibility.

However, the distinguishing feature of the Philadelphia Geriatric Center's intermediate housing program is the wide range of services for the elderly, including:

Counseling;

A hotline for emergency care;

Delivery of frozen meals for the aged to warm up for dinner; and

Access to all health facilities and cultural events at the center.

These services have greatly enhanced the overall outlook and well-being for persons moved to these intermediate housing units. Preliminary findings show remarkable improvement in their activity and health.

Mr. President, we do not need any more proof that this pilot program is a smashing success. What is needed now is a genuine national commitment to build upon the successful efforts of the Philadelphia Geriatric Center.

This is a major reason why I introduce today the Intermediate Housing for the Elderly and Handicapped Act—to provide the legislative wherewithal to convert the intermediate housing demonstration project into a permanent, ongoing national program to benefit aged and disabled Americans all over the United States. My Proposal would accomplish this objective through the use of Federal interest subsidies to assist project sponsors in purchasing existing housing to be converted into multifamily intermediate housing for the elderly and handicapped.

For most older Americans, housing is the number one expenditure. They spend about 34 percent of their total income for shelter, in contrast to about 23 percent for younger persons.

It is no wonder then that many elderly persons find themselves in an impossible situation when it comes to housing. Rapidly rising property taxes and maintenance costs are driving them from their homes. Yet, suitable alternative rental units at prices they can afford are frequently scarce or nonexistent. For the infirm elderly, these problems are greatly intensified.

But, intermediate housing offers a sound and sensible solution for the acute housing and service requirements for aged Americans suffering from failing health. It can enable those individuals to continue to live independently and at a substantially cheaper cost to the public than if they were institutionalized. Moreover, it can provide pleasant housing and at reasonable prices.

Our housing programs for older Americans must be more than just "bricks and mortar"—especially for the infirm elderly. And my Intermediate Housing for Elderly and Handicapped Act would help to provide this comprehensive approach for their total shelter and service needs.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, 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 "Intermediate Housing for the Elderly and Handicapped Act."

SEC. 2. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"LOW AND MODERATE INCOME HOUSING FOR THE ELDERLY AND SUPPORTIVE SERVICES"

"SEC. 244. (a) As used in this section—

"(1) The term 'elderly family' means any single person who is sixty-two years of age or over or who is handicapped and any married couple either of whom is sixty-two years of age or over, or handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions.

"(2) The term 'sponsor' means a nonprofit organization or public agency which agrees to carry out a program which meets the requirements of this section, and such term includes any such organization or agency which is financed under a State or local program providing assistance through loans, loan insurance, or tax abatements, and which is approved for receiving the benefits of this section.

"(3) The term 'existing housing' means single or double family housing units which may be converted into multifamily efficiency units through the addition of kitchen and bathroom facilities.

"(4) The term 'supportive services' means any service which enables an elderly person to continue to reside outside an institution, as determined by the Secretary. Such term may include transportation, meals-on-wheels, homemaker services, legal aid, and home health care.

"(5) The term 'mortgage insurance premium', as used in this section in relation to a project financed by a loan under a State or local program, means such fees and charges, approved by the Secretary, as are payable by the mortgagor to the State or local agency mortgagee to meet reserve requirements and administrative expenses of such agency.

"(6) The terms 'mortgage', 'mortgagee', and 'mortgagor' have the same meaning as in section 201.

"(b) For the purpose of assisting sponsors in purchasing existing housing, converting such housing into dwelling units suitable for occupancy by elderly families, and reducing rentals for elderly families of low and moderate income, the Secretary is authorized to make and to contract to make periodic interest reduction payments on behalf of the sponsor, which shall be accomplished through payments to mortgagees holding mortgages meeting the special requirements specified in this section.

"(c)(1) Interest reduction payments with respect to a project shall only be made during such time as the project is operated as a rental project and is subject to a mortgage which meets the requirements of and is insured under subsection (f) of this section, except that such payments may be made where the mortgage has been assigned to the Secretary.

"(2) The interest reduction payments to a mortgagee by the Secretary on behalf of a sponsor shall be in an amount not exceeding the difference between the monthly payment for principal, interest, and mortgage insurance premium which the sponsor as a mortgagor is obliged to pay under the mortgage and the monthly payment for principal and interest such sponsor would be obligated to pay if the mortgage were to bear interest at the rate of 1 per centum per anum.

"(3) The Secretary may include in the payment to the mortgagee such amount, in addition to the amount computed under subsection (c), as he deems appropriate to reimburse the mortgagee for its expenses in handling the mortgage.

"(d)(1) As a condition for receiving the benefits of interest reduction payments, the sponsor: (A) shall be providing through its own program and through working arrangements with other community programs, a fully comprehensive system of supportive services for the elderly as defined by the Secretary which may include such services as counseling, homemaker service, transportation, meals-on-wheels, information and referral, legal services, health clinic services, and other such programs designed to help the older person remain in independent living; and (B) shall operate the project in accordance with such requirements with respect to tenant eligibility and rents as the Secretary may prescribe. Procedures shall be adopted by the Secretary for review of tenant incomes at intervals of two years (or at shorter intervals where the Secretary deems it desirable).

"(2) For each dwelling unit there shall be established with the approval of the Secretary (A) a basic rental charge determined on the basis of operating the project with payments of principal and interest due under a mortgage bearing interest at the rate of 1 per centum per annum; and (B) a fair market rental charge determined on the basis of operating the project with payments of principal, interest, and mortgage insurance premium which the mortgagor is obligated to pay under the mortgage covering the project. The rental for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the fair market rental charge, as represents 25 per centum of the tenant's income.

"(3) The sponsor shall, as required by the Secretary, accumulate, safeguard, and periodically pay to the Secretary all rental charges collected in excess of the basic rental charges. Such excess charges shall be deposited by the Secretary in a fund which may be used by him as a revolving fund for the purpose of making interest reduction payments with respect to any rental housing project receiving assistance under this section, subject to limits approved in appropriation Acts pursuant to subsection (e). Moneys in such fund not needed for current operations may be invested in bonds or other obligations of the United States or in bonds or other obligations guaranteed as to principal and interest by the United States or any agency of the United States, except that such moneys shall to the maximum extent feasible be invested in such bonds or other obligations the proceeds of which will be used to directly support the residential mortgage market.

"(4) In addition to establishing the requirements specified in paragraph (1), the Secretary is authorized to make such rules and regulations, to enter into such agreements, and to adopt such procedures as he may deem necessary or desirable to carry out the provisions of this section

"(e)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make interest reduction payments under contracts entered into by the Secretary under this section. The aggregate amount of outstanding contracts to make such payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $_____ per annum prior to July 1, 1973, which maximum dollar amount shall be increased by $_____ on July 1, 1973.

"(2) Not more than 20 per centum of the total amount of interest reduction payments authorized to be contracted to be made pursuant to appropriation Acts shall be con-

tracted to be made with respect to families, occupying rental housing projects assisted under this section, whose incomes at the time of the initial renting of the projects exceed 135 per centum of the maximum income limits which can be established in the area, pursuant to the limitations prescribed in sections 2 (2) and 15 (7) (b) (ii) of the United States Housing Act of 1937, for initial occupancy in public housing dwellings, but the income of such families at the time of the initial renting of the projects shall in no case exceed 90 per centum of the limits prescribed by the Secretary for occupants of projects financed with mortgages insured under section 221 (d) (3) which bear interest at the below-market interest rate prescribed in the proviso of section 221 (d) (5). The limitations prescribed in this paragraph shall be administered by the Secretary so as to accord a preference to those families whose incomes are within the lowest practicable limits for obtaining rental accommodations in projects assisted under this section. The Secretary shall report semiannually to the Committee on Banking and Currency of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate with respect to the income levels of families living in projects assisted under this section.

"(f) (1) The Secretary is authorized, upon application by the mortgagee, to insure a mortgage (including advances on such mortgage during construction) which meets the requirements of this section. Commitments for the insurance of such mortgages may be issued by the Secretary prior to the date of their execution or disbursement thereon, upon such terms and conditions as he may prescribe.

"(2) To be eligible for insurance under this subsection, a mortgage shall meet the requirements specified in subsections (d) (1) and (d) (3) of section 221, except as such requirements are modified by this section.

"(3) A mortgage to be insured under this subsection shall—

"(A) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the amount of the principal obligation outstanding at any time, as the Secretary finds necessary to meet the mortgage market; and

"(B) provide for complete amortization by periodic payments within such term as the Secretary may prescribe.

"(4) The property or project shall—

"(A) comply with such standards and conditions as the Secretary may prescribe to establish the acceptability of the property for mortgage insurance and may include such nondwelling facilities as the Secretary deems adequate and appropriate to serve the occupants and the surrounding neighborhood.

"(B) include three or more dwelling units; and

"(C) be designed primarily for use as a rental project to be occupied by low or moderate income elderly families.

"(g) The Secretary shall from time to time allocate and transfer to the Secretary of Agriculture, for use (in accordance with the terms and conditions of this section) in rural areas and small towns, a reasonable portion of the total authority to contract to make periodic interest reduction payments as approved in appropriation Acts under subsection (e).

"(h) The Secretary is authorized to enter into agreements with any State or agency thereof under which such State or agency thereof contracts to make interest reduction payments subject to all the terms and conditions specified in this section and in rules, regulations and procedures adopted by the Secretary under this section, with respect to all or a part of a project covered by a mortgage insured under this section. Any funds provided by a State or agency thereof for the purpose of making interest reduction payments shall be administered, disbursed, and accounted for by the Secretary in accordance with the agreements entered into by the Secretary with the State or agency thereof and for such fees as shall be specified therein. Before entering into any agreements pursuant to this subsection the Secretary shall require assurances satisfactory to him that the State or agency thereof is able to provide sufficient funds for the making of interest reduction payments for the full period specified in the interest reduction contract."

## ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 782

At the request of Mr. TUNNEY, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 782, to amend the antitrust laws of the United States, and for other purposes.

S. 1148

At the request of Mr. CRANSTON, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 1148, a bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes.

S. 1416

At the request of Mr. LONG, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 1416, the Catastrophic Illness Insurance Act.

S. 1610

At the request of Mr. Moss, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 1610, a bill to require the installation of airborne, cooperative collision avoidance systems on certain civil and military aircraft, and for other purposes.

S. 1637

At the request of Mr. BAYH, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1637, to discourage the use of painful devices in the trapping of animals and birds.

S. 1725

At the request of Mr. DOMINICK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1725, the Fair Labor Standards Amendments of 1973.

S. 2029

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. HART), the Senator from Nevada (Mr. BIBLE), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2029, to provide assistance for Vietnamese children.

S. 2087

At the request of Mr. ROBERT C. BYRD, the Senator from Wyoming (Mr. HANSEN), the Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 2087, to amend title 38 of the United States Code relating to basic provisions of the loan guaranty program for veterans.

S. 2107

At the request of Mr. DOMINICK, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2107, to amend the National Labor Relations Act so as to make it an unfair labor practice for a labor organization to impose sanctions against its members for exceeding production quotas.

S. 2109

At the request of Mr. DOMINICK, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2109, to make it an unfair labor practice to require a person who conscientiously objects to membership in a labor organization to be a member of such organization as a condition of employment.

SENATE JOINT RESOLUTION 124

At the request of Mr. NELSON, the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. HUGHES), and the Senators from Rhode Island (Mr. PASTORE and Mr. PELL) were added as cosponsors of Senate Joint Resolution 124, to establish a Joint Committee on Individual Rights.

## AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938—AMENDMENTS

AMENDMENTS NOS. 333 THROUGH 335

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY submitted three amendments, intended to be proposed by him, to the bill (S. 1861) to amend the Fair Labor Standards Act of 1938, as amended, to extend its protection to additional employees, to raise the minimum wage to $2.25 an hour, to provide for an 8-hour workday, and for other purposes.

AMENDMENT NO. 336

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY (for himself, Mr. BENNETT, Mr. CURTIS, Mr. EASTLAND, Mr. THURMOND, Mr. TOWER, and Mr. SCOTT of Virginia) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1861, supra.

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973—AMENDMENT

AMENDMENT NO. 337

(Ordered to be printed, and to lie on the table.)

Mr. MOSS. Mr. President, I am submitting this amendment to Senate bill 1081 to cure a curious and anomalous development in the administration of the Robinson-Patman Act. That statute prohibits discriminations in price which lessens competition, tends to create a monopoly or injures and destroys competition. It was originally passed in 1914 to prevent predatory primary line price discrimination and was amended in 1936 to cover secondary line price discrimination and limit the buying power of integrated chains in competition with small local independent businesses. In jurisdictional terms the statute is limited to Congress control of interstate commerce.

Some courts have begun to interpret the commerce standards of the Robin-

son-Patman Act in restrictive terms, rather than the realities of modern day commerce. In *Belliston* v. *Texaco, Inc.*, 1972 trade cases (¶37, 837), the 10th circuit reversed a $2.5 million plus verdict on behalf of 15 Utah Texaco dealers on the grounds that Texaco's discriminatory sales in that case did not cross State lines. Texaco was selling gasoline to its branded dealers and a favored jobber-retailer from a refinery operated by American Oil Co., in Salt Lake City. Since none of the gasoline in the discriminatory sales physically moved across State lines, the court held that the commerce requirements of the Robinson-Patman Act were not met. The result is strange since the crude oil moved across State lines; production from the refinery moved across State lines; American Oil and Texaco are international major integrated oil companies; and many of the customers of the injured Texaco retailers crossed State lines. Indeed, the only thing which did not cross State lines were the injured Texaco retailers being supplied gasoline by Texaco under the nationally advertised Texaco brand name from a Salt Lake City refinery operated by American Oil Co.

In States like Utah the Belliston decision leads to anomalous results. We have oil refineries in Utah and local retailers do not enjoy the protection of the Robinson-Patman Act if their supply comes from those refineries. Retailers in sister States without refineries and supplied by the Utah refineries are protected by the act. Retailers in Utah supplied by product from outside the State, like Conoco's retailers, are protected by the act. Even in Utah, therefore, the act is applied unequally since Conoco dealers may sue if they are the victims of price discrimination by their supplier, but Texaco dealers may not. A retailer's rights under the Robinson-Patman Act should not be made to depend upon the accident of where his supply comes from. Nor should the practical uniform application of Federal law be destroyed by artificially created limitations having the effect of making Federal law applicable in one State and not in another. That is the effect of this erroneous reading of section 2(a) of the Robinson-Patman Act in the Belliston case.

This result is, indeed, anomalous and contrary to the purpose of the Robinson-Patman Act. That act was designed to protect the small independent businessman from the economic clout of integrated national marketers, yet the Belliston interpretation creates an umbrella where lawless price discrimination may be used to destroy the very businesses Congress sought to protect. Other courts have rejected such an interpretation, see *Little John* v. *Shell Oil Co.*, 1972 Trade Cases 73, 897 (5th Cir. 1972) (on motion for hearing en banc), and the prospects for splits in the circuits and an extensive waste of court time in rectifying the issue is very real. It is in this light that I offer this amendment; not to rectify what Congress has failed to do, but to clarify what Congress has done so that the courts will not continue to be misled as in Belliston. Consequently, my offering of this amendment at this time should not be relied upon as evidence of legislative intent confirming the Belliston interpretation of "in commerce." It is designed to clarify the standard so that future interpretations like Belliston do not recur and the essential purpose of the Robinson-Patman Act is realized.

We cannot afford the luxury of waiting for the courts to resolve this issue by the long process of judicial review. Many hundreds of small local retailers have been driven out of business during the current gasoline shortage—be it real, contrived or imagined. If their problems have been caused by the undue market power of large integrated oil companies engaging in discriminatory practices outlawed by the Robinson-Patman Act, they are entitled to protection of the Federal law despite the physical trail of their supply. Otherwise, the very beneficiaries of the Robinson-Patman Act will be the victims of an interpretation denying the fundamental purpose of that statute.

For the convenience of my colleagues, the amended language of section 2(a) would read as follows:

It shall be unlawful for any person engaged in commerce either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination affect commerce, where such commodities are sold for use, consumption or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefits of such discrimination, or with customers of either of them. . . .

*And provided further*, that nothing herein contained shall prevent persons engaged in interstate commerce and selling goods, wares or merchandise from selecting their own customers in bona fide transactions and not in restraint of trade.

AMENDMENT NO. 338

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY. Mr. President, I submit an amendment, intended to be proposed by me, to the 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. I ask unanimous consent that the amendment be printed in the RECORD.

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

AMENDMENT NO. 338

On page 35, between lines 20 and 21, insert the following:

"SEC. 206. (a) Notwithstanding the provisions of section 104(d) or any other provision of this Act or other law, the holder of any rights-of-way granted pursuant to this Act for the construction of a trans-Alaska pipeline for transporting oil and natural gas resources of the North Slope area of the State of Alaska to the other States of the United States, and the owner or operator of a terminal or tanker engaged in transporting such oil or gas transported by means of such pipeline, shall, except when caused solely by an act of war, be liable for damages and injuries resulting from their activities in connection therewith, irrespective of fault or wrong-doing.

"(b) Nothing in this section shall be construed to bar any holder of such right-of-way, or any owner or operator of such terminal or tanker, from recouping said damage under applicable law."

On page 35, line 21, strike out "SEC. 206." and insert "SEC. 207.".

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## SENATE CONCURRENT RESOLUTION 40—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO CERTAIN VOCATIONAL AND CAREER STUDENT ORGANIZATIONS

(Referred to the Committee on Labor and Public Welfare.)

Mr. BROCK. Mr. President, I am today submitting a concurrent resolution expressing the sense of the Congress with regard to the value of an outstanding group of student organizations which promote the goal of career development in America's young people.

Seven specific organizations are named. They are:

The Distributive Education Clubs of America.

The 4–H Clubs of America.

The Future Business Leaders of America.

The Future Farmers of America.

The Future Homemakers of America.

The Office Education Association, and

The Vocational Industrial Clubs of America.

Together, these organizations represent and promote a broad spectrum of vocational opportunities in our country. By their activities, they have encouraged the values of both citizenship and workmanship, which are the foundations of the American experience.

The training they have provided has been of tremendous value, both to the individual persons affected, and to the country itself, as those individuals have made their own contributions to America's strength.

Literally millions of our people have benefited from association with these organizations down through the years, and we all have a stake in their continued success and good works.

I believe that it is important for the Congress to express its support for these often underrecognized groups, and this concurrent resolution does just that.

In addition, it expresses the sense of the Congress that the several States should strive to assure the continued vitality of career and vocational education by providing financial assistance to these student organizations.

By integrating academic learning experiences with occupational and vocational learning experiences, these organizations serve the vital need of preparing individuals to enter, progress, and find satisfaction in the various fields of endeavor.

They represent that part of the total educational experience which equips the

individual to investigate, explore and select occupations and career fields of his own choice, while providing the instruction and supportive services necessary to enter useful employment and advance in his career.

The inestimable value to the Nation of this function can scarcely be doubted, and I would urge each of my colleagues to support this effort at giving recognition to the outstanding job being done by the student career development organizations.

I ask unanimous consent that the text of this concurrent resolution be printed in the RECORD at the conclusion of my remarks.

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

S. CON. RES. 40

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that the following organizations provide outstanding experience for the career development of America's young people:

(1) The Distributive Education Clubs of America;

(2) The 4–H Clubs of America;

(3) The Future Business Leaders of America;

(4) The Future Farmers of America;

(5) The Future Homemakers of America;

(6) The Office Education Association; and

(7) The Vocational Industrial Clubs of America.

SEC. 2. It is further the sense of the Congress that each State should provide financial assistance to support the vocational and career student organizations set forth in the first section of this concurrent resolution active within that State.

## SENATE RESOLUTION 142—SUBMISSION OF A RESOLUTION RELATIVE TO EX OFFICIO MEMBERS OF THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. PELL (for himself, Mr. HATFIELD, Mr. JAVITS, and Mr. WILLIAMS) submitted the following resolution:

S. RES. 142

*Resolved*, That paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended by adding at the end of the table therein the following:

| | |
|---|---|
| "Committee on Labor and Public Welfare. | For the Department of Labor, the Department of Health, Education, and Welfare, the National Science Foundation, the Office of Economic Opportunity, the National Foundation on the Arts and the Humanities, and health and safety in mines." |

## NOTICE OF HEARINGS ON BILLS TO CODIFY, REVISE, AND REFORM THE FEDERAL CRIMINAL LAW

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members of the public that the Subcommittee on Criminal Laws and Procedures will hold open hearings on July 18 and 19, 1973, to continue the study of S. 1 and S. 1400, bills to codify, revise, and reform the Federal criminal laws. The hearings will commence each day at 10 a.m. in room 2228, Dirksen Senate Office Building. Subjects to be covered on these days include tax law, firearm, insanity, and general codification provisions.

Additional information on these and further hearings is available from the staff in room 2204–DSOB, telephone 202–225–3281.

## NOTICE OF HEARINGS ON H.R. 4771, THE DISTRICT OF COLUMBIA RENT CONTROL ACT OF 1973

Mr. TUNNEY. Mr. President, on July 24, the Subcommittee on Public Health, Education, Welfare and Safety of the District of Columbia Committee will hold public hearings on H.R. 4771, the District of Columbia Rent Control Act of 1973, in room 6226, Dirksen Senate Office Building, at 9:30 a.m.

Persons wishing to present testimony at these hearings should contact Mr. Andrew E. Manatos, Associate Staff Director of the District of Columbia Committee, room 6222, Dirksen Senate Office Building, by July 20, 1973.

## ANNOUNCEMENT OF A NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Public Welfare has scheduled a hearing on the nomination of Alvin J. Arnett, of Maryland, to be Director of the Office of Economic Opportunity, on Friday, July 20, at 10 a.m., in room 4232.

Those interested in presenting testimony on this nomination may contact the committee counsel, Robert Nagle, room 4233, Dirksen Office Building—225–7664.

## NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 40 AND S. 1319

Mr. PELL. Mr. President, I would like to announce that the Subcommittee on Education is planning to hold hearings on the following dates.

July 24, 1973, hearings on Senate Joint Resolution 40, pertaining to a White House Conference on Libraries.

July 25, July 31, and August 1, 1973, we will resume our ongoing hearings on general education. On July 25, 1973, we will be discussing the categorical programs pertaining to elementary and secondary education.

The hearings on July 31 and August 1, 1973, will be held at the specific request of the administration on S. 1319, the special revenue sharing proposal, and we will hear witnesses suggested by them.

Anyone wishing to testify at these hearings should contact Mr. Stephen J. Wexler, counsel to the Subcommittee on Education, at 225–7666.

## ADDITIONAL STATEMENTS

## EPA REGULATIONS A THREAT TO FREEDOMS AND ECONOMY

Mr. FANNIN. Mr. President, in recent weeks the Environmental Protection Agency has revealed some startling and frightening proposals to reduce air pollution around America.

Our States, counties, and cities are being told that they will be required to limit fuel sales, restrict parking drastically, and take other extraordinary measures to deprive our citizens of the use of automobiles.

The regulations which are being proposed are a threat to our traditional freedoms and a danger for our economy.

Mr. President, last Sunday the Arizona Republic carried an editorial which expresses the alarm and anger that many Americans feel when they see the EPA edicts. I ask unanimous consent that this editorial be printed in the RECORD.

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

BIG BROTHER HAS ARRIVED

The fairyland formula the Environmental Protection Agency laid down last week to purify Arizona's air had all the majesty and logic of an Alice in Wonderland fantasy.

Presumably, EPA is prepared to call out the National Guard to enforce what amounts to a senseless and destructive bureaucratic dictum.

EPA, which has become the darling of the instant-cure crowd, is not satisfied that the impossible takes time to achieve. EPA's answer is to sit down and write a regulation, and—presto!—get its way.

Here's what EPA proposes for Arizona:

Limit gasoline sales to present levels for the next four years.

Reduce off-street parking by 20 per cent.

Limit construction of new public parking facilities.

Create exclusive traffic lanes for car pool vehicles and buses.

Restrict motorcycle sales.

Computerize car pool riders and drivers.

An elementary logician can scan that roster of police-state edicts and come to the same conclusion as the trained observer.

To wit, EPA wants to forcibly stop the sale and use of passenger vehicles, and become the Big Brother arbiter in when, how and where Arizonans go.

If carried out, the rules would effectively curb Arizona's natural growth, at a minimum.

That is, not a single new car could expect to enter the state, since there will be 20 per cent less parking and obviously not another gallon of fuel available for the newcomers if sale levels are held to the current volume.

If EPA thus envisions the answer to its prayers for clean air, it also must add to that vision the sight of a state immobilized and its citizens' economy paralyzed.

Perhaps the most abusive of the edicts is reducing parking spaces by 20 per cent, and restricting new parking. Obviously, no sizeable office building or hotel or restaurant could even get a building permit if parking is to be reduced.

This alone cuts severely across several economic areas—construction, mortgage finance and the ability of Arizona to attract prestigious new business institutions who would want to build headquarters edifices here.

What EPA has done is not whip together a tough law. It is a law which seizes unto EPA's bosom the foulest and most repugnant form of dictatorship.

It is not a law authored by the Congress, nor approved by the President nor tested by the courts.

Spineless congressmen who have been whipsawed by the back-to-nature lobby to do its bidding might well ponder how EPA has seized power of the legislative branch to

control the movement, free choice and inherent rights of the American people.

EPA is running amok.

Who, pray, will defang the monster before it spreads terror across the land?

## THE PLIGHT OF POLITICAL PRISONERS IN SOUTH VIETNAM

Mr. ABOUREZK. Mr. President, 2 weeks ago before the Senate Foreign Relations Committee, I stated that I was deeply concerned with the continued plight of political prisoners in South Vietnam. We have no choice but to accept some responsibility for the activities of Saigon's National Police Force, to the extent that we have helped establish it as an instrument of political coercion and repression. It is too easy to argue that the policies and practices of the Thieu regime are no concern of ours, and an "internal affair" in South Vietnam. We have been deeply involved in the creation of the entire system, and we are still paying the bills. It is also too easy to argue that the Vietcong are just as guilty as Saigon in its treatment of prisoners; to my knowledge no one has ever suggested that we are funding their operation.

Justification for U.S. assistance to Saigon's police and prisons has always been presented in the most benign terms. AID officials tell us that the objective of U.S. public safety programs has been to help the Saigon government develop a more humane correctional system. However, in the case of the Con Son Island tiger cages, it took two U.S. Congressmen to "discover" the atrocious conditions there, in spite of the fact that U.S. AID prison advisers had been present on the island since as early as 1963. A 1963 memorandum from one of them describes the tiger cages and mentions the practice of shackling inmates to the floor. Even after the disclosure, one public safety adviser told a volunteer in Vietnam that there had been nothing wrong with the cages; he acknowledged and defended the throwing of caustic lime powder on inmates as a necessary measure of "prisoner control."

Mr. President, the evidence indicates that many of AID's justifications for aid to Thieu's police force and prisons have been nothing more than hollow rhetoric designed for Congress. I cannot see how the continuation of such a program can possibly have much humanitarian benefit for the people of South Vietnam. Within the context of Vietnamese politics, I can see no other purpose in such a program than to help consolidate President Thieu's power and squash his political opposition.

It has long been my conviction that we in Congress have been the victims of a monumental pile of contradictions, denials and obfuscations regarding the public safety program in Vietnam—and no doubt public safety programs elsewhere. If public safety is an honest, forthright program, one which Members of Congress would wholeheartedly support, then it is hard to understand why the administration seems to be going to such lengths to cover it up.

We need not question the right of the Government of South Vietnam to deal firmly with those within their country who violated the laws and committed serious criminal acts. This is the right and responsibility of every sovereign nation. But it would be a grave mistake to turn our heads on the thousands of innocent Vietnamese citizens who are still being imprisoned and tortured as political prisoners under programs which we helped initiate and continue to maintain in that country. The millions of dollars which the United States continues to supply to the GVN for repression of journalists, students, and concerned citizens whose only "crime" was to disagree with their government must be stopped.

This country has continued to demonstrate its abhorrence to the repressive internment policies such as these in other countries many times in the past. In Rhodesia, in Pakistan, and in countries of the Eastern Bloc we point to the cruelty of such policies as contrary to the basic rights of man and condemn the torture of these prisoners as gravely inhumane. There is no better way to encourage the end of South Vietnam internment policy than to cut off our funding for these programs. As we help South Vietnam return to a period of stability and peace, both internally and externally, it is vitally important that serious and considerable attention be given to this matter.

I have, therefore, submitted three amendments dealing with these grave injustices to the Senate Foreign Relations Committee on S. 1171, the administration's bill to amend the Foreign Assistance Act.

Only by reevaluating our present foreign aid policy toward those countries holding political prisoners, especially South Vietnam, can we ever hope to undo the policies which we had a hand in initiating.

Mr. President, I ask unanimous consent that the text of my amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENTS

On page 19, strike out lines 8 through 14 and insert in lieu thereof:

"SEC. 821. GENERAL AUTHORITY.—The President is authorized to furnish assistance for refugee relief, health needs, child care, aid to war victims, and reconstruction of South Vietnam, Cambodia, and Laos, in conformity with the provisions of the Agreement on Ending the War and Restoring Peace in Vietnam, signed January 27, 1973, the Laos agreement of February 21, 1973, and any such agreement as may be entered into with respect to Cambodia."

On page 19, strike out lines 15 through 20 and insert in lieu thereof:

"SEC. 822. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, the following sums:

"(A) For South Vietnam not to exceed $172,272,000, which sum shall be allocated and made available for that country for each of the following purposes and not in excess of the amount specified for each purpose:

| | |
|---|---|
| (1) Refugee relief and social welfare | $40,000,000 |
| (2) Orchards and plantations | 5,000,000 |
| (3) Crop production | 500,000 |
| (4) Animal production | 309,000 |
| (5) Scholarship program | 131,000 |
| (6) Statistical services | 79,000 |
| (7) National Institute of Administration | 92,000 |
| (8) Dredging | 41,000 |
| (9) USAID technical support | 6,000,000 |
| (10) Commercial import program | 60,000,000 |
| (11) Narcotics control | 1,000,000 |
| (12) Unexploded ordnance disposal | 2,000,000 |
| (13) Return-to-village facilities | 15,000,000 |
| (14) Health facilities | 3,000,000 |
| (15) Education | 2,000,000 |
| (16) Provincial health assistance | 177,000 |
| (17) Public health assistance | 411,000 |
| (18) Medical and dental health education | 1,372,000 |
| (19) Health logistics support | 3,014,000 |
| (20) National Rehabilitation Institute | 300,000 |
| (21) Population (family planning) | 685,000 |
| (22) Public health general support | 474,000 |
| (23) Irrigation assistance | 687,000 |
| (24) Reconstruction projects | 30,000,000; |

"(B) For Cambodia, not to exceed $32,500,000, which sum shall be allocated and made available for that country for each of the following purposes and not in excess of the amount specified for each such purpose:

| | |
|---|---|
| (1) Refugee relief | $4,000,000 |
| (2) Return-to-village facilities | 3,000,000 |
| (3) Reconstruction and development | $5,000,000 |
| (4) Commodity import program | 10,000,000 |
| (5) Multilateral stabilization program | 9,500,000 |
| (6) Technical support and participate training | 1,000,000; |

"(C) For Laos, not to exceed $27,358,000, which sum shall be allocated and made available for that country for each of the following purposes and not in excess of the amount specified for each such purpose:

| | |
|---|---|
| (1) Agricultural development | $2,000,000 |
| (2) Development of national roads | 2,000,000 |
| (3) Maternal and child health | 910,000 |
| (4) Public health development | 2,648,000 |
| (5) Education development | 1,000,000 |
| (6) Development of rural economy | 2,000,000 |
| (7) Refugee relief and resettlement | 4,000,000 |
| (8) Public administration development | 700,000 |
| (9) Mekong Vientane dike | 2,000,000 |
| (10) General technical support | 2,000,000 |
| (11) Stabilization fund | 4,000,000 |
| (12) Narcotics control | 2,100,000 |

"(D) For the Southeast Asian Regional Development Program, not to exceed $2,400,000; and

"(E) For Indochina Interregional Support Costs. not to exceed $6,500,000."

On page 19, between lines 15 and 16, insert the following:

"SEC. 17. Part III of the Foreign Assistance Act is amended by adding at the end thereof the following new section:

"SEC. 659. Limitations on Authorized Funds.—None of the funds made available to carry out this or any other Act, and none of the local currencies accruing under this or any Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other internal security forces of any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government. This section shall not apply to any amounts obligated, or any agreement entered into, prior to the date of enactment of this section."

On page 18, line 17, strike out "SEC. 17." and insert in lieu thereof "SEC. 18."

On page 20, line 4, strike out "SEC. 18." and insert in lieu thereof "SEC. 19."

On page 18, between lines 15 and 16, insert the following:

SEC. 17. Part III of the Foreign Assistance Act is amended by adding at the end thereof the following new section:

"SEC. 660. Prohibiting Assistance to Foreign Governments Holding Political Prisoners.—No funds authorized by this or any other act shall be used to provide economic or military assistance to the government of any foreign country which practice the internment or imprisonment of that country's citizens for political purposes. Such determination of ineligibility for assistance may be made at any time by either the House Committee on Foreign Affairs or the Senate Committee on Foreign Relations or both; and if such determination is made, it shall become immediately effective."

On page 18, line 17, strike out "SEC. 17." and insert in lieu thereof "SEC. 18."

On page 20, line 4, strike out "SEC. 18." and insert in lieu thereof "SEC. 19."

## LAND USE TYRANNY

Mr. HANSEN. Mr. President, all of us are aware of the yeoman's service performed by the Senator from Arizona (Mr. FANNIN) to insure that the Senate carefully consider aspects of the Land Use Policy and Planning Act (S. 268) passed recently by this body.

A number of us have felt that despite the Senator's effective effort to cover all bases on the bill, the committee workloads of quite a few Members prevented their being present in the Chamber to benefit from all of the Arizona Senator's enlightening remarks. Therefore, we are hopeful the House of Representatives, in its deliberations on this legislation, will explore the areas that were not developed in the Senate consideration.

In keeping with this line of thought, I ask unanimous consent that an editorial from the June 11 Phoenix Gazette commenting on the work of the Senator from Arizona be printed in the RECORD.

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

LAND USE TYRANNY

For all that land use planning has to recommend it, Arizona and every other state would be better off with no planning at all than with planning directed from Washington that would usurp local control and all but confiscate private lands.

With Washington having bungled so much on so many local scenes, it is surprising indeed that the majority of the Senate Interior Committee would report out legislation that would make Uncle Sam a czar over land use everywhere in the country. Yet that is precisely what has happened.

To his great credit, Arizona's Sen. Paul Fannin, who cosponsored the bill with the hope of providing federal assistance and cooperation for local planning is blowing the whistle on the version that came out of the committee.

Sen. Fannin says the Land Use Policy Act as it reads now "would do great violence to our traditional American rights," certainly an accurate description. If Washington gets to decide on land use, the states, other local governments and the people will have no say in the destinies of their neighborhoods and communities.

In effect, property owners would be reduced to landless serfs beholden to the lord of the manor in Washington. With Washington controlling use, titles to property would become worthless scraps of paper in a modern system of feudalism.

Under the Land Use Policy Act, areas of "critical environmental concern" would be subject to severely limited uses. According to Sen. Fannin, that provision is so broad that it "is not folly to say that in some states every square foot of private and state land could fall within such a limitless definition."

Oddly enough, lands owned by the federal government, which in Arizona at least are threatened by very real environmental hazards, would be exempt from designation as areas of critical concern. What sort of foolishness is that?

Because the bill provides no compensation to land owners whose property values would be reduced or even demolished by the environmental provisions, the measure very likely may be unconstitutional. The Constitution provides that private property shall not be taken for public use without compensation.

If it becomes law, however, the courts would be left with the sticky question of deciding when a restriction becomes "taking" of land. Litigation on that issue could continue for years, during which property owners might lose investments, and the results could be disappointing.

All in all, S. 268, the Land Use Policy Act, is a dangerous piece of legislation that promises to do little good for Americans but could do a lot to destroy their rights.

## SUPPORT FOR S. 775—RESEARCH ON AGING ACT

Mr. CHURCH. Mr. President, as chairman of the Senate Committee on Aging, I enthusiastically endorse the act of the Senate in passing S. 775, which would establish a National Institute on Aging at the National Institutes of Health.

This new institute would be responsible for conducting and supporting biomedical, social, and behavioral research and training relating to the aging process, as well as diseases and other special problems of the elderly.

Last year Congress passed a similar bill, but this measure was later pocket vetoed by President Nixon—even though it had overwhelming bipartisan support.

S. 775 is almost identical to that proposal with one exception: the provision for staffing and construction of community mental health centers has been deleted.

Research in the field of aging is now conducted by a number of governmental agencies, with the National Institute of Child Health and Human Development sustaining the largest percentage.

However, gerontological research has occupied a low priority in NICHD. In fact, only about 11 percent of the total NICHD budget is allocated for aging. Moreover, the administration's budgetary request for fiscal 1974 is almost $700,000 below the fiscal 1972 appropriation.

Today research on the aging process is not only funded at a low level; it is also fragmented among Federal agencies. This diffusion of responsibility has resulted in duplication of efforts, lack of coordination, and gaps in our overall approach.

But the Research on Aging Act, I strongly believe, can help to reverse this trend. In addition, S. 775 can establish the essential commitment for a systematic approach for research in aging.

Important but still unanswered questions about growing old present compelling reasons for obtaining accurate information about the physical changes accompanying the aging process.

Unfortunately, we know far too little about this phenomenon, even though it accounts for a substantial portion of our health care costs.

Today there are 21 million persons aged 65 and above—1 out of every 10 Americans. During the next 30 years, between 45 and 50 million individuals will celebrate their 65th birthday. In terms of sheer numbers, then, we, as a nation, should be vitally concerned about the aging process.

Health care costs can also be reduced because of new discoveries in dealing with advancing age. With this body of knowledge, greater emphasis can be placed upon preventive medicine, rather than waiting until disease becomes quite serious.

Moreover, research conducted by the National Institute on Aging can help many people to live more productively for longer periods.

Finally, this new Institute can provide a coordinated approach and concentrated effort for solving many of the special problems of the aged. Additionally, the Institute on Aging could help to build bridges with other agencies, and thus avoid the duplication of efforts which currently exists.

All Americans—whether they be young or old—have a direct stake in understanding and learning to cope with the inevitable aging process.

For these reasons, I reaffirm my strong support for S. 775, a bill which I have cosponsored with the Senator from Missouri (Mr. EAGLETON).

## OPEN LETTER FROM MOBIL OIL CORP.

Mr. FANNIN. Mr. President, on Tuesday of this week Mobil Oil Corp. sponsored a paid advertisement in the Arizona Republic under the heading of "An Open Letter on the Gasoline Shortage to: Senator PAUL J. FANNIN and Representative JOHN B. CONLAN."

This open letter very effectively sums up the causes of the current fuel shortage in America and what we must do to alleviate it.

It points out that the fuel shortage is the result of a series of political decisions over which the oil companies had no control. These political decisions included the prohibition of offshore drilling in certain areas, the environmental protection laws which have increased fuel consumption, restrictive price regulations, and developments in foreign nations.

This article also points out that although North Slope oil was discovered in Alaska more than 5 years ago, construction of a pipeline to bring this needed fuel to us remains stalled.

Mr. President, this article should be of interest to everyone concerned about our current fuel shortages, and I ask that it be printed in the RECORD.

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

[Advertisement in the Arizona Republic, July 10, 1973]

AN OPEN LETTER ON THE GASOLINE SHORTAGE TO: SENATOR PAUL J. FANNIN AND REPRESENTATIVE JOHN B. CONLAN

We are publishing this letter in your hometown newspaper, and in those of the other Members of Congress, because we want you and your constituents to have the facts about the gasoline shortage as we see them. We are doing this because many people are being misled by the absolute nonsense, totally unsupported charges, and outright lies being spread around by a variety of people. For example:

"There are sufficient supplies available to the oil industry so that there need be no serious shortage of gasoline or any other petroleum product for any purpose in this nation."

"But the fact is, much of the so-called energy crisis is being concocted in the board rooms and public relations offices of the nation's major oil companies."

"I suggest that circumstantial evidence supports the conclusion that the major oil companies are using the fuel shortage they helped create to drive out their competition."

What these and other such statements boil down to is a series of charges that the shortage is contrived. That it is a hoax perpetrated by oil companies to raise prices and drive unbranded marketers out of business. That it is a massive conspiracy, a price gouge to end all price gouges.

Not one of these charges is true. All are based on misinformation. Some are outright lies. Here are the facts.

I. GASOLINE PRODUCTION IS AT AN ALL-TIME HIGH

When they hear the word "shortage," many people think the industry must be supplying *less* than before. Far from it.

The U.S. oil industry is making *more* gasoline than ever before—5% more than last year. That translates into an increase of 13,700,000 gallons a day above 1972—*which would have been more than enough to meet the demand growth of almost any previous year in history.* The problem is that with gasoline production up 5% over last year, demand is up about 6.2%. The shortages, which may come and go due to temporary swings in demand and supply, have shown up in the fact that some service stations occasionally run out of gasoline, and many dealers have chosen to operate on shorter hours and to close on Sundays.

II. POLITICAL DECISIONS HAVE PRODUCED THE SHORTAGE

The following factors, *all essentially resulting from political decisions,* have produced today's shortage:

(1) While potentially large oil reserves are believed to lie off the U.S. East and West Coasts—our most promising oil province, since the onshore U.S. has been more heavily drilled-up than any other part of the world—these offshore areas are barred to exploration, and U.S. crude production is dropping. *Oil companies had no control over this.*

(2) Over five years after the largest oil field ever discovered in North America was found on the North Slope of Alaska, construction of a pipeline to bring this oil to market is still stalled. *Oil companies had no control over this.*

(3) The United States is short of refining capacity, and will be critically short in a year or two, as a result of erratic government import policies, environmental constraints, and inability to bring the largest, most economical tankers into U.S. ports. *Oil companies had no control over this.*

(4) In terms of volumes, demand for gasoline is growing well over twice as much as it did during the 1960s, with pollution-control equipment and convenience devices such as air-conditioners accounting for a large part of this year's increase. *Oil companies had no control over this.*

(5) The shortage of natural gas caused by ill-advised government regulatory policies has forced industrial users to use large quantities of heating oil, which has caused a shortage of that product for the consumer. *Oil companies had no control over this.*

(6) Two of the major oil-exporting countries in the Middle East and North Africa have reduced crude oil production. *Oil companies had no control over this.*

(7) Price controls are impeding the importation of higher-priced oil products into our country. *Oil companies had no control over this.*

III. IS THERE A CONSPIRACY? IS THE SHORTAGE CONTRIVED?

If there was ever an industry in which it would be impossible to conspire, it's oil. Conspiracy requires secrecy. If you stop to think of all the bodies of government—in every branch of government, at every level—that have long involved themselves in our business, you'll realize we couldn't conspire if we wanted to. We operate in a fishbowl.

Dozens of agencies of the federal government, a horde of Congressional committees, and agencies of the 50 states and various municipalities regulate, investigate, or monitor the oil industry's activities.

Further, oil companies—even the largest ones—are so widely divergent in their size, their interests, their needs, their opportunities, and their views that it would be impossible to put a conspiracy together. Oil is one of the least-concentrated major industries in the world. No oil company supplies as much as 9% of the U.S. gasoline market.

IV. THE "INDEPENDENT" MARKETERS

You have doubtless seen charges that "the major oil companies" are cutting off gasoline supplies to non-major-brand ("independent") marketers to drive them out of business.

You should know that the overwhelming majority of service station dealers in this country are independent businessmen, whether they sell under the Mobil brand name or the brand of one of our major competitors or under their own private brand. All these dealers set their own retail prices, their working conditions, and usually their hours of operation.

Many non-major-brand marketers have in the past chosen to rely on day-to-day purchases of gasoline from oil companies instead of entering into long-term supply arrangements. This policy worked to their advantage as long as supplies were adequate, and especially when there were surpluses. Now that the surplus has disappeared, they are having difficulty obtaining gasoline.

As for Mobil, we have established an allocation system to ensure fair treatment of our customers. We believe this system will enable us to supply these customers at least as much gasoline and other refined products this year as last year.

V. WHERE DO WE GO FROM HERE?

It's going to take several years to remedy the situation. A pipeline has to be built to move the oil discovered over five years ago on the North Slope of Alaska. The outer continental shelf off the U.S. East and West Coasts has to be opened to exploration for new reserves of oil and natural gas. Superports have to be built. Oil companies must be enabled to obtain satisfactory sites for new refineries. Massive research and development programs have to be undertaken to make the production of non-conventional oil and gas from oil shale and coal economically feasible and environmentally safe. Construction of nuclear power plants to generate electricity must be accelerated. All of these require long lead times, and they can't be accomplished by the oil industry alone.

This is why Mobil has been running newspaper ads across the country, and doing a good many other things, to urge people to conserve gasoline and to use all energy more efficiently. As a further step in this direction, we have totally eliminated our gasoline advertising and are focusing our efforts on providing greater public information on how our country can tackle its energy problems rationally and equitably.

VI. WHY THIS LETTER

Our intention is not to get into a posture of charges and counter-charges, but rather to accomplish two things:

(1) To set the record straight on the gasoline shortage and to put the lie to the charge of conspiracy; to help people understand the shortage is real and will be with us for some while, and to suggest practical ways to cope with it.

(2) To try to elicit from you and your constituents a national effort, such as our country has not seen since World War II, to use wisely the energy resources available to us and to establish new policies to alleviate energy problems in the years just ahead.

MOBIL OIL CORP.

## SENATOR EASTLAND SPEAKS TO MISSISSIPPI HIGH SCHOOL GRADUATES

Mr. WILLIAMS. Mr. President, on May 24 of this year our distinguished colleague and President pro tempore of the Senate, Senator JAMES O. EASTLAND, spoke at the graduation exercises of the Iuka High School, in Iuka, Miss. On this evening, he chose to remind these young graduating seniors of the important role which they play as citizens of their State and Nation.

He wanted to make clear to them that it is they who will inherit the future of America and it is they alone who will control the directions of American government.

Senator EASTLAND emphasized in his address the fact that all forms of American government have been structured—at every level—to avoid concentration of power in the hands of the very few. He pointed out that the heart of our continuing governmental structure is that no part of that system depend on any single individual or small group and that, in his own words:

The indestructable nature of America's institutions is the best protection which can be afforded to free people. This is true—of course—because no Mayor—or Governor—or Senator—or President owns his office. He holds it in trust for the citizens who elected him. He holds it for a limited period of time—at the pleasure of his constituents—and returns it to the office's rightful owners—the people.

Mr. President, I commend this speech to the reading of my colleagues, for Senator EASTLAND has summed up so well the faith we must continue to have in the fabric of this Nation. I ask unanimous consent that the text of Senator EASTLAND's remarks be printed in the RECORD.

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

REMARKS BY SENATOR JAMES O. EASTLAND

It was good of you to allow me to have a part in this once-in-a-lifetime experience for our graduating seniors.

I commend each of them for having successfully completed a vital chapter in their unfolding lives.

I would bring a brief message to them today.

It is this:

You go forth from this splendid school not only to face the future. All of the tomorrows will be yours to shape and fashion. That is the cardinal rule of liberty. It is the burden and the glory of freedom.

My young friends—you are very important people. Indeed—you are indispensible to our state and nation. Without you—and others like you across Mississisppi and America—the United States cannot continue to exist—and the freedom we all cherish will vanish from the earth.

You have been told that the future is in your hands. I am going a long step further—I am saying that you—each of you—*is* the future.

You do not leave this school to take up a role assigned you by others. Nor are you shackled today—or tomorrow—or ever—to a station in life.

You are Mississippians and Americans. It is your right to choose your role and to aspire to any station. And—it is your solemn duty to protect and preserve and expand those rights and choices.

Almost 2 centuries ago a Frenchman said:

"The right to command is no longer a privilege to be transmitted by nature like an inheritance. It is the fruit of labor—the price of courage."

He was saying—of course—that the time of kings—the era of emperors—the day of the dictator was over in France.

That time—that era—that day—thank God—has never come in America.

Through all the years leading up to this day—your parents and their predecessors have paid the price of courage. They paid even on those dark days when the price was blood and the cost was lives.

The fruit of their unceasing labors—spanning the decades—is your right to command yourselves—and to select those who govern in your name—from the courthouse in the smallest town to the White House in our Nation's Capital.

For example—I serve as President pro tem of the U.S. Senate—not by an accident of birth into a royal family—nor through appointment by an all-powerful official—but by the generosity of the people of Mississippi and the votes of men elected to the Senate from every corner of our country.

Because our government has always belonged to the people—as it always will—it must be what we say it is—a government of law and not of men.

Think with me about how carefully our government was structured—at every level—and how it trends away from one man rule—or the concentration of power in a few hands.

Our towns and cities are led by mayors and commissioners—or by mayors and boards of aldermen. Our county system is built around a 5 member board of supervisors.

On the state and national level, checks and balances are our foundation. In Jackson—and in Washington—the operation includes a chief executive—a Senate and a House of Representatives—and a Supreme Court.

Even in our judicial apparatus, the appeal process takes us beyond one man decisions and before multimember courts.

Now—here is the heart of our on-going structure no part of the system depends on any individual—or small group.

Office holders—local, State and national—come and go. Only the law remains—constant as the North Star.

The law—and the institutions created by law are beyond the grasp of the dangerously ambitious. They endure—through the years—the decades—the centuries. The indestructable nature of America's institutions is the best protection which can be afforded to free people. This is true—of course—because no mayor—or governor—or Senator—or President owns his office. He holds it in trust for the citizens who elected him. He holds it for a limited period of time—at the pleasure of his constituents—and returns it to the office's rightful owners—the people.

Our institutions—in and of themselves—are good. They cannot fail because the law does not fail. When there is a failure in the structure it is always traceable to men—to men who were weak—or greedy—who were corrupt or grasping for power.

Even when bad men damage the apparatus—the damage is temporary and easily reparable because the office—the institution—the structure continues—as sound and strong as the day it was launched almost 200 years ago.

Graduates and friends—men can and will fail us and themselves. But—I ask you to hold this faith in your heart—your institutions are strong enough to withstand the occasional failure—strong enough to endure human frailty—strong enough to support freedom here at home—and around the world—in our time and * * *

There are instances when we hear that an official or an office holder did wrong—but—that he meant well—that he was reaching for power in a good cause.

This is not new—it is an ill that has been with us almost from the beginning. It has been cured before—and will be again.

As an illustration—listen to the words of the great orator and U.S. Senator—Daniel Webster. Long years ago, he said:

"Good intentions will always be pleaded for every assumption of power. It is hardly too strong to say that the constitution was made to guard the people against the dangers of good intentions. There are men in all ages who mean to govern well—but they mean to govern. They promise to be good masters—but they mean to be masters."

You and I know that there are no masters in this Nation—nor will there be—because the Constitution is still there to guard the people.

You and I know—also—that Government exists for the purpose of protecting—and serving—and promoting the welfare of our citizens.

Occasionally, an office holder—or official—or employee of government—national, state or local—develops the dangerous and mistaken notion that he *is* the government—and, that he is—somehow—above the law.

This is not new, either.

In 1927, Supreme Court Justice Brandeis wrote eloquently on this vital subject. His opinion said:

"Decency, security and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizen. In a government of laws, existence of the government will be imperilled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution. Against that pernicious doctrine this court should resolutely set its face."

America has resolutely set her face against any action by a public official which would betray her trust or wrong her people. We can all rest assured that decency, security and liberty will continue to abide with all Americans.

Finally, let us face and answer a question central to our lives.

Can the United States fail? Can our constitution collapse and our institutions disintegrate? Can the dream of the founders of this republic disappear into the dust of history?

I want to answer that question with all the conviction and sincerity I can command.

It can collapse only if you and I violate the trust handed us by our fathers and mothers—only if we disdain the sacrifices of the millions who preceded us—only if you and I take the greatest governmental system ever devised by men—and throw it away.

We will not do those weak and evil things—you and I—and those who will follow us—and so this land will remain—for all the years to come—the last, best hope of earth.

Graduating seniors—remember—for your parents, loved ones and teachers—and for me, if you will—that while humans are frail and fallible—this nation you are inheriting has all of the combined strengths of two hundred million free people.

Remember that we cannot doubt our institutions without doubting ourselves.

Remember—as you finish your work at this fine school and assume the place you are entitled to in our society—that you do not ever have to go in search of America—she is part of you—even as you are part of her.

I know you are fit for the burden and the glory of freedom. You and your home-land are well matched.

As I leave you, I ask the Lord to bless your country—and each of you.

Thank you so much.

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## AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES CONFERENCE

Mr. STEVENS. Mr. President, a few weeks ago the American Federation of Government Employees held a legislative conference and rally here in Washington, D.C. A number of the Members of Congress had the opportunity and the pleasure to speak before this event. At this conference of May 30–June 1, a number of legislative goals of the AFGE were presented. These following proposals I feel deserve the attention of my colleagues.

Mr. President, I ask unanimous consent to have the proposals printed in the RECORD.

These being no objection, the proposals were ordered to be printed in the RECORD, as follows:

CONTRACTING OUT

AFGE takes for granted that all those Government services in which employees legally and financially bind the Federal government, or carry out civilian functions related to national sovereignty and security or to the collection and disbursement of funds must continue to be carried out solely by Federal employees. It also assumes that those so-called technical and support services directly related to the protection of Federal property and persons in Federal custody for any reason whatsoever, Federal officials will be discharged by Federal employees.

In addition, the AFGE agrees with the February 1973 resolution passed by the AFL–CIO Executive Council that all other directly related to the protection of Federal postal, state, county and municipal employees continue to be discharged by government employees at the appropriate level.

This means that when AFGE speaks of "contracting out" it is not speaking of purchases for construction of facilities and for major repairs. Nor are we interested in contracting for goods, including hardware, office equipment, etc. Our concern regards

solely "contracting out" of these so-called technical or support services encompassed by the AFL–CIO resolution. We oppose this type whether it is in the form of a direct contract for hire or by having military personnel perform normal civilian work.

We contend that "contracting out" is indeed a more expensive means of performing work rather than using "in house labor largely because of a number of hidden or indirect costs involved in contracting out. An example of these hidden costs is utilization of Federal facilities, tools, equipment, machinery and even the services of Federal personnel in the performance of his work. In reality, "contracting out" provides no savings to the tax payer.

"Contracting out" has a detrimental effect on the position and morale of Federal employees. It was one of the causative elements behind the "grade de-escalation" program The grade "creep" was the result of a statistical effect produced primarily by decimation of the lower grades by RIF's and contracting out. The damage to Federal employment is in no way justified by the illusion of savings which the OMB would have us believe.

AFGE has for years advocated that all contracts for technical and support services be let only by rigorous legal standards, that they be deposited in a central agency; and that they be properly monitored by a central authority for compliance. The central repository agency should submit a report to Congress as to the total amounts involved; the numbers and categories of personnel employed by the contractors by agency and department; the pay, including range of pay by job classification; and the relationship of fringe benefits to pay rates, as well as establish a single definition for the term "prevailing rate" so that all contracts can be unambigously interpreted, analyzed and evaluated.

Prior to letting any technical or support service contract, exceeding $10,000 the agency should be required to make an estimated payroll run of what the contract would cost if performed by Federal employees. If the cash payment to the contractor is larger than the payroll run, the contract could be let only with specific approval of the next higher echelon of government with a justification forwarded to the central repository.

RIF PROGRAMS

AFGE is on record advocating the suspension of all relocations and reductions-in-force that affect Federal employees. We further proposed that in the event it was not possible to suspend all relocations and reductions-in-force, that the President instruct the Office of Management and Budget, the Civil Service Commission and all department and agency heads that, on a nation-wide basis, all recruitments to fill current or ensuing Federal civilian vacancies be limited to Federal employees affected by reductions-in-force.

Furthermore, we are in support of measures which would require the heads of the respective agencies to provide Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment.

We urge strict adherence to the prescribed procedures for reductions-in-force. There are too many instances in which competitive levels are so numerous and so narrow as to render seniority and other job retention rights meaningless. This must cease. In cases where RIF's are unavoidable they must be run with the utmost of fair play.

Often directly related to RIF's are contracting out and usage of military to perform civilian functions. We feel that it is highly inappropriate that contracting out goes on at the same time as RIF's are in progress or pending. This practice cannot even be justified on the basis of economy. Too often these contracts are in actuality a more expensive means of performing a job than if "in house" Federal labor were used and the "savings" from reducing the Federal payroll are more than negated.

LABOR-MANAGEMENT RELATIONS

For the last eleven years the Federal labor-management relations program has been based on an Executive Order. We have come to the conclusion that this approach must be scrapped and we must seek a statutory basis for this relationship. Our number one legislative priority is such a statute.

There are many problems in having to rely on an Executive Order. The Executive Order is extremely tenuous—it is given by the pen and can be changed and revoked by the pen. This leaves Federal employees at the mercy of parties and interests who have access to, or are within, the Administration. The courts are disinclined to accept jurisdiction over matters only in an Executive Order; a fact which considerably diminishes the legal recourse available to Federal employees in these matters.

Under the Executive Order the scope of collective bargaining is highly limited and we have to resort to a variety of alternative means to achieve what in the private sector is done at the bargaining table. This scattering of forces is hardly conducive to meaningful labor participation in a labor-management relationship.

We have not received much hope from the manner in which the current order has been administered and interpreted. One of our chief complaints with E.O. 10988 had been the absence of any third parties and centralized administration. Provisions for these were incorporated in E.O. 11491 but we have found them to be slow and cumbersome. Their operations have negated much of the benefit which we had hoped would derive from their inclusion in the program.

The labor-management relations program under the Executive Order has not progressively developed as we had expected. In reality, improvements have almost invariably been accompanied by serious faults and regressive measures. This has resulted in preventing the program from advancing very far from the point at which it was eleven years ago. It has become clear to us that a new approach is necessary. In our judgment, the best approach is legislation such as H.R. 13 and S. 351.

RETIREMENT

There are a number of reforms that we are seeking in the Federal retirement system.

We support legislation which would permit *voluntary* retirement with full annuity upon achievement of any combination of age and service which equals 80 years. We are also advocating changing the base for the annuity formula from high 3 years to high 1 year. Another measure we seek is establishment of a minimum of $100 per month for annuities.

We have sought to broaden voluntary hazardous duty retirement (present requirements are age 50 and 20 years of service) to include Federal law enforcement personnel; certain categories of prison service and building guard personnel; officers and staff of the District of Columbia Juvenile Court; civil pilot instructors; air traffic controllers; fire fighters; nurses in psychiatric wards; couriers and handlers of classified or controlled materials. We have urged incorporation of a "catch-all" provision allowing inclusion of all Federal employees who are required to carry a gun or other weapon in the performance of their duties.

We would like to see abolition of the language in section 8336(c), title 5, United States Code requiring the recommendation by the Agency head and Civil Service Commission approval of the recommendation before a hazardous duty retiree may receive an annuity. We feel that application by an eligible employee should be honored and the Agency head and the Commission should have no functions other than to take note of the application for retirement and to determine whether the applicant is eligible according to his record and length of service.

We stress the voluntary nature of these liberalized eligibility provisions. No employee who is still able to produce and desires to continue to work should be forced out at the relatively youthful age of 50. While the employee should have the option to retire at an earlier age, his freedom of choice in the matter must be protected.

HATCH ACT

The Hatch Act needs major revision. Federal employees must be emancipated from second-class citizenship and given the same political rights as their fellow Americans. Federal employees must be free to run for any elective public office they desire and to participate fully in every other political action which is lawful for other citizens.

The only legislation which is needed is legislation which protects government employees in their rights to freedom in the political area without fear of reprisal. The protection which the public needs is legislation which prevents the establishment of a spoils system within the governmental apparatus, built on political favoritism. Such a spoils system can exist only if government employees are subject to reprisals.

At the minimum we seek the following immediate changes in the Hatch Act:

(1) Section 9 of the Hatch Act should be amended to provide that when the Civil Service Commission finds that a violation does not warrant removal, a lesser penalty of not more than 30 days suspension be imposed; further, that in any first-time violation a reprimand be the penalty where the violation does not warrant removal.

(2) All bona fide and recognized trade unions whose membership consists of employees covered by the Hatch Act and by other similar statutes should be permitted to actively engage in political activities during meetings of such trade unions.

(3) Elected and appointive officers, who are on official leave to conduct union business or other such activities of such recognized unions, should be exempt automatically from the provisions of the Hatch Act.

(4) Such unions should be permitted to encourage, and to collect, contributions to civic and political education bodies of unions, such as, for example, COPE.

It should be emphasized that these are the *minimal* changes necessary to alleviate the most glaring deficiencies and injustices now found in the Hatch Act. What we really desire are the revisions listed in the first two paragraphs.

HEALTH BENEFITS

Our current emphasis in improving the Federal Employees Health Benefits Program is to increase the government contribution towards employee health insurance premiums. We hope eventually to see this raised to 100%; however, we recognize that this may have to be done in a graduated program of increases. We do not feel that 100% is excessive.

Today many private enterprise employers are already paying 75% of employee premiums and some, especially the larger employers, are paying 100%. It was the intent of Congress in the legislation establishing the Federal Employees' Health Benefit system that the Federal government should offer employee benefits programs comparable to those of other large employers. Insofar as health benefits goes, the government and its 40% contribution are not living up to Congressional or employee expectations.

In addition to bringing Federal contribution into line with current private enterprise practice, we are interested in improving coverage. In this vein, we would like to see provisions made for dental and optical coverage.

Generally, we have been happy with the performance of the Bureau of Retirement, Insurance and Occupational Health of the Civil Service Commission. However, we feel that there are three areas in which improvements would be made which would be highly beneficial to the general operation of the Federal Employees' Health Benefits Program. These three areas are:

1) regular, systematic supervision and auditing of all programs, especially the Service Benefit Plan;

2) education of the Agencies regarding the administration of the FEHB;

3) equal treatment of all programs regarding guaranteed charges.

INDEPENDENT SYSTEM OF APPEALS AND REVIEW

The present adverse actions system is unduly complex, results in protracted proceedings, denies employees' fundamental due process and does not serve the ends of justice.

AFGE seeks a system which is simple, direct and just. It should provide for a prior hearing before any adverse determination is reached, a decision on the record by an independent decision maker and a single level of appellate review on the record as established. Such a system should be administered by the Civil Service Commission only if it is made truly independent in its adjudicatory roll by legislation. Otherwise, the system should be established as an independent agency in the Executive Branch, responsible to the Congress for its performance.

## ENERGY AND CUTBACK

Mr. BIDEN. Mr. President, on June 29, 1973, the President announced to the American people his new program to alleviate the impending energy crisis. Whereas his previous energy message in April emphasized the benefits of technology, the expansion of supplies and the possibilities of new resources, his latest announcement focuses on the conservation of energy. In the July 2, 1973, Christian Science Monitor editorial, "Energy and Cutback," the voluntary conservation approach is evaluated. Noting that public cooperation is indeed an important factor, the editorial stresses that conservation cannot be the entire answer:

As with wage and price controls and economic crisis, a voluntary conservation program will not prove the long run answer to the energy crisis. Other factors are involved, such as the burgeoning energy needs of Europe and Japan and world competition for existing supplies.

A closer look at alternate conservation forms, a tax on autos by weight or horsepower, an evaluation of appliances in regard to their real need and the amount of energy they consume, a lowering of speed limits and a reduction of airline schedules, are all worthy of consideration.

The editorial concludes:

America's holding back on energy use is a helpful step if it implies a more sober attitude toward energy waste, a new impulsion toward developing new energy resources, and a new willingness to adopt less energy intensive life styles.

The President's emphasis on conservation and cutbacks is an important step in a many faceted attempt to solve the energy crisis. Many perplexing problems remain, however, for the President and the Congress to resolve.

I ask unanimous consent that the text of the Christian Science Monitor editorial of July 2, 1973, "Energy and Cutback," be printed in the RECORD.

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

ENERGY AND CUTBACK

The President struck a welcome chord when he announced his latest energy crisis steps at the weekend.

Whereas his previous energy message, earlier this spring, stressed expansion of supplies, his new message stresses energy conservation. Mr. Nixon has asked the public to consume 5 percent less energy this year—by driving 15 miles per week less, for example—while imposing a 7 percent cutback in government energy use.

We will take up the shortcomings of this voluntary approach in a moment. But its appeal is worth noting.

Already we have begun to detect many Americans deciding against long auto-trip vacations, or voluntarily holding down their highway speed by 10 or 15 m.p.h., not out of fear of any energy shortage but simply because they thought it the right thing to do. In times of shortage, unnecessary consumption becomes something of an antisocial act. This response, before the President's request, indicates a healthy desire among people to cooperate in national goals. It is the same kind of cooperation the public showed in backing wage and price controls.

But as with wage and price controls and economic crisis, a voluntary conservation program will not prove the long-run answer to the energy crisis. Other factors are involved, such as the burgeoning energy needs of Europe and Japan and world competition for existing supplies.

The President indicated an interest in another form of energy conservation—a tax on autos by weight or horsepower. General Motors president Richard Gerstenberg was quick to indicate he didn't like the idea, raised earlier in the week by Federal Research Board chairman Arthur Burns. There is more profit on large cars than on small cars, and such a tax would represent yet another level of government interference in the auto industry, so Mr. Gerstenberg's reaction could have been anticipated. Yet if America is going to be short on fuel for several years, then a tax on engine size or vehicle weight may prove a better form of conservation than merely letting the price of gasoline soar. Given the related problem of air pollution, further encouraging the trend toward smaller vehicles would be a help.

There were several possible steps the President did not promote in his voluntarist pitch to Americans to conserve fuel. * * * More energy may be saved in not buying a frivolous or unneeded product than in cutting back 15 miles in one's driving in a week.

The message did not deal with mass transportation. The President has appointed a new White House energy czar in Colorado Gov. John Love. We hope his duties will include the development of a truly comprehensive transportation energy plan. It will not be enough to ask states to curb speed limits or airlines to reduce schedules and air speeds and not genuinely strive to curb the wasteful ebb and flow of city-suburb workday auto traffic.

It is true that Americans use a disproportionate amount of energy. While only one in 17 persons on the globe lives in America, the United States accounts for a third of man's current energy consumption.

Conservation must mean more than cutback, however. After all, other nations are anxious to consume as much energy as America now does, to attain its life style. Breakthroughs will have to come in other forms of power.

Just this week in Paris a conference on solar energy is being held. Proponents of solar power say half the energy now needed for residential and commercial use in equipping two-thirds of America's housing units with solar power receivers could generate more energy than is now being produced by America's electric power.

We mention solar power only as an illustration of the untapped energy resources that could fuel man's continuing technological progress. Heat from the earth's interior, as well as the short-run better use of coal deposits, could likewise provide additional fuel. And research in nuclear fusion could help provide energy for a technologically more advanced global population. Mr. Nixon's proposal to spend $10 billion in energy research—though but half of what some congressmen propose, and not broad enough in the kinds of research planned—should help in this vital energy exploration.

America's holding back on energy use is a helpful step if it implies a more sober attitude toward energy waste, a new impulsion toward developing new energy sources. * * *

Mr. BIDEN. Mr. President, although the President's message is good as far as it goes, I am disappointed that the President's message does not include the announcement of a mandatory fuel allocation program. Of further concern is Governor Love's reported opposition to such a program. In my letter of congratulations to Governor Love on his appointment as Director of the Energy Policy Office, I expressed my reasons for considering the implementation of a mandatory fuel allocation program essential for an equitable and effective distribution of the available fuel supplies. I hope that he will reevaluate his position and exercise his new responsibilities to implement a mandatory allocation program.

I ask unanimous consent that my letter to Governor Love on July 5, 1973 be printed in the RECORD at this point in my remarks:

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

U.S. SENATE,
*Washington, D.C., July 5, 1973.*

HON. JOHN A. LOVE,
*Assistant to the President, for Energy, The White House, Washington, D.C.*

DEAR GOVERNOR LOVE: Congratulations on your appointment as Assistant to the President for Energy.

I think the President was well-advised to take the steps which he has to coordinate our national energy efforts. What remains to be seen is how effective the new organizational structure and personnel will be in dealing with the difficult energy problems we are facing. In this respect, I am distressed by your reported opposition to a mandatory fuel allocation program. As a member of the Senate Banking, Housing and Urban Affairs Committee which reported the legislation giving the authority for an allocation program and has held hearings on the fuel shortages, I consider the implementation of a mandatory allocation program essential for an equitable and effective distribution of fuel.

Through the unfortunate experiences of some of my constituents, I have become acutely aware of the limitations of the voluntary program. Although the voluntary program has clear guidelines as to how the crude oil and products should be distributed, the Office of Oil and Gas (OOG), charged with the responsibility for implementing the program, can only "jawbone" the companies involved. If a company refuses to voluntarily comply, the OOG is helpless to enforce the guidelines. The inability of the OOG to enforce its directives has made a mockery of the voluntary program and has already led to the closing of several fuel distributors in

my state and many others will have a similar fate if a mandatory program does not go into effect soon.

In fact, many of the companies which have been complying with the voluntary program have only been doing so because of the threat of a mandatory program. Such pressure can remain effective only for a limited time, however. The Phillips Petroleum Company's threatened withdrawal from the Northeast and Atlantic Coast market is a case in point. Through the efforts of Mr. Simon, Chairman of the Oil Policy Committee, and Congressional and public pressure, Phillips has agreed to serve the market area until July 15, 1973. If Phillips does not remain beyond that date, several important distributors in my state will be without fuel to supply to their many high priority agricultural and state and municipal customers. It is becoming clear that a mandatory allocation program will be necessary to deal with this and other serious situations.

As you know, the Senate has already passed S. 1570 to require the implementation of a mandatory fuel allocation program. The hearings Mr. Simon has conducted have led him to the same conclusion—a mandatory program is needed. I urge you to promptly implement the results of these deliberations.

Governor Love, you are assuming your new responsibilities at a critical juncture in our nation's effort to provide adequate and equitable supplies of fuel for all of its citizens. I do hope that you will take the initiative in fulfilling the Federal government's responsibility in this important area.

Please be assured that I fully realize that yours is a difficult and exacting assignment—in the fulfillment of which I wish to support you as best I can.

With best wishes, I am,

Sincerely yours,

JOE BIDEN
*U.S. Senator.*

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## VIETNAMESE CHILDREN

Mr. WILLIAMS. Mr. President, on June 19, the National Broadcasting Co., televised a 1-hour documentary, "The Sins of the Fathers," which focused on the problems encountered by Vietnamese children of American fathers. This program pointed out with devastating clarity the severe difficulties which exist for most of these children of South Vietnam, where half the population is 14 years old or younger.

To produce the documentary, Mr. Shad Northshield and his staff spent months researching the material and filming the show throughout South Vietnam. "The Sins of the Fathers" commands attention to a story which our Government and the South Vietnamese Government have tried to ignore and it tells that story in realistic terms that expose the full scope of this tragic situation.

No holds were barred in producing this provocative film. Throughout the hour, Mr. Northshield emphasized the tremendous problems facing half-American children, but he also stresses that hundreds of thousands of full Vietnamese children also face growing up in atmospheres where there is neither the time nor energy to give love and affection, let alone adequate food and shelter. One excerpt from this program revealingly sums up the existing situation:

Vietnam has many problems. Those of the racially-mixed children are far down the list of priorities.

That's understandable.

Unless you are one of them.

A zoo that's well-stocked offers a spectator a wide array of representative species.

This is the Go Vap orphanage in Saigon.

It's a zoo. A visitor can see starving children, maimed and crippled children, dying children, far too many children.

They got here the hard way. Most of their fathers were killed in the war that has destroyed nearly a generation of Viet Nam's young men. Many of their mothers were killed, too. But an appalling number of them got here by being lost from their mothers, abandoned by them. It was the easiest way for the mothers to handle the shame of their motherhood. There are 700,000 orphans or half-orphans in the Republic of Viet Nam. If the United States had the same percentage of its population in that condition, there would be 10 million American children without parents, without homes, without hope. Go Vap is the largest orphanage of more than 130 here. It's neither the best nor the worst. There are about 12 hundred little people here and only 12 nuns to take care of them. Taking care has come to mean keeping alive.

Success is limited.

If they survive, most of these people will remain penned here until they are adults.

They are symbols of the apocalypse, especially of an awful famine. They are starving for love.

Much of the staff of life comes from the United States aid program, through the Ministry of Social Welfare of the Government of Viet Nam. It amounts to five cents worth a day for each child.

Every day, new babies are born and abandoned to places like this. Many of them die here . . . 70 percent of those who come here, usually in the first few weeks, sometimes more slowly. Most of them die of malnutrition. They are under-nourished in every way.

The opposite of love is not hate; it's indifference. Indifference, even unavoidable indifference, is a cause of death.

A mere discussion of this film necessarily understates its message. Its visual content was a vital integral part of the total story. Nonetheless, I think the narrative transcript provides valuable insights which will be of interest to the Senate, especially as we consider our proper role in helping to resolve, or at least ease, some of the social consequences of American involvement in South Vietnam.

I commend Mr. Northshield, his staff, and NBC for presenting such a moving and timely documentary.

Mr. President, I ask unanimous consent that the full transcript of "The Sins of the Fathers" be printed in the RECORD.

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

"THE SINS OF THE FATHERS"

NORTHSHIELD. This place, Viet Nam, is like most of the world. It is more involved in surviving than in living, more committed to mere existence than to enjoyment. Like most of the people of the world, those who live here have black hair, black eyes and terrible hungers. But Viet Nam is special too. It's a scar on the conscience of all men. It's a junk pile where old weapons rust and new little people rot. Among all the debris the very worst thing to be is one of these.

(Over back toddler).

NORTHSHIELD. She is a citizen of Viet Nam because she was born here, in the place her mother lives. Her father has gone home . . . to the United States.

She is healthy and altogether normal.

She is in very big trouble.

(Over meat market).

NORTHSHIELD. The mothers and potential mothers have been here for centuries. From time to time, armies of fathers and potential fathers have invaded or visited. Those here most recently were Americans.

They were friendly to the friendly natives.

The friends could get together at this gate to the world's largest Army base, a place called Long Binh. It had an *American* name, too.

It was called The Meat Market.

(Over Long Binh).

NORTHSHIELD. Now the Americans are gone. They have left the world's largest Army base and tons of debris. There are no friends here now, just relics and remembrances of past triumphs, of mistakes and expenditures.

(Over wreckage).

NORTHSHIELD. There were billions of dollars worth of goods, hundreds of thousands of people sent here. What is left behind is wrecked and used and dead.

(Baby in crib).

NORTHSHIELD. Except for this—also left behind—but doomed to live.

(Over freeze of birth).

NORTHSHIELD. All babies are born naked, soiled, protesting, shocked.

(Action begins).

NORTHSHIELD. Most of them get over it.

(Before dissolve to Quang Tri).

NORTHSHIELD. But to be born in Viet Nam is to begin where the apocalypse has just ended. This is what remains of Quang Tri city, the way it was when we filmed there in February 1973.

This is the place where the four horsemen rode.

They were called Plague, War, Famine and Death.

(Over cemetery).

NORTHSHIELD. To live in the presence of death is common and even necessary here. This place, in the heart of Saigon, is a cemetery. But refugees began living among the tombstones 20 years ago. Now the grave markers are houseposts and lamposts and playground toys.

Few in Viet Nam can remember a time when there was no war.

(Just before incubator).

NORTHSHIELD. It is not a promising place to begin living.

(On incubator).

NORTHSHIELD. For those who survive the apocalypse, who get to breathe of the cleansed air . . . *more* trouble may lay ahead.

It has been written that "the sins of the fathers shall be laid upon the sons."

It matters very much who the fathers are.

It is important to know that the Vietnamese are racists.

They have always been.

NORTHSHIELD. All these people are refugees from the war in Viet Nam but they are segregated by an old Vietnamese concept. Over in the solid buildings are Vietnamese refugees. On this side of the road are people of a different color. They live in hot filthy tents far from home. They are a very subjugated minority.

(On Montagnards).

NORTHSHIELD. These people are called Montagnards. That's a French word that supposedly pertains to people from the mountains. But it doesn't. As part of the language of the Vietnamese majority, it is applied to any of the 33 aboriginal tribes, those who look different and live differently.

A Montagnard is as Vietnamese as a Navaho is American.

In Vietnamese—Montagnard is a very dirty word. About like "nigger."

(Montagnard Camp, just before dissolve to mixed children).

NORTHSHIELD. So Viet Nam had a special feeling for different-looking people before they ever were born. And if your mother is Vietnamese and your father American . . . any color American . . . you are aware of that feeling. It is almost certain that you have no father around. It is likely that you will be segregated from the rest of the community, possibly in an orphanage.

(In orphanage).

NORTHSHIELD. In the whole population of Viet Nam, there aren't very many of them.

GARDNER MUNRO. U.S. aid mission. The Minister of Social Welfare has reached, a, determined a figure of ten to fifteen thousand racially-mixed children, most of them living in the extended community or with their families with a few hundred living in orphanages. We certainly support this figure.

NORTHSHIELD. And when you speak of ten to fifteen thousand racially-mixed, are most of those by American fathers?

MUNRO. Well, there's no way of knowing, of course, how many are by American fathers or fathered by any other foreign nationals, but we would assume that the large increase in the number over the last six or seven years has been as a result of American troops being here. But I have to make the point that there have been many other troops here also, and many civilians.

PHAN NGOC QUOI. Ministry of Social Welfare. Up to this time we consider the mixed blood children in Viet Nam Vietnamese children. I do realize their needs might be different sometimes but a, as a whole, the majority of the Vietnamese people think they belong to this country.

NORTHSHIELD. What problems will a mixed blood child, particularly a half-black child, face in later years?

PHAN NGOC QUOI. Well, if their families are needy families, if their mothers and relatives cannot take care of them—by taking care of them I mean providing a good education for them—loving them and so on—they might have problems, a, in the neighborhood, in school, because they don't have the necessary help they need at home.

MICHELLE WENTZELL, volunteer social worker. The mothers who have these children are discriminated against. They cannot get jobs in the normal Vietnamese society. Now when there were large concentration of foreigners here, especially American troops, they were employing thousands of these women.

You didn't ask a woman when you employed her if she had any mixed kids. You employed her. Vietnamese will not hire a woman who has mixed children to work for them in any capacity except the very, the most menial imagineable: part-time fill-in for their maid when she goes on vacation—that sort of thing. If the mother has not stashed away some money, she's in trouble. She can't even feed the child, let alone give it the extras that she would like to.

QUOI. If the families love them enough I think they have a chance to grow up in this country like other children. Probably sometimes people might see that they are different.

(Over black child walking.) They might have difficulties like other people who have some kind of a handicap of those who are underprivileged.

WENTZEL. Now picture a child, all right, going to school. A little boy, a little girl, and everybody saying to him "you're an American child, you're an American child you're this or that," and, from the time he can understand his language, he's being told that he isn't what his mother is and what his friends are and there's something wrong with him and he doesn't know why.

NORTHSHIELD. What's wrong with him is that he's just a small statistic.

MUNRO. The position that the United States government has taken, and particularly my office, is that the best way to help the racially-mixed child is to strengthen the services across the board in Viet Nam for all children because after all, the Vietnamese government sees these children as Vietnamese children and there are many other children besides racially-mixed kids that have special needs.

(Over babies in cribs.) So we have focused more on what it is we can do to help children in Viet Nam, and within this, the racially-mixed children may be one group of kids with special problems.

NORTHSHIELD. Viet Nam has many problems. Those of the racially-mixed children are far down the list of priorities. That's understandable. Unless you are one of them.

NORTHSHIELD. A zoo that's well-stocked offers a spectator a wide array of representative species. This is the Go Vap orphanage in Saigon. It's a zoo. A visitor can see starving children, maimed and crippled children, dying children, far too many children.

(Go Vap portraits).

NORTHSHIELD. They got here the hard way. Most of their fathers were killed in the war that has destroyed nearly a generation of Viet Nam's young men. Many of their mothers were killed, too. But an appalling number of them got here by being lost from their mothers, abandoned by them. It was the easiest way for the mothers to handle the shame of their motherhood. There are 700,000 orphans or half-orphans in the Republic of Viet Nam. If the United States had the same percentage of its population in that condition, there would be 10 million American children without parents, without homes, without hope. Go Vap is the largest orphanage of more than 130 here. It's neither the best nor the worst. There are about 12 hundred little people here and only 12 nuns to take care of them. Taking care has come to mean keeping alive.

Success is limited.

If they survive, most of these people will remain penned here until they are adults.

They are symbols of the apocalypse, especially of an awful famine. They are starving for love.

(Eating.)

NORTHSHIELD. Much of the stuff of life comes from the United States aid program, through the Ministry of Social Welfare of the government of Viet Nam. It amounts to five cents worth a day for each child.

(Dying area.)

NORTHSHIELD. Every day, new babies are born and abandoned to places like this. Many of them die here . . . 70 per cent of those who come here, usually in the first few weeks, sometimes more slowly. Most of them die of malnutrition. They are undernourished in every way.

The opposite of love is not hate; it's indifference, is a cause of death.

QUOI. I understand and I realize that our abandoned and orphaned children don't have a family or a home of their own. That is why voluntary agencies as well as the government try to do our best to provide them a home. It can be an orphanage but we try to help them.

WENTZELL. An orphanage in Viet Nam is not physically equipped to handle all of the orphans that exist here. It isn't financially equipped, it isn't equipped with sufficient personnel and it isn't equipped with the emotional stability that the average family has, not even an exceptional family. The average family can give a child so much more than the most fantastic institution.

(Slums).

NORTHSHIELD. Maybe. The average family here is not only hungry but large. There are about 15 million people in the country and half of them have been refugees at one time or another. One of seven still is. That's nearly a million.

NORTHSHIELD. The city is where most Vietnamese people huddle now, trying to hide from a war that hasn't ended, trying to find work and food and some spirit of survival.

QUOI. Our country has borne the greatest responsibility and damage and we have allies who come here and help us. If we consider the orphans and the abandoned children are victims of the war and if we say this war is not our war alone, I feel our allies would have some responsibiilty to help us in helping these children.

(Doctor Wertz).

NORTHSHIELD. They used to help a lot. Doctor Wertz used to come to an orphanage on his time off from patching up helicopter pilots. Now he's home and so are most of his patients. But the little ones he helped are still in DaNang, still needing him and not getting him.

(GI's).

NORTHSHIELD. A couple of million Americans came here on a military mission. 46 thousand of them were killed here. It changed American history, and spread tragedy through American society. It changed this society, too.

There were other things these giants brought along with their guns and tanks and bombs.

Now all the Americans are gone. They took with them much of the compassion and caring these children ever knew.

They took with them a show of charity and wealth the children never will know again.

They cared but they had to leave.

There is a generosity gap that cannot be filled.

QUOI. We would be grateful to any help given to us to help these children. But I do not want them to be singled out because we never know who is their father and we don't want to feel that they are different or they are better or they are worse than other children.

(Blind).

NORTHSHIELD. To be blind, black and orphaned in this place is to be very special. A disproportionate number of the children here are half-black. That's because they are the ones most apt to be abandoned, to be left in orphanages. The Vietnamese feel that it's not as bad to be half-white so children of white fathers often are kept by their mothers. There aren't more black children, just more of them in orphanages.

That's where they wait, grateful for tiny favors, hopeful and doomed.

(Hudson at Sacred Heart).

NORTHSHIELD. Captain Hudson used to be a helicopter pilot based at DaNang. At Sacred Heart Orphanage he met a little girl and chose her to be his daughter. From among the many, he selected this one and she is part of an American family. Captain Hudson is home in the state of Washington now and so is she.

(Over orphanage scenes).

NORTHSHIELD. When you sit in an American living room and watch a television program, it is likely that you feel that adoption of these abandoned children is the clear solution to a simple problem.

It seems apparent that almost any American home is better than an orphanage or an alley or a jungle. But while the problem is simple, the solution is not. Antiquated, complicated laws govern adoptions in Viet Nam. The American laws are not much more helpful. The orphanages are generally reluctant to put themselves out of business by giving up their children. And many of the orphanages are operated by religious groups that insist on very sectarian placements.

Vigorous attempts within the Congress of the United States to make adoptions more simple and American responsibility more obvious haven't worked. In large numbers, the children wait and grow. In much smaller numbers, people work to make adoption the answer.

WENTZELL. I don't think the orphanage

should be the last stop, I think it should go beyond that. I think it should go to a family. I think every child has a right to a family and there are families, there are families in the United States and Europe who want these children and I think that's where they should be going.

(Over N.Y. adoption).

NORTHSHIELD. A few get out. Now there are international organizations beginning their work with the government of South Viet Nam to make successful adoptions more likely. But the laws and ideas are old and cumbersome. For each baby brought happily to a waiting American family, there are dozens unhappily growing up in orphanages far away.

(Over black baby Cu).

NORTHSHIELD. And there is another question: where does each child belong?

QUOI. Adoption is a very good solution for abandoned and homeless children, but overseas adoption is a very difficult process. I think a few of our children need overseas adoption and among these I think many of the mixed blood children might benefit from overseas adoption but I don't think that if a child is mixed he necessarily needs overseas adoption.

I feel people who want to adopt children should be people who feel that they are able to provide a loving home, a good home for the child. At the present time many people feel compelled to adopt Vietnamese children because they feel that they have some resonsibility for that. So you might consider, call it a guilty complex, and I feel that in adopting children these things should be ruled out.

(On trucking shot of cribs).

NORTHSHIELD. Miss Quoi must question motivations because she has a single-minded motivation herself. She must be concerned with *nothing* but the welfare of each child.

(On walk).

NORTHSHIELD. Most of the adoptions come from orphanages but sometimes Miss Wentzell must search further.

(Over walking shot).

WENTZELL. I've found that there are many different types of orphanages and many different types of mothers, of children with problems in this country. There are many different situations, and each one has to be looked at for what it is.

WENTZELL. It's too big a problem for the country to handle alone. It's our responsibility, too, and we want to help them. I want to help them, there are a lot of people who want to help them. The people who are trying to adopt want to help them. They want to take a life and bring it into their home and make something beautiful out of a child's life that would have been very sad here despite the most desperate efforts of orphanages and mothers and even the government. They just can't handle the problem. One has to help them.

(On weeping woman).

NORTHSHIELD. This woman has had four children by American fathers. One has been adopted. She is pregnant with a fifth.

(French children).

NORTHSHIELD. France used to own this place. In its last years here, the French Army fathered a great many children, lost a war and got out.

Those remaining children, under French law, were afforded French citizenship and a free education in France, if their mothers chose to send them.

There is no precedent for this in the American experience. Indo-China never was a colony of the United States, the Vietnamese never were connected to America through citizenship or occupation.

The mothers of these children of French fathers still send their children off to France to school and a different life. They gather at Tan Son Nhut airport to say "adieu."

Literally.

Of nearly 7 thousand children sent to Europe, only 10 ever have returned to Viet Nam.

(Pullback to Victor).

NORTHSHIELD. The United States, through aid programs, with much food and money and effort, supports all the social welfare programs of the Republic of Viet Nam. The Pearl Buck Foundation specifically helps the racially-mixed children. And so does a tiny, new organization called the Vietnamese-American Children's Fund. It aids in adoptions and orphan care from an apartment in Saigon.

VICTOR SRINIVASAN. Vietnamese-American Children's Fund. I have more or less about sixteen kids under my personal care at the moment. Three of them are totally abandoned. The parentage could not be established, but I think one of my little girls is half-Cambodian and another girl is fathered by a black American and the boy also, I believe, a boy, the features I'm talking about, was fathered by a black American. These three children are staying with me right under my, under our roof, and we are taking care of them, me and my wife. Apart from them, I have a few more children who stay with the mothers, but I help these children go to school, to a boarding school, and I pay the school fees. They stay in the school where they have their education, food and everything, and on weekends, every Saturday, the mothers go to the school, take the child to her home and bring the child back to the school on Sunday evening.

(Mother and children in market).

NORTHSHIELD. However many half-American children there are in Viet Nam, most are with their mothers. Each lives the same fatherless difficult life as any other half-orphan. But they are young and so is the incipient feeling here of anti-Americanism. Both the children and the feeling of hostility can be expected to mature.

Misfortune takes many forms, more here than in most places. This woman, for instance, was married to an American soldier. Their three children have U.S. passports. But they can't use them because they don't know where to go to join their father. He left a year and a half ago and sent money to his family here for nine months. For the last nine months, he has sent none. He's a black man in America and no doubt has problems of his own.

SRINIVASAN. I do definitely recognize a special problem with these mixed-blood children because of their parentage. When they grow, they're definitely going to encounter some kind of embarrassing situations in the society, especially the black ones. I'm quite sure they'll be the odd-balls in the society and the white ones . . . they're liked by most of the Vietnamese people.

But even then, sometimes or other a crude remark can be passed about how the child was born, you know, somebody can call them a bastard or something like that.

ROBERT G. TROTT, Regional Director, Care. In terms of the black child in particular, I think that patrimony might be one way of assisting these children. In other words, these children have been fostered by American soldiers so therefore they should be given the opportunity at some point in life to opt for an American citizenship. Now this would give them the opportunity to either stay in Viet Nam or at some point in their life opt to leave for the United States where there's a possibility the conditions would be much better for their acceptance in the society. Because I believe in Viet Nam this: it's going to be a very, very difficult thing for them to become fully integrated in the society.

SRINIVASAN. I was separated from my father when I was about two years old, I believe, I didn't know that, and I lost my mother when I was ten years old. That means I became a totally abandoned child when I was ten years old. And I know what I missed, and I know what these children are missing: the love, the care and the personal attention. So it's a sort of personal thing for me that I want to give to these children what I missed when I was young.

TROTT. I know myself in terms of my life, you find yourself ostracized. You find yourselves being referred to as, say, as "nigger." But here it probably would be a much stronger term. Your mother would be called a prostitute, and you'd be referred to in various derogatory terms and these are the sorts of things that really get home to you.

(Over orphanage scenes).

TROTT. One must always think in terms of "where do I fit, where do you belong and how do I fit into any particular setting or situation?" So the individual must be able to, in his own terms, evaluate his own situation and be able to figure out how he fits in what particular setting and, but the conditions are such that we're not always able to be free.

NORTHSHIELD. Freedom's just another word for nothin' left to lose, according to a song still popular. Freedom also has been defined as the possession of choices. There are very few choices if you're the wrong color in a place where color matters.

It's critically important for everyone to determine where he belongs.

It's somewhat more simple to know where he doesn't belong.

It's even more difficult to know where you belong if you're not sure what you are: half-black, half-brown; or half-brown, half-white: if you've brutally been told and shown how different you are.

To know where you don't belong is difficult.

To know where you do belong is essential.

Not to know is not to live.

(China beach family).

NORTHSHIELD. One day, a year ago, the man went home. The woman thought he had promised to arrange for her to follow and become his wife. She still waits near the empty Marine Corps base where she worked and lived. She waits and the three children wait and the community shuns them.

It's beautiful here. And lonely.

For the children, there are few friends.

But they do have a mother.

And love.

(In Hamlets).

NORTHSHIELD. This is another fortunate child. She has a mother. Her father is an unknown soldier, somewhere else. Her mother used to have eight children and a husband. The husband has been dead for seven years and so are three sons who were killed in the war. This daughter was born after the woman worked at a U.S. Army Base. This one is lucky, too. She has a mother and a grandfather. Her father probably doesn't know she exists. Surely she doesn't know that he ever did. These people are in hamlets in the scarred countryside of South Viet Nam. In years past, many of the young girls went to the cities, where the Americans were, where the jobs were. They worked as maids or bargirls or prostitutes. Now they are back. Most of them with babies have kept them and kept hope and trust.

(Birth).

NORTHSHIELD. From now on, almost every new person born in Viet Nam can enter his country, sure of his race. He, like each of us, will begin naked, soiled, protesting and shocked. But he will not be racially-mixed in a place where that's important.

(Orphanages).

NORTHSHIELD. Soon there will be no more half-American children born here. But there still will be at least 25,000 of them resting unwanted, waiting.

The governments of the United States and of the Republic of Viet Nam agree that there are fewer than 25,000. Responsible social workers know there are more. Whatever the number, each small person is unique and each is in trouble.

The two governments also agree that the

racially-mixed children must not be separated, must not be helped in special ways that accentuate their differences.

The two governments agree that something must be done about speeding up the adoption process. They agree but there has been no acceleration.

The war is over—for everybody else.

(Singer).

NORTHSHIELD. The most popular songwriter in South Viet Nam writes only about war. He's against it. So the government and the Viet Cong—equally—consider him dangerous. Only the people love him.

This is what Trinh Cong Son has written:

I pass to you a mother's gift
A sad Viet Nam, a mother's gift
A thousand years of Chinese reign
A hundred years of French domain
Full twenty years of civil war,
A mother's gift: a heap of bones
A mother's gift: a hill of tombs

Full 20 years of civil war,
A mother's gift is barren land
A mother's gift is burning hands
A mother's gift is half-breed men.
A mother's gift is two-faced men.

(Over black child freeze frame).

NORTHSHIELD. An Ernest Hemingway short story begins with this sentence:

"In the fall, the war was always there but we did not go to it any more."

The title of the story is "In Another Country."

## THE FARMER SEEN IN A NEW LIGHT

Mr. DOLE. Mr. President, recently I have been calling attention to the essential need for American agriculture to have adequate and timely supplies of fuel in order that maximum production of food and fiber can be assured. I have given particular emphasis to the importance of agriculture in maintaining our domestic standard of living and have also pointed out the unique role which agriculture can be expected to pay in our international economic policy and in contributing to America's strength in the international marketplace.

Today's Washington Post contains an article by Stephen S. Rosenfeld entitled "Foodstuffs and Foreign Policy" which highlights the point I have been making about the importance of our farm products as exports. Mr. Rosenfeld concluded by saying:

It is scarcely too soon to broaden and popularize the discussion of what has been regarded until now as an arcane side issue of slight general interest.

Coming as I do from Kansas and having served on the Agriculture Committees in both the Senate and the House for 13 years now, I certainly do not feel this growing recognition of agriculture's importance has come a minute too soon. I ask unanimous consent that this article be printed in the RECORD at this point, for it deserves close study as Congress proceeds to consider the domestic farm program and the upcoming trade reform legislation.

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

FOODSTUFFS AND FOREIGN POLICY

(By Stephen S. Rosenfeld)

A State Department official happened to be talking to a reporter on the phone about something else last Tuesday afternoon when a copy of the Agriculture Department's latest report on American crop production was put into his hand. He broke off the conversation, instantly checked the corn figure (projecting a 6 per cent increase), and whistled in relief at the happy prospect of large export sales.

It was as concise an example as one is likely to get of the emerging relationship between agriculture and diplomacy—a relationship which has traditionally concerned specialists and, of course, farmers and traders, but which is now becoming, and which is coming to be seen as, central to the foreign as well as the domestic interests of the United States.

No doubt it is presumptuous, and typical, for someone to sound off on the subject who wouldn't know a soybean if one walked in the front door. The rush of events, however, is forcing many of us who long conceived of foreign policy mostly in political, military or broadly economic terms to look more closely at farmers and their markets.

Our education perhaps began getting serious a year ago when the sudden huge Soviet grain purchases sensitized many people to the impact of agricultural trade on, at once Soviet-American relations and American food prices—an historically new connection whose effects are still far from absorbed on either the diplomatic or food-price front.

The second "lesson" was perhaps given earlier this year when the United States was asked to help Bangladesh and a number of nations in West Africa escape the threat of grave famines. This is a role which our great productive capacity had allowed our diplomacy to perform on a grand scale since World War II, but we discovered embarrassingly that we did not have the "surpluses" left to respond in the old generous way.

A third lesson was administered last June 27, the day the United States decided that considerations of domestic price and supply required it to prevent exporters from fully honoring negotiated contracts to sell soybeans to the Japanese and Europeans, and others. A kind of agricultural "Skybolt" affair, this decision put Washington in the position of undercutting major customers and allies who had based vital policies of their own on the reliability of the American word.

Now, agriculture is prone to at least as many variables and accidents as diplomacy, starting with the weather, and the political constituencies affected by agriculture surely are a good deal broader and more powerful—especially in times of warming East-West relations. One suspects that President Nixon, for one, has learned this rather to his sorrow in the last year. He at any rate is a politician and, as such, required to cope with farm and food policy. The same can hardly be said of his principal foreign policy adviser, Henry Kissinger.

It is as revealing as it is ironic to read in the brief economic section of the President's latest report on "United States Foreign Policy for the 1970's": "The majority of the world's people, in all nations, will benefit from more open agricultural trade and the resulting lower cost and increased availability of farm products. It is particularly important to the United States to remove the barriers which stand in the way of expanded agricultural trade."

Perhaps, as some feel, the particular global farm and weather developments which produced the year's confrontations of American agriculture and diplomacy were only one-shot or short-term matters. In that event, it might be just as well to sigh and send out apologetic notes and tell the would-be foreign consumers of American food to wait for more rain. This does not seem too unfair a way to characterize current American policy, ad hoc, uncoordinated and domestically shaped as it has been.

Quite another situation obtains, however—a very difficult situation and one which policy makers seem understandably reluctant to acknowledge—if the world food situation as a whole has fundamentally changed. If, that is, demand will henceforth consistently outrun supplies by a considerable margin and if the United States is unable to maintain the surpluses which have been the basis for export sales and emergency doles and for relative world price stability (and for expanding domestic consumption) over the last generation. Some experts believe this is in fact the prospect.

In the circumstances, the relationship between food production and foreign policy cannot fail to become of extreme concern to most governments and people in the world. It is scarcely too soon to broaden and popularize the discussion of what has been regarded until now as an arcane side issue of slight general interest.

## FOREIGN TRADE—A CRITICAL ISSUE FOR THE CONGRESS

Mr. BIDEN. Mr. President, in my judgment, the foreign trade legislation is one of the most important issues to come before the Congress in this session because it touches upon serious domestic and foreign concerns. In the past the United States benefited from large trade surpluses which enabled us to promote free trade as a contribution to both improved international relations and the development of foreign markets for our domestic economic production. Thus, our long-range foreign policy goals and our domestic needs were in concert.

Today we face new problems and limitations which challenge our ability to reconcile our broader international concerns with our pressing national interests. Clearly we cannot totally sacrifice one for the other, but yet the choices are difficult.

Brendan Jones, writing in the New York Times on July 5, 1973, discusses the issue and the debate on the trade legislation before the Congress. I ask unanimous consent that the text of his article, "U.S. Trade Policy Faces New Airing in Congress," be printed in the RECORD.

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

U.S. TRADE POLICY FACES NEW AIRING IN CONGRESS

(By Brendan Jones)

With the voting on the Administration's proposed Trade Reform Act, expected in the House of Representatives in the next few weeks, one of the oldest issues in American history—that of trade policy—will get a fresh shaking out.

In the past, the trade-policy was comparatively simple—a battle between low-tariff and high-tariff factions, the liberal traders and the protectionists.

Since the inception of the Cordell Hull reciprocal trade agreements program in the nineteen-thirties, liberal policies generally have prevailed and have set the pattern for progressively freer world trade.

The issue now is vastly more complex. Other countries—Japan and those of Western Europe—have become far more potent trading competitors.

The United States in the last two years has experienced its first trade deficits of this century—$2-billion in 1971 and $6.4-billion in 1972—and its international payments deficit is even higher.

With continuing deficits, dollar devaluations, the need to import more fuel and to control food exports, trade policy has become a matter of greater anxiety than it was a few

years ago. Then the famous Kennedy Round of substantial tariff cuts had just been completed. The United States was riding high on large trade surpluses. The dollar was strong. America, it was felt, could afford to be magnanimous on trade concessions.

While the Administration and the trading community now want to move ahead with other countries in a new round of trade-barrier-reductions, opposition is being raised chiefly by organized labor.

Instead of freer trade, unions and protectionist groups such as the textile, steel and shoe industries, want to restrict imports and foreign investment through the Burke-Hartke bill.

Most labor leaders, who used to be advocates of freer trade, contend that imports and foreign plant investment, primarily by multinational corporations, have combined to export American jobs on an increasing scale.

Some freer-trade advocates feel that the United States gave more than it got in past trade bargaining and now must be tougher in the coming negotiations with other countries.

In large measure, the Administration trade bill, with its emphasis on "reform," is an attempt to bridge the gap between free-trade and protectionist policies. It asks new authority for the President to reduce tariffs. But it also asks some broad and rather different powers for the President to raise tariffs and to restrict imports with quotas as part of administering trade policy.

The trade-restricting powers presumably are to be used in cases of sudden, "disruptive" upsurges of imports and when other countries are considered to be "unfairly" restricting American exports. In effect, the Administration bill presents a kind of hybrid policy—one that might be characterized as "liberal protectionism."

C. Fred Bergaten, a senior fellow of the Brookings Institution, recently observed that "the Administration trade bill, which would have been regarded as drastically protectionist a decade ago, now represents the liberal wing of the Congressional debate."

The trade bill is expected to be reported out shortly by the House Ways and Means Committee. The committee chairman, Wilbur D. Mills, Democrat of Arkansas, has given it his approval, thus seeking to make it a bipartisan measure. He has predicted that it will be enacted before Congress recesses Aug. 3.

While it is likely, in view of the increased opposition to Presidential powers, that some limits may be placed on Mr. Nixon's trade negotiating or trade regulating authority, however, the bill is expected to be on the lines proposed by the Administration.

No sharp battle is expected in the House, nor is the Burke-Hartke bill being considered at this stage. The House vote, however, will be a test of whether even a modified liberal policy is to continue. Protectionist forces are expected to make their main bid in the Senate to splice a good part of Burke-Hartke onto the trade measure. This promises to be a close fight.

THE BACKGROUND

In sending his trade bill to Congress in April, President Nixon stressed that the United States was no longer the dominant world economic power and needed a trade policy that would be "equal to the challenges of our times."

He linked the remodeling of trade policy also with the need to work out new trading and monetary systems with the European Economic Community, Canada, Japan and other United States trading partners.

In the field of trade, Administration officials have asserted that the United States especially wants a new round of trade negotiations, not only for a further reduction of tariffs but also of nontariff barriers. The latter include especially qualitative, or quota, restrictions on imports, notably those applied to agricultural products by the European Community.

But at the same time, the Administration has stressed the need for new "trading rules" that would allow temporary import restrictions to deal with situations of the kind provided for in the trade bill.

The main argument here is that many countries, such as Japan, now have a productive capacity by which they can achieve a sudden outpouring of exports that would disrupt other countries' economies.

The import-restrictive provisions of the trade bill have consequently been described simply as "safeguards" against the hazards and possibly the "unfair" practices of a changed world economy. The Administration also has said that it needs the two-edged powers to limit as well as expand trade in order to give it a stronger bargaining position in coming trade negotiations.

A main practical purpose of the trade bill is to authorize United States participation in these trade agreement discussions which begin formally in Tokyo on Sept. 12. The trade talks, under the General Agreement on Tariffs and Trade, is to extend over the next two years.

House-approval of the trade bill is considered both desirable and essential before formal start of the talks. Complete enactment with Senate approval is confidently hoped for by the Administration before the end of the year. The start of negotiations, in a sense, may serve to increase pressure for approval since failure of Congress to authorize United States participation would be a major embarrassment, if nothing else.

New authority is needed since the old trade-negotiating authority granted the President expired in June, 1967, along with the Trade Expansion Act under which the Kennedy round was conducted.

In addition to the trade bill the Administration has also submitted a bill to limit tax deferrals on foreign investment. In its final version, this is expected to be much less restrictive than the Burke-Hartke restrictions.

The Administration generally has rejected the charge that foreign investment is harmful to domestic employment and has maintained that tax deferral is necessary to give American multinational corporations the same advantages as their foreign competitors hold.

THE PROPONENTS

The Administration trade program generally has won the support of all the groups that have come under the liberal trade label. These include the major foreign trade organizations, such as the National Foreign Trade Council and the American Importers Association.

The proponents include also organizations that represent the multinational corporations, such as the Emergency Committee for American Trade, the United States Council of the International Chamber of Commerce and the United States Chamber of Commerce.

Spokesmen for some of these groups, however, such as the importers, have expressed anxieties over the import restriction provisions of the bill. Along with voicing their concern, they have said that they hoped the import curbs would be used sparingly or not at all.

THE OPPONENTS

If not in the House, the main opposition to any kind of legislation designed to reduce tariffs and trade barriers will come in the Senate from supporters of the Burke-Hartke bill.

These consist primarily of the American Federation of Labor-Congress of Industrial Organizations and some of their leading affiliated unions. At the same time, groups that have sought to curb imports during recent years, notably those of the textile industry, may push for restrictive amendments of the trade bill in the Senate.

But by incorporating its own import-restrictive provisions in the trade bill and also offering a bill to modify tax treatment of multinational corporations, the Administration appears to have neutralized traditional protectionist groups to some extent.

However, some version of the Burke-Hartke bill is still likely to gain support in the Senate.

In testifying recently at House Ways and Means hearings, I. W. Abel, head of the United Steelworkers of America, urged Congress "to slow the massive flood of imports that are sweeping away jobs and industries in wholesale lots."

Mr. Abel, who is chairman of the A.F.L.-C.I.O.'s economic policy committee, declared that failure to enact the Burke-Hartke bill "will assure the decline of the standard of living which has made America the world's foremost industrial and economic power and leave this nation a fourth-rate industrial society."

An opposite view was taken by the Nobel Prize-winning economist of the Massachusetts Institute of Technology, Prof. Paul A. Samuelson. Writing recently on Americans' fears about the rise of competition and technology in other countries, Professor Samuelson concluded:

"Even if the most dire pessimists are correct in their belief that much of existing American industry can be preserved in its present form only by universal protective quotas of the Burke-Hartke type, it is a pitiful delusion to believe that such measures will enhance rather than lower the real standard of living of the American people."

## THE ABORTION CULTURE

Mr. BUCKLEY. Mr. President, the July 9 issue of Newsweek contains an article by columnist Nick Thimmesch that summarizes in a superb manner the full ethical consequences that will follow on the easy acceptance of abortion. He warns against "the creeping utilitarian ethic in medicine that impinges on human dignity," a utilitarianism that is now being used to advocate euthanasia not only for terminal patients, but for the mentally ill as well; a utilitarianism that will allow experimentation on human beings; a utilitarianism that has already unfolded the horrors of psychosurgery on unruly children and violence-prone prisoners, and the sterilization of troublesome welfare recipients.

Mr. President, I urge our colleagues to read Mr. Thimmesch's article, and ask unanimous consent that it be printed in its entirety in the RECORD.

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

THE ABORTION CULTURE

(By Nick Thimmesch)

A journalist often gets caught up in events flaring into instant print and broadcast—a Watergate, feverish inflation, a fretful fuel crisis. We grab at these, try to make some sense out of it all and soon turn to what's next. Occasionally we come on to something that strikes the core and won't go away. For me, it has been the question of the value of human life—a question embracing abortion, letting the newborn die, euthanasia and the creeping utilitarian ethic in medicine that impinges on human dignity. It's all reminiscent of the "what is useful is good" philosophy of German medicine in the '30s—a utilitarianism that sent 275,000 "unworthy" Germans to death and helped bring on the Hitler slaughter of millions of human beings a few years later.

Now super-abortionists and others who

relish monkeying around with human life cry that this is scare stuff inspired by hysterical Catholics waving picket signs. Not so. There is growing concern among Protestant and Jewish thinkers about "right to life" and the abortion-binge mentality.

Fetal life has become cheap. There were an estimated 1,340,000 legal and illegal abortions in the U.S. last year. There were a whopping 540,245 abortions in New York City in a 30-month period under the liberalized state abortion law. The abortion culture is upon us. In one operating room, surgeons labor to save a 21-week-old baby; in the next, surgeons destroy, by abortion, another child, who can also be reckoned to be 21 weeks old. Where is the healing?

PLASTIC BAGS

Look beyond the political arguments and see the fetus and what doctors do to it. An unborn baby's heartbeat begins between the 18th and 25th day; brain waves can be detected at seven weeks; at nine to ten weeks, the unborn squint, swallow and make a fist. Look at the marvelous photographs and see human life. Should these little human beings be killed unless it is to save the mother's life?

Other photos show this human life aborted, dropped onto surgical gauze or into plastic-bagged garbage pails. Take that human life by suction abortion and the body is torn apart, becoming a jumble of tiny arms and legs. In a D and C abortion, an instrument slices the body to pieces. Salt poisoning at nineteen weeks? The saline solution burns away the outer layer of the baby's skin. The ultimate is the hysterotomy (Caesarean section) abortion. As an operation, it can save mother and child; as an abortion it kills the child. Often, this baby fights for its life, breathes, moves and even cries. To see this, or the pictures of a plastic-bagged garbage can full of dead babies, well, it makes believers in right-to-life.

It's unfair to write this way, cry the super-abortionists, or to show the horrible photos. But Buchenwald and Dachau looked terrible, too. Abortions are always grisly tragedies. This truth must be restated at a time when medical administrators chatter about "cost-benefit analysis" factors in deciding who lives and who dies.

THE "GOOD DEATH"

The utilitarian ethic is also common in the arguments of euthanasia advocates at work in six state legislatures. Their euphemisms drip like honey (should I say, cyanide?) just as they did in Germany—"death with dignity," the "good death." Their legal arguments fog the mind. Their mentality shakes me. One doctor, discussing the suicide-prone, wrote: "In such instances, positive euthanasia—a nice, smooth anesthetic to terminate life—appears preferable to suicide." Dr. Russell Sackett, author of the "Death With Dignity" bill in Florida, said: "Florida has 1,500 mentally retarded and mentally ill patients, 90 per cent of whom should be allowed to die." The German utilitarians had concluded the same when they led the first group of mental patients to the gas chamber at the Sonnestein Psychiatric Hospital in 1939. It bothers me that eugenists in Germany organized the mass destruction of mental patients, and in the United States pro-abortionists now also serve in pro-euthanasia organizations. Sorry, but I see a pattern.

Utilitarianism isn't all abortion or euthanasia. Utilitarians ran the experiment in which syphilitic black men died through lack of penicillin. There are also experiments on free-clinic patients, students, the institutionalized. Senate hearings revealed that two experimental birth-control drugs were used on the "vulnerable" for purposes other than those approved by the Food and Drug Administration.

This monkeying around with people is relentless. Some medics would like to sterilize institutionalized people from here to breakfast. Psychosurgery is performed on hundreds of Americans annually, not to correct organic brain damage, but to alter their behavior. This chancy procedure, a first cousin of the now discredited prefrontal lobotomy that turned 50,000 Americans into human vegetables, is performed on unruly children and violence-prone prisoners.

Experimenters produce life outside the womb—combining sperm and ovum—and dispose of the human zygotes by pouring the solution down the sink drain. Recently scientists debated guidelines for experimenting with the live human fetus. To those considering the fetus as an organ, like, say, a kidney, Dr. Andre Hellegers of Georgetown University pointed out that fetuses have their own organs and cannot be considered organs themselves. How does one get consent from a live fetus? he asked. Or even from its donors—the parents who authorized the abortion?

Once fetal experimentation is sanctioned, are children to be next? Farfetched? No. In the New England Journal of Medicine, Dr. Franz Ingelfinger recently advocated removing the World Medical Association's absolute ban on experimenting with children and mental incompetents.

We can brake the tendencies of technocratic-minded doctors and administrators coldly concerned with "cost-benefit analysis." There was no such brake in Germany. After the first killings at Sonnestein, respected German doctors, not Nazi officials, killed 275,000 patients in the name of euthanasia. Many were curable. Eventually the doomed "undesirables" included epileptics, mental defectives, World War I amputees, children with "badly modeled ears" and "bed wetters."

UTILITARIAN ETHIC

The worst barbarisms often have small beginnings. The logical extension of this utilitarian ethic was the mass exterminations in slave-labor camps. In "A Sign for Cain," Dr. Frederic Kertham tells how death-dealing technicians from German state hospitals (and their equipment) were moved to the camps in 1942 to begin the big job.

Could the "what is useful is good" mentality lead to such horror in the U.S.? Not so long as I am allowed to write like this—which German journalists couldn't. Not so long as right-to-life Americans can dispute—which Germans couldn't. The extremes of the utilitarian mentality rampaging today through medicine, the drug industry and government will be checked by our press, lawmakers and doctors, lawyers and clergymen holding to the traditional ethic. The Germans weren't blessed that way.

(Nick Thimmesch is a syndicated columnist for the New York newspaper Newsday. He is based in Washington.)

## UNDERSTANDING WHAT IS MEANT BY "GENOCIDE"

Mr. PROXMIRE. Mr. President, I spoke yesterday on which groups were expressly covered by the Genocide Convention. The definitions of these groups constitute the first of two parts of the proposed implementing legislation that would be passed after the treaty is ratified. Section 2 deals in explicit terms with the question of what will be considered a genocidal act:

§ 1092. Genocide

"(a) Whoever, being a national of the United States or otherwise under or within the jurisdiction of the United States, willfully without justifiable cause, commits, within or without the territory of the United States in time of peace or in time of war, any of the following acts with the intent to destroy by means of the commission of that act, or with the intent to carry out a plan to destroy, the whole or a substantial part of a national, ethnic, racial or religious group shall be guilty of genocide:

"(1) kills members of the group;

"(2) causes serious bodily injury to members of the group;

"(3) causes the permanent impairment of the mental faculties of members of the group by means of torture, deprivation of physical or physiological needs, surgical operation, introduction of drugs or other foreign substances into the bodies of such members, or subjection to psychological or psychiatric treatment calculated to permanently impair the mental processes, or nervous system, or motor functions of such members;

"(4) subjects the group to cruel, unusual, or inhumane conditions of life calculated to bring about the physical destruction of the group or a substantial part thereof;

"(5) imposes measures calculated to prevent birth within the group as a means of effecting the destruction of the group as such; or

"(6) transfers by force the children of the group to another group, as a means of effecting the destruction of the group as such.

Some of the confusion concerning the convention arises from a lack of understanding exactly who is covered by the treaty and what acts are genocidal. This implementing legislation clears up any such misunderstandings. Consequently, there is no need for further delay in acting on the Genocide Convention.

## GRAIN FOR BANGLADESH

Mr. SAXBE. Mr. President, on June 20, 1973, I along with 39 of my colleagues urged President Nixon and General Secretary Brezhnev to divert a large quantity of grain under the United States-Soviet grain agreement to Bangladesh. The letter and speech in support thereof can be found in the July 9 CONGRESSIONAL RECORD on page 22780. I wish to commend to the attention of my colleagues an article appearing in the Washington Post on July 11 and an editorial from the July 12 New York Times. I ask unanimous consent that they be printed in the RECORD.

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

[From the Washington Post, July 11, 1973]

DACCA SEEKING UNITED STATES-RUSSIAN LOAN OF WHEAT

(By Ronald Koven)

Bangladesh has appealed to the Soviet Union to divert some of the wheat it is buying from the United States to help avert a severe food shortage.

According to high Bangladesh sources in Washington, Dacca has pledged that it will reimburse the Soviets next year with a surplus they expect to get from the United States under the Food for Peace program.

Such an arrangement would amount indirectly to joint Soviet-American aid for Bangladesh.

When Soviet Communist Party chief Leonid I. Brezhnev was in Washington three weeks ago, a bipartisan group of 39 senators led by Sen. William B. Saxbe (R-Ohio) sent a letter to President Nixon asking him to request the Soviet leader to divert 500,000 tons of his American wheat to Bangladesh.

A White House spokesman refused to say whether President Nixon had brought the proposal up during his talks with Brezhnev.

Bangladesh has since made its own direct

appeal to the Kremlin for 200,000 tons to be delivered in the critical period before the start of the Bengali harvests in late November, Bangladesh diplomats here said. The initial Soviet reaction was not unfavorable, according to a report from the Bangladesh ambassador in Moscow.

The Soviet Union contracted last year for 11 million tons of U.S. wheat and more than 6 million tons of feed grains. Much of this grain is still in the pipeline. Transfer of the Soviet-owned wheat to Bangladesh would simply involve changing the destination of grain ships now loading in Texas ports.

Bangladesh diplomats say they consulted beforehand with the U.S. government about the appeal to Moscow. The Americans said they would be willing to consider the idea if the Soviets go along.

The appeal to Moscow was made necessary by the shortage of American grain surpluses after the $1 billion U.S. sale to the Soviet Union.

Only yesterday, Bangladesh bought, with a U.S. aid grant, 100,000 tons of American wheat at the open market price of about $145 a ton delivered in Bangladesh. It is part of a total of 280,000 tons Washington agreed on Friday to provide for delivery during July, August and September—200,000 in direct grants and 80,000 under the Food for Peace program (PL 480).

Bangladesh officers say they are very pleased with Friday's U.S. commitment, which almost means their request of 300,000 tons for the current quarter. But the Americans have been noncommittal about the total Bangladesh request of 1.5 million tons for all of fiscal 1974—850,000 tons under PL 480 and the rest in aid grants.

Officials at the Food for Peace program say they are only making commitments on a quarter-by-quarter and even a month-by-month basis until the size of the American fall and spring harvests is known.

U.S. crop acreage has been vastly expanded this year, and, barring a weather calamity, Washington should have more PL 480 surpluses available for Bangladesh and other food aid recipients later on. Bangladesh ranks with India as the major beneficiary of Food for Peace.

The United States has provided Bangladesh with a total of 1.5 million tons of wheat and rice in the 18 months since it achieved its independence in December 1971—an amount equal to what the country is asking for in the current fiscal year.

But, starting with the current fiscal year, all PL 480 grain for Bangladesh will be under provisions of the law that provide for payment in local currencies. The money is spent in the country for U.S. embassy and other U.S. local expenditures. Bangladesh had received all its previous PL 480 surpluses as outright gifts.

There seems to be no immediate prospect that Bangladesh can become self-sufficient in food, and the United States, as the world's principal donor, will most probably be called upon to help it for some years. Bangladesh government plans foresee self-sufficiency in three to five years at the earliest.

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[From the New York Times, July 12, 1973]

HELP FOR BANGLADESH

An appeal from Dacca to the Soviet Union to divert some of the wheat it is buying from the United States to help avert a severe food shortage in Bangladesh suggests a fruitful new area for constructive Soviet-American cooperation.

Bengali sources say they have pledged to reimburse the Soviets next year with "surplus" wheat they expect to get from the United States under the Food for Peace program. This arrangement would enable the United States, currently short of gift wheat because of its large sales to the Soviets earlier this year, to continue its generous food shipments to Bangladesh at a time when they are most desperately needed. It should cause the Soviets no inconvenience since they are reported to be now receiving more wheat than their ports can efficiently absorb.

Few Americans would object to reimbursing the Russians next year from an expected bumper crop if an emergency loan of stocks from this year's Soviet purchases can help avert starvation in a hungry land. But the image of Soviet-American cooperation in a humanitarian cause would be more real if Moscow would volunteer to share the cost of any diverted wheat. The Kremlin, after all, had a good deal more to do with the creation of the Bengali nation than did the United States. It is time the Soviets assumed a more equal share of the burden of helping to keep the Bengalis alive.

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## RESOLUTIONS OF DISABLED AMERICAN VETERANS OF DELAWARE

Mr. BIDEN. Mr. President, in the past the Disabled American Veterans in Delaware has been active in promoting the interests of our returning disabled veterans, and in so doing has promoted the interests of our Nation.

At their recent convention, this organization unanimously passed three resolutions concerning the celebration of Veterans Day, reforms in State taxes, and the establishment of a convalescent home for Delaware veterans.

Mr. President, I ask unanimous consent that these three resolutions of the Disabled American Veterans in Delaware be printed in the RECORD.

There being no objection the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION—VETERANS DAY

Whereas, by presidential decree Federal Government has set the fourth Monday of October as Veterans Day and discontinued November 11th as Armistice Day, and

Whereas, 18 States of these United States have changed the fourth Monday of October called Veterans Day back to November 11th and renamed it Armistice Day.

Be it resolved, by the Disabled American Veterans, Department of Delaware, Inc., in State Convention assembled at Wilmington, Delaware, June 2, 1973, that we whole-heartedly endorse the changing and renaming of Veterans Day from the fourth Monday of October to Armistice Day, November 11th, and

Be it further resolved, that we request the Governor, Senate and House of Representatives of the State of Delaware to act forth with to make November 11th once again Armistice Day, and

Be it further resolved, that a copy of this resolution be sent to William V. Roth, Jr., U.S. Senator; Joseph R. Biden. Jr., U.S. Senator; Pierre S. duPont, U.S. Congressman; and Sherman W. Tribbitt, Governor of the State of Delaware, Members of the Senate and House of Representatives of Delaware, the Commander of the American Legion, Veterans of Foreign Wars, Jewish War Veterans, Paralyzed Veterans of America, Veterans of World War I and Disabled American Veterans National Headquarters.

RESOLUTION—STATE TAX REFORM

Whereas, veterans of all wars have given of themselves in the defense of our country and because of this have been rated 100% by the Veterans Administration for disability, and

Whereas, the monthly compensation given to them is so very small that many have to depend on charity of others to exist.

Be it resolved, by the D.A.V. Department of Delaware, Inc. in State Convention, June 2, 1973, at Wilmington, Delaware do petition the Governor, Senate and House of Representatives of the State of Delaware to take action to pass laws exempting these 100% rated veterans from all State Income Tax and Real Estate Taxes on their owned real estate that they live in.

Be it further resolved, that a copy of this resolution be sent to William V. Roth, Jr., U.S. Senator, Joseph R. Biden, Jr., U.S. Senator, Pierre S. duPont, U.S. Congressman, and Sherman W. Tribbitt, Governor of the State of Delaware, members of the Senate and House of Representatives of Delaware, the Commander of the American Legion, Veterans of Foreign Wars, Jewish War Veterans, Paralyzed Veterans of America, Veterans of World War I and Disabled American Veterans National Headquarters.

RESOLUTION—CONVALESCENT HOME FOR DELAWARE VETERANS

Whereas, the State of Delaware does not have a Convalescent, Nursing or Rest Home for veterans who are in need of such services, and

Whereas, the Veterans Administration does send veterans and pay for such services for veterans, to private nursing homes, and

Whereas, it has been the experience of these veterans that they are not allowed to enjoy the services needed and due them.

Be it resolved, by the D.A.V. Department of Delaware, Inc., in State Convention assembled at Wilmington, Delaware, June 2, 1973, that they petition the Governor, Senate and House of Representatives of the State of Delaware to set aside a parcel of land and/or building, to serve as a convalescent, nursing or rest home to veterans, and

Be it further resolved, that a copy of this resolution be sent to William V. Roth, U.S. Senator, Joseph R. Biden, U.S. Senator, Pierre S. duPont, U.S. Congressman, and Sherman W. Tribbitt, Governor of the State of Delaware, the Commander of the American Legion, Veterans of Foreign Wars, Jewish War Veterans, Paralyzed Veterans of America, Veterans of World War I and Disabled American Veterans National Headquarters.

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## JUDGE SIMON E. SOBELOFF

Mr. MATHIAS. Mr. President, fame may illuminate a career, but obscure the man. We may think we know the great lawyer, the wise judge or the high official of government, but yet know very little of the personality behind the title and the prestige. The human spirit, in such cases, is not big enough to survive material success.

Simon E. Sobeloff was no such man. Whether he was practicing law, or serving as a legal officer or as a judge, he was always himself. He brought his own warmth, compassion and humor to every situation in which he found himself. He never lost a sense of exact justice whether that required punishment of an offender or redress of the wrongs of the oppressed and the aggrieved.

In order to do all that he did in a single lifetime, Judge Sobeloff was a busy man. But he was never too busy to contribute time to any public or private cause that appealed for his help. Young lawyers who sought his advice and help found his door open.

I knew Judge Sobeloff for many years. We saw each other many times under many different circumstances. But, he never changed his wise, witty, humane approach to each new situation and to

life itself. He was my friend and I shall miss him.

I ask unanimous consent that the accounts of Judge Sobeloff's death which appeared in the Baltimore Sun, the Washington Post, and the Star-News on July 12, 1973, be included in the RECORD, together with an editorial from the Sun.

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

[From the Baltimore Sun, July 12, 1973]

JUDGE SOBELOFF DIES AT AGE 78

Judge Simon E. Sobeloff, who rose to a seat on the second highest bench in the Federal courts from a post as baliff in the Baltimore Courthouse, died yesterday at University Hospital after an illness of several months.

Judge Sobeloff, who was 78, capped a 59-year legal career by serving as chief judge of the United States Court of Appeals for the Fourth Circuit from 1958 until 1964.

His career also included service as chief judge of the Maryland Court of Appeals, solicitor general of the United States, Baltimore city solicitor and as an adviser to Theodore R. McKeldin, former mayor and governor.

The first member of his faith to sit on the Maryland Court of Appeals and only the fifth to head such a state court, he was active in Jewish affairs both locally and nationally.

When Mr. McKeldin was elected Mayor in 1943, Mr. Sobeloff somewhat reluctantly took the post of city solicitor and served through that administration and into the first six months of Thomas D'Alesandro, Jr.'s first term in 1947.

Even after Mr. D'Alesandro replaced him as head of the city law department, the Democrat retained Mr. Sobeloff as his labor-relations consultant, a post he kept until 1952.

Mr. Sobeloff, involved as he was in politics and with politicians all his life, never sought elective office himself and stayed clear of the brand of partisanship which so often marks the relations between opposing politicians.

A profile of him written a few years ago remarked in this regard:

"One remarkable aspect of his career is that he seems to have escaped most of the obloquy that is the normal lot of persons in public life. A review of voluminous newspaper articles and editorials reveals almost nothing of a censorious nature."

Governor McKeldin named him seventeenth chief judge of the state's highest court, the Court of Appeals, in December, 1952.

Fifteen months later he resigned to become solicitor general. President Eisenhower nominated him as a member of the Circuit Court of Appeals in July 1955, but confirmation by the Senate was delayed for a year by Southern senators concerned over his possible attitude toward school segregation.

Judge Sobeloff was sworn as a member of that court July 19, 1956, and became chief judge by seniority March 19, 1958.

Throughout his career, as advocate, prosecutor and jurist, ran the thread of concern for the rights and privileges of the individual.

Abstract principles of law were grist in his daily mill, especially in his years as an appellate judge, but he never lost sight of the individual whose troubles were at the root of the legal controversy.

A determined advocate of fundamental human rights, Judge Sobeloff found himself at various points in his career at the center of some of the most profound social and political disputes of his time.

Most recent and most spectacular were a series of cases dealing with the end of racial segregation in the schools.

As solicitor general, the federal government's chief trial lawyer, he presented the government's arguments on implementation of the Supreme Court's decision in May, 1954, which outlawed segregation in the public schools.

And as a member of the Circuit Court of Appeals whose jurisdiction covered six Southern states, he helped decide many of the bitterly fought cases which broke the back of "massive resistance."

The qualities he brought to the bench were evident almost from the start of his public career, along with his faculty for being on or near the contemporary political or social hot spot.

His first experience with peaceful political upheaval was the historic filibuster which broke the almost dictatorial power of Speaker Joseph G. Cannon over the House of Representatives in 1910. The 15-year-old Sobeloff was then a page in the House.

As United States attorney here, he was called upon to prosecute—or decide when not to prosecute—violators of the federal prohibition laws, a social experiment with which he was not in sympathy.

During the Depression years, although a Republican, Judge Sobeloff was a leading figure in municipal and state efforts to draft legislation easing the hardships of unemployment, a matter never before thought a concern of government in this country.

While still the federal prosecutor in the early Thirties, he was drawn into another pioneering field, labor arbitration. He was named first impartial arbitrator, with czar-like powers, of the Baltimore clothing industry.

He became solicitor general while the nation was rent by the frequently conflicting demands of protection against subversion and the preservation of civil liberties.

In one instance Judge Sobeloff declined to be associated with the Government's side in an appeal of a security-risk case taken to the Supreme Court. It was a decision, his friends believe, for which he was later penalized politically.

Running through all his life there was the same thread. In the words of one of those who knew him best, Mr. McKeldin, Judge Sobeloff was "a champion of the underdog."

The judge himself put it a little differently. Repeatedly, in addresses to legal groups around the country, he expressed his concern over how a judge can dispense "equal justice under law."

"If [judges] are to perform their duty intelligently, they must penetrate beneath the surface of things," Judge Sobeloff said in one speech.

"Theirs is the function of infusing the law with the quality of common sense and fairness. . . . What, after all, is the fundamental purpose of any legal system? Is it not to bring order and fair dealing into society? . . .

"Judging is no merely mechanical process; it requires sensitivity and the tincture of common sense, without which the judicial process will produce at best merely an anemic semblance of justice and at the worst a perversion of justice."

This was the philosophy which controlled not only his conduct on the bench but also his conduct of such diverse offices as federal prosecutor, solicitor general and an influential figure in the Republican party in Maryland.

He was from the first to the last in the forefront of the movement to keep his party's principles abreast of the changing social and political developments of a turbulent period of American history.

In an important sense he spoke through the voice of Mr. McKeldin, one of the most vocal of the liberal or "modern" Republicans, during the time control of the GOP was wrested from the conservatives led by the late Senator Robert A. Taft.

"He refined my points of view," is the way Mr. McKeldin credited Judge Sobeloff, a McKeldin adviser and close friend from the time they both were starting their long public careers.

Judge Sobeloff was, in fact, one of the major architects of the McKeldin speeches, including the then Governor's address which nominated Dwight D. Eisenhower for the presidency in 1952.

Of medium build, with thinning gray hair and a close-clipped mustache, Judge Sobeloff's outstanding physical feature was probably the warm humor of his brown eyes.

The sense of humor it revealed has spiced all his works in a profession not noted for its wit.

When Judge Sobeloff was United States attorney, Federal Judge W. Calvin Chesnut described his performance with these words in open court:

"Never in my memory has that office been conducted with greater effectiveness or with finer discrimination, and, I might add, with a better sense of humor."

No less notable was his erudition in subjects far afield from the law. He did not have the benefit of what is considered today a liberal education, yet he was capable, in a single speech, of quoting Georges Clemenceau, Lord Bowen, a British jurist, John Wesley and Dr. Samuel Johnson.

An addict and expert practitioner of the colorful and pertinent anecdote, he frequently quoted in a brief or argument a case in point taken from his vast storehouse of nonlegal reading.

On one occasion he quoted the great Tory British prime minister, Benjamin Disraeli, in support of public housing.

Born in East Baltimore December 3, 1894, Judge Sobeloff first came to public attention just thirteen years later.

Legend had it that he made political speeches for the Republicans on street corners at that age. The judge himself said he delivered only one oration for the cause at that age, and it was in the old Princess Theatre on East Baltimore street.

His activity caught the attention of John Kronmiller, Republican Congressman from the Third district, who had the youth appointed a page in the Sixty-first Congress before he had quite finished his course at City College.

It was that Congress which, behind the leadership of Republican insurgents like George W. Norris, reduced the great power held to that time by the Speaker of the House.

In later years, reminiscing about that battle with another former page, Judge Sobeloff recalled how "on the third night, exhausted by emotion and loss of sleep, I stretched out and slept in one of the alcoves at the north entrance to the House chamber."

Returning to Baltimore two years later, young Simon obtained a job as a $1.50-a-week clerk. He was shortly appointed to a similar job in the office of the then state's attorney, William F. Broening.

While still attending the University of Maryland Law School, not yet 21 years old, he became bailiff and then secretary to Morris A. Soper, then chief judge of the Supreme Bench and the man Judge Sobeloff was to succeed on the Circuit Court of Appeals.

Judge Sobeloff was admitted to the bar in 1914, a year before his graduation from law school, a practice which was permissible in those days.

With the advent of a Republican administration in the city in 1919, he was named assistant city solicitor by Mr. Broening, the Mayor.

Republican fortunes received a setback in the next election, and Judge Sobeloff returned to private practice until the second Broening administration in 1927.

It was in this term as deputy city solicitor that he first met Mr. McKeldin, Mayor Broen-

ing's secretary, and formed the friendship and close association which was to influence both men's careers greatly in the years to come.

In the closing months of the last Broening administration, Judge Sobeloff was named federal prosecutor here and took over the post on Lincoln's birthday, in 1931.

Among the primary tasks of the United States attorney in those days was the prosecution of prohibition law violators, a task for which he had no taste but which he carried out with vigor seasoned with discretion.

When federal prohibition agents were assaulted by a mob incensed over a raid on their neighborhood speakeasy, an angry Mr. Sobeloff warned city and state officials that he would not tolerate such conduct.

His distaste for censorship was made clear the same year when he ordered customs authorities to release a copy of Aristophanes's "Lysistrata," which federal authorities had labeled obscene.

In 1964, when he reached the age of 70, he stepped down as chief judge and in 1970 was placed on "senior status," remaining active in court affairs until his final illness.

In addition to the many civic posts he held, he was an officer or active member of many Jewish charitable organizations and social welfare and professional groups.

He was the recipient of five honorary doctorates from various schools and was honored by numerous religious, civic and professional groups.

In 1918, he married the former Irene Ehrlich, who died in December, 1972. Most recently, he had been living in the Highfield House Apartments, 4000 North Charles street.

Funeral services will be held at 10 A.M. tomorrow at the Har Sinai Temple, 6300 Park Heights avenue.

He is survived by two daughters, Mrs. Victor Mayer, of Bethesda, Md., and Mrs. Samuel Vale, of Santa Monica, Calif.; two brothers, Isadore and Harry N. Sobeloff, both of Los Angeles; two sisters, Mrs. Goldie Zemil, of Washington, and Mrs. Florence Glick, of Baltimore, four grandchildren and two great-grandchildren.

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[From the Washington Post, July 12, 1973]

APPEALS JUDGE SIMON SOBELOFF DIES

(By Jean R. Hailey)

Judge Simon Ernest Sobeloff, 78, of the Fourth U.S. Circuit Court of Appeals, a central figure of many years in school desegregation cases, died yesterday at University Hospital in Baltimore.

At one time chief judge of the court, he had gone into partial retirement as a judge in 1971 but continued to sit in cases until several months ago, when he suffered a series of ailments that hospitalized him intermittently.

Judge Sobeloff had served in many top judicial positions over a long career although he was never elected to an office.

He was appointed U.S. solicitor general by President Eisenhower in 1954, while he was serving as Chief Justice of the Maryland Court of Appeals.

A year later, he was called on to present the federal governments case before the U.S. Supreme Court when the highest court was hearing arguments on how to implement its 1954 decision that segregation in public schools was unconstitutional.

Although Judge Sobeloff, acting for the government as a "friend of the court," strongly backed the desegregation decision, he offered "a counsel of moderation with firmness" and rejected extremes on both sides.

Despite his moderate stand, the fact that he had spoken out for school desegregation brought repercussions later that same year when Mr. Eisenhower nominated him to the Fourth Circuit Court of Appeals.

Southern Senators, led by Olin D. Johnston of South Carolina, James O. Eastland of Mississippi and Sam J. Ervin of North Carolina, vociferously opposed the nomination and Judge Sobeloff was not confirmed until a year later.

The Washington Post noted editorially then that there had been a year of "purposeless delay" in the confirmation of a judge whose "qualifications are exceptionally high. He served with distinction as chief judge of the Maryland Court of Appeals and he bought real luster to the solicitor generalship. The poise and patience with which he bore his long confirmation ordeal have served to augment his already high reputation for judicial balance and statemanship."

Although as solicitor general, Judge Sobeloff had advocated gradualism in desegregation, in later years as a member of the circuit appellate court, he showed some impatience with prolonged delays.

He upheld lower court rulings that forced Warren County in Virginia to reopen its only high school at Front Royal, which had been closed to avoid admitting Negroes.

He denied further desegregation stays in Norfolk and Alexandria and stood up firmly for desegregation in cases brought by Charlottesville, Va., and Charlotte, N.C.

The Fourth Judicial Circuit covers Maryland, Virginia, West Virginia, North Carolina and South Carolina.

Judge Sobeloff's home base was Baltimore, where he was born and where he still lived at the time of his death.

He received his first political appointment at the age of 12, when he became a page at the U.S. House of Representatives.

He entered Loyola College in Baltimore at the age of 17 and a year later transferred to the law school of the University of Maryland in College Park, working at the same time as a clerk in the U.S. attorney's office in Baltimore.

Judge Sobeloff received his law degree in 1915 and started in private law practice. In 1920 he was named assistant city solicitor of Baltimore and later was deputy city solicitor.

President Hoover named Judge Sobeloff U.S. attorney for Maryland and he served in that capacity from 1931 to 1934, when he returned to private practice.

A liberal Republican who had served as a special appointee of the Circuit Court of Baltimore in bankruptcy proceedings, Judge Sobeloff during this period became friends with another Maryland Republican, Theodore R. McKeldin.

When McKeldin became mayor of Baltimore in 1943, he named Judge Sobeloff as city solicitor. McKeldin's successor, a Democrat, retained Judge Sobeloff in 1947 in a newly created position of special counsel of the Baltimore City Housing Commission.

In 1952, after McKeldin was elected Govnor of Maryland, he named Judge Sobeloff chief judge of the Maryland Court of Appeals. His appointment as solicitor general came two years later.

Herbert Brownell Jr., who was then U.S. Attorney General, said of Judge Sobeloff:

"As solicitor general, Mr. Sobeloff deals with problems that invite the most mature judgment and expert advocacy of some of our society's most vital and delicate issues. In this position as in others, he has displayed profound insight into the basis for social tension, a keen sensitivity to our great traditions, an unusual knowledge of our history and struggle for freedom.

"He has deep faith in our constitutional institutions, and in their power of adaptability to cope with and provide for any contingency, however difficult or novel. We admire him in our daily contact in the Department of Justice, because of his abiding interest and concern as to how we can best devise new methods of meeting human needs; how we can most judiciously uplift the dignity of man; how we can most wisely reconcile the needs of an ordered society with the rights of the individual. As he continues his search to realize the spiritual values of life, he is never unmindful of its realities."

Judge Sobeloff was concerned with many aspects of the importance of responsibility, including that of the press.

While still solicitor general, he told a conference of editorial writers, which also was attended by eight justices of the Supreme Court, that "the American press holds a unique responsibility."

The press, he said, "provides and must continually man the watchtowers from which to observe the operations of the courts and other public agencies. Fraud, corruption and dishonesty, in and out of government, would go undiscovered in many instances but for the vigilance of the press."

He added that the judge and the editor enjoy "special status" and are set apart "only that they may act as guardians of other men's liberties."

Judge Sobeloff held many honors, includ-including honorary doctorate from the University of Maryland, Morgan State College, the New School for Social Research and the Hebrew Union College.

He was active both locally and nationally in Jewish affairs, serving as an officer in the American Jewish Congress, the Board of Jewish Education in Baltimore, the National Association of Jewish Education, B'nai B'rith, the Baltimore Jewish Council, the Zionist Organization of America and the National Foundation for Jewish Culture.

He also was active in the Prisoners' Aid Association, the Baltimore Urban League, the American Judicature Society, the American, Federal and Maryland State Bar Associations and the Bar Association of Baltimore City.

He had received awards as "Man of the Year" from the Independent Order Brith Sholom and the Advertising Club of Baltimore, and awards also from the National Conference of Christians and Jews, the Federal Bar Association, the Junior Chamber of Commerce and the Trial Lawyers of the City of New York, among many others.

Judge Sobeloff had been called on to speak before professional and civic organizations in all parts of the country.

His wife, Irene Sobeloff, also a leader in Baltimore civic and Jewish affairs, died last December.

He is survived by two daughters, Ruth Mayer, of Bethesda, and Evva Vale, of Santa Monica, Calif.; two brothers, Isadore and Harry Noah, of Los Angeles, four grandchildren and two great-grandchildren.

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[From the Washington Star-News, July 12, 1973]

SIMON E. SOBELOFF DIES; JUDGE OF FEDERAL COURT

(By Rebecca Leet)

Judge Simon E. Sobeloff, 78, former U.S. solicitor general and former chief judge of the U.S. 4th Circuit Court of Appeals, died in Baltimore yesterday after a long illness.

As a judge, he was instrumental in enforcing school desegregation in his court's jurisdiction, which includes Virginia, Maryland, West Virginia and the Carolinas.

Warm, easy-going and uncontentious, Judge Sobeloff led the way to moderate but firm enforcement of school integration during his 17 years on the appeals court.

He was partially retired from the appellate bench, which meant that he sat irregularly.

He became a federal appellate judge in 1956 and the court's chief judge in 1958. He stepped down as chief judge in 1964 as required by law because of his 70th birthday.

Judge Sobeloff was born in Baltimore on Dec. 3, 1894, the son of immigrants from Russia. The father sold leather cushions for the seats in Baltimore courthouses, where his son was to begin his career as a jurist.

Judge Sobeloff did not always find himself on popular legal ground.

Many of Virginia's early efforts at avoiding desegregation, including its "massive resistance" strategy—were thwarted by decisions from his court.

Despite the frequent unpopularity of his desegregation rulings, he contended his intent was to impose the court's orders "with sympathetic consideration of the human element on both sides."

He once said:

"If I must make a choice between a judge who is completely orthodox and applies without imagination or feeling a rigid rule, and another judge who is perceptive of the justice and common sense of the case, even at the expense of some harmless departure from the strictness of the legal formula, I prefer the latter."

He was solicitor general of the United States when President Eisenhower nominated him to the appeals court. The nomination was held up for almost a year by Southern senators who charged he favored integration.

He was solicitor general when the Supreme Court handed down its famous Brown decision on school desegregation although the previous solicitor general had argued the case before the court.

Sobeloff later advised the court to steer a middle course in enforcing the decision and side neither with those demanding immediate and full desegregation nor with those demanding that localities be allowed to set desegregation timetables.

"The thing for government officials and their legal advisers to remember," he said, "is that they are not engaged in a mechanical process, but are dealing with people and people's rights."

When he was 12 years old, a local congressman heard him give a speech and granted him his first public appointment—as a page in the House of Representatives.

Judge Sobeloff graduated from the University of Maryland Law School in 1915 and went into private practice while continuing his job as clerk to Chief Judge Morris Soper of the Baltimore City Supreme Bench.

It was Soper's seat that Judge Sobeloff later filled on the 4th Circuit Court.

Interspersed with private practice, Judge Sobeloff served as assistant city solicitor and deputy solicitor in Baltimore during the 1920s. In 1931 he was named U.S. attorney for the district of Maryland.

As such, he testified at a Senate Judiciary Committee hearing and pleaded for a federal anti-lynching law.

He returned to private practice in 1934 and in 1943 was named city solicitor by Baltimore Mayor Theodore McKeldin. He was a speechwriter in McKeldin's successful bid for governor in 1950.

Gov. McKeldin, a Republican, named Judge Sobeloff to head a 12-member Commission on Administrative Reorganization of the State of Maryland, a post he relinquished in 1952 when he was named chief judge of the Maryland Court of Appeals.

He was chief judge of the state's highest appellate court until 1954, and solicitor general from 1954 until 1956.

Judge Sobeloff was active nationally and in Baltimore in Jewish charitable causes.

He leaves two daughters, Mrs. Ruth Mayer of Bethesda and Mrs. Evva Vale of Santa Monica, Calif.; four grandchildren and two great-grandchildren. His wife, Irene, died in December.

Services will be held at 10 a.m. tomorrow in the Har Sinai Temple in Baltimore.

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[From the Baltimore Sun, July 12, 1973]

SIMON E. SOBELOFF

It has been seven years since Simon E. Sobeloff stepped down as chief judge of the United States Court of Appeals for the Fourth Circuit. The move was in accord with the demands of the law: he had reached the mandatory retirement age of 70 but was permitted to continue as one of the five circuit court judges. In a sense, the step down ended a public career in the legal profession that spanned his adult life and ranged from legal representatives for local, state and federal governments to chief judgeships on state and federal courts. In between his periods of public service, Judge Sobeloff returned to private practice in his profession. But it was his service in the public interest for which he will be remembered and which marked the highlights in his career.

His most controversial service came when he was chief judge of the Fourth Circuit Court of Appeals. While some civil rights backers regarded him as too much a gradualist, he was committed to liberal views as was proven in his school desegregation opinions involving situations in Virginia. Earlier as Solicitor General in the Eisenhower Administration he had supported desegregation cases before the Supreme Court. His positions have left a mark the validity of which now stands without question.

Locally and by those with long memories, Judge Sobeloff's legal and advisory services during the Broening, McKeldin and D'Alesandro mayoral administrations will be recalled; in each case the public interests were well served. Judge Sobeloff's activities reached beyond his profession. He will be missed as a lawyer, a judge, an able adviser to high public officials and as a man who served the public's interests.

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## THE AMERICAN FIELD SERVICE INTERNATIONAL SCHOLARSHIPS

Mr. HUMPHREY. Mr. President, I would like to call to the attention of the Senate and others the fact that some 2,200 students, under the sponsorship of the American Field Service program, are here in Greater Washington this week. These students, from 63 countries around the world, are visiting area families and this Nation's Capital prior to their return home at the end of this week.

This visit to Washington, D.C., concludes their year in the United States as guests in American homes under the AFS program. They are staying in some 65 communities in or around Washington, D.C., and they have just returned from a 2-week bus trip to dozens of communities throughout the community.

These students will have their final get-together at Walt Whitman High School in Bethesda on July 12. Many of the students will be visiting individual offices of Members of Congress and I had the pleasure of meeting with a number of these students myself this week.

The American Field Service international scholarships program is dedicated to bringing together people of different cultures in order that they may learn from each other. Thus when participants return to their own country, they should have a greater understanding and awareness of themselves, their own culture, and the oneness of mankind. It is hoped that the student participants and their host families will learn to accept and appreciate each other's different customs and values, and the forces which played a part in shaping these differences.

The AFS international scholarships program grew out of a fine heritage. The AFS was first organized in 1914 as a voluntary ambulance service to assist France in the care of its wounded soldiers. It was later revived and expanded in services during World War II, with dreams of helping to create a more peaceful world.

In two of its major programs, AFS offers an opportunity for students between the ages of 16 and 18 to live for a year or a summer with selected families of different cultures, to attend school, and to participate fully in the lives of their new communities. Beyond the necessities of life, the host family, which freely provides a home, is neither selected nor rejected on the basis of financial income, social position, race, or creed. The human quality of the family and the student is the critical factor. AFS seeks out participants who are concerned individuals exhibiting warmth, flexibility, humor, and other qualities which show them to be persons who can handle the challenge of experiencing and adapting to a new way of life.

These major programs, since 1946, have sponsored American students abroad, as well as foreign students in the United States. In the past year AFS has developed a domestic exchange program which sends U.S. high school students to live with families for 6 months in other parts of our country, while also attending local high schools. The purpose of this program is to extend the AFS goal of understanding among all peoples of the world to the varied groups which comprise the population of the United States. It has found that both the students and their host families have been gaining new perspectives and understanding of their own cultures and environments.

I am pleased to be able to serve as a member of the board of such a fine, worthwhile organization as the AFS, and am equally pleased that the people of Minnesota have strongly supported American Field Service international scholarships since the earliest days of its operation as an exchange program. In 1948, a young woman from France lived in Wayzatta and a New Zealander lived in Minneapolis. Since that time, over 2,600 AFS'ers from over 60 participating AFS countries have stayed in the State. For the school year just past, 143 Minnesota families shared their lives with AFS students from other countries.

The first students from the State who went overseas were both from Rochester. In 1953, two young women went to France and Germany, respectively. The next year, 22 young people lived with families for a summer in Belgium, Greece, France, the Netherlands, or Germany. Of these, 12 lived in Germany—helping to rebuild personal understanding and friendship among people who only a few years before had been considered enemies. Nearly 1,500 Minnesotans have now been AFS American abroad students including 119 young people in the last year.

Additionally, Minnesota is one of the first seven States to participate in domestic programs initiated in January. DP is designed to expose American students to different areas and environments within their own country for periods of 2 to 6 months.

In the fall of 1972, AFS began a teach-

ers' exchange program with the U.S.S.R. And once again, AFS in Minnesota was in the forefront of implementing AFS programs. A teacher of English from Moscow, spent part of her stay in the United States at St. Paul Academy and Summit School.

Currently there are 149 AFS chapters composed of volunteers who recruit families, raise funds, and counsel AFS students in the State. Over 150 secondary schools support AFS. In 1972, the Minnesota area was selected as one of three locations in the United States to have a regional field office. Staffed by five professionals this office is located in Richfield.

I am sure Senators join me in wishing our visitors well as they return home, and in congratulating AFS for its fine program.

## THE BOMBING IN CAMBODIA

Mr. THURMOND. Mr. President, the deadline for ending the bombing in Cambodia is rapidly approaching. As it nears, prospects for self-determination and peace in Southeast Asia are dimming.

I recently noticed an editorial which captures the essence of the so-called compromise that led to the bombing deadline. Unfortunately, the conclusions reached in this editorial would seem valid.

Mr. President, I ask unanimous consent that the editorial entitled "A Congressional Mistake," which appeared in the Greenville News of Greenville, S.C., July 8, 1973, be printed in the RECORD.

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

A CONGRESSIONAL MISTAKE

The "compromise" between President Nixon and Congress to end bombing in Cambodia by August 15 is a severe setback for the cause of a lasting, just peace in Southeast Asia. Congress, which forced the issue by tying anti-bombing amendments to essential federal appropriations acts, was shortsighted, to say the least.

Unless a diplomatic miracle occurs in behind-the-scenes negotiations involving the United States, the Soviet Union and Red China, there is little chance for a cease-fire agreement in Cambodia. American leverage on North Vietnam, the source of the Cambodian fighting, has been all but wiped out by the bombing deadline. The only leverage left is some sort of trade-off with the USSR and China, at what cost to American interests elsewhere it is impossible to know at this time.

There is the distinct possibility that nothing will be negotiated and that the North Vietnamese and Cambodian insurgents will launch an all-out attack on the weak Cambodian army when the bombing ceases. The insurgents and invaders can overwhelm the country.

If that threatens, there is every possibility that South Vietnam, recognizing the dire danger of being virtually surrounded by Communist forces, will launch an attack against the Reds inside Cambodia. If that happens, the Paris Peace Agreement is down the drain and Southeast Asia will be fully aflame with all-out warfare.

To prevent that, President Nixon and Dr. Henry Kissinger obviously will be making every effort to arrange some sort of accommodation on Southeast Asia with the two big Communist powers which have supported the whole show from the beginning. A reasonably stable peace in the region is essential for America's foreign policy position in other areas of the world. It is necessary in order to preserve this country's credibility with allies and potential enemies alike.

Therefore, the United States may be forced to yield to Communist demands on other fronts in order to get out of Southeast Asia with some skin left.

The outlook is uncertain. Obviously a great many Congressmen and Senators were looking at short-range political considerations at home rather than at the long-range worldwide picture when they voted for the bombing cutoff amendments. Some of them probably will be among the first to protest when the results of their mistake start showing up.

## NEED FOR WORLD FOOD RESERVES AND INCREASED FOOD PRODUCTION

Mr. HUMPHREY. Mr. President, a recent article in the Christian Science Monitor and an editorial in the Washington Post deal with the severe food shortages in West Africa and Bangladesh in light of the worldwide shortfalls in food production. Because of these shortfalls and because of inadequate mechanisms for predicting and preparing for famine, the international community is dangerously close to not being able to feed the world's starving.

There is much that we can and must do to prevent such crises from recurring in the future.

We must develop a more effective system for monitoring world food production and predicting severe shortages. U.S. weather satellites could be of tremendous value in such a system.

We must make certain that our emergency relief programs, both nationally and internationally, are fully responsive to early warnings of famine. Too often these programs are geared toward reacting after disaster has struck. Earthquakes, floods, civil wars cannot be predicted. But famine can. We must develop institutions that can respond to hunger before it becomes starvation.

We must support the FAO's proposals for world food reserves. Nations with the capacity to produce surpluses should contribute to reserves which can be used when some countries—such as the six West African nations that have suffered 4 years of drought—can produce nothing. All nations must be encouraged to contribute to these reserves in times of plenty so that there will be food enough for all in times of shortage.

This world food reserve program, which I have long supported, has received only lukewarm support in the international community. Perhaps the lessons of this year, combined with vigorous U.S. leadership, will convince other countries that this is a goal indeed worth pursuing. For such a program to work, we will need the full cooperation of all the nations of the world, both in contributions and in full reporting of each country's food supplies.

Finally, the surpluses of the United States and other developed countries are being rapidly diminished. The world demand for food is growing at phenomenal rates. Increasing demands for food due to growing prosperity in the wealthier nations have been added to the steadily increasing demands resulting from population growth in the poorer nations. U.S. consumption of grains is still growing—and will soon reach a level of 1 ton per person each year. Grain consumption in Western Europe is growing at even faster rates. With consumption there now at the level of the United States in 1940, demand for food in these prosperous countries can be expected to grow at ever-increasing rates for some time.

In short, the wealthier nations will in the future be able to supply less of the surpluses needed to feed those who are starving and will, indeed, make ever-increasing demands on the food production of the rest of the world. There are tremendous resources in the less developed countries which have not been developed. If the growing demand for food is to be met, if famines are to be avoided, the United States and other developed countries must contribute all we can to increasing food production in the less developed countries.

I believe that we can and must build more effective systems for monitoring world food supplies and avoiding catastrophic famine. We have the technology, the technical skills, and the agricultural research facilities to greatly increase the world's production of food. This problem of world food shortage is not an unsolvable one. What is needed most now is a realization of the magnitude of the problem and the determination to use all the resources at our disposal to solve it.

Articles such as these, in calling attention to the tragic situations in West Africa and Bangladesh and to the fact that these are part of a long-term food shortage problem, help meet this need to focus our attention on the world's food supplies.

I ask unanimous consent that the Christian Science Monitor article and the Washington Post editorial be printed in the RECORD.

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

[From the Washington Post]

STARVATION IN WEST AFRICA AND BANGLADESH

In West Africa and Bangladesh, people are starving by the millions, and in Washington, officials are scratching to find quite small amounts of spare food—food not committed to be sold—for relief. This represents a stunning turnabout from the postwar American practice of fighting world hunger and malnutrition. As Lester Brown says in the current New Leader magazine, "For the past 25 years it has been American policy to intervene with our food resources anywhere that famine threatens. Suddenly there is the possibility that we may be abandoning that." Such is the result of the world food squeeze, a condition greatly aggravated in the last year by Soviet grain purchases on a scale which all but erased the United States' (and other exporters') "surpluses." For it was on these "surpluses" that humanitarian food programs had been built.

It could not have happened at a crueler time for the six countries of West Africa being affected now by accumulated years of drought, or for Bangladesh, a grotesquely overpopulated country beset by additional hideous problems arising from its recent turbulent birth as an independent nation. They

have had to cope with staggering relief requirements; if these are met, they will then have to face longer-term recovery and development needs even more difficult to contemplate.

Worse yet, there is doubt about whether the relatively modest amounts of food available from the United States will reach West Africa and Bangladesh in a timely fashion. The $20 million worth (156,000 tons) committed in the 1973 fiscal year to the African nations, whose populations total perhaps 25 million, has been almost all delivered. But no decision has yet been made on how much to send in fiscal 1974. American officials, required by law to sell as much food as possible before starting to give away "surpluses," have not yet determined what amounts may be available. Of 700,000 tons of grain pledged to Bangladesh last spring, 200,000 have been delivered and another 100,000 allocated. However, delivery of the rest is uncertain. It should be regarded as unthinkable for the United States to default on any part of that pledge to Bangladesh, or to delay shipments past the period of greatest need. The proposal of Senator Saxbe (R-Ohio) and 38 other senators to divert grain bought by Russia offers one effective way for the United States to do its international duty in this regard.

In the whole area of food exports, humanitarian as well as commercial, American policy appears to be haphazard and careless. Short-range commercial and political considerations have been allowed to undermine the American tradition of helping feed the hungry. No coherent statement has been made which reflects an awareness of all the different values and interests at play. As the possessor of unrivaled agricultural resources in land, technology and related skills, the United States has a commensurate responsibility to assert world leadership in planning the production and distribution of food. Millions of people around the world should not be wasting and starving in 1973.

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[From the Christian Science Monitor]

FAMINE

(UN food experts are ringing warning bells: People are starving in sub-Saharan Africa and in India. But the warnings echo beyond these two areas. Severe food shortages are forecast for the entire planet within a year if American and Canadian grain crops falter this summer.)

(By David Willey)

ROME.—This year's drought and famine in sub-Saharan Africa and in India have given timeliness to the alarm bells being rung here by the world's top food experts.

At the United Nations Food and Agricultural Organization (FAO)—which has its headquarters in Rome—there are private forecasts by men who ought to know that the entire world is in for a severe food shortage. Even the FAO's Director General of the United Nations Agency, Adeke Boerma, of the Netherlands, who is not given to alarmist statements, has this month been using such phrases as "ominous," "dismaying," and "precarious" to describe the situation.

Speaking before the governing council of FAO, Dr. Boerma said that there will be insufficient wheat and rice available to meet world demand during the next season and that if there is a further serious deterioration in crop conditions in North America or the Far East there could well be a worldwide grain shortage.

"The period from now until the end of September is the critical one, during which we shall be living in an atmosphere of troubled uncertainty assuming that uncertainty is not cut short by sudden disaster," Dr. Boerma said.

GRAIN STOCKS VANISHING

Prospects for the American and Canadian wheat crop are uncertain and grain stocks, now at their lowest level for 20 years, will be drawn down still further. Meanwhile the world's population has grown by 50 percent in 20 years and areas stricken by famine will be unable to call on the surpluses which used to be held in North America. They simply do not exist any longer.

Rice export supplies are going to be about 2 millions tons short of requirements. A marginal failure of a crop in a major area would lead to a world food crisis, while a marginal improvement in output is not going to relieve the situation. That is the measure of the gravity of the present crisis, according to Dr. Boerma.

In six west African countries south of the Sahara, starvation is already taking its toll. Five successive years of drought have brought some 30 million Africans living in one of the poorest regions of the world to the brink of disaster. Millions of head of cattle, the region's only natural wealth, have perished from hunger and thirst.

WORLD RESPONDS TO APPEAL

There have been vast internal movements of population in search of fresh pastures and some six million people are actually threatened with famine. An emergency airlift has ben organized by the FAO to try to get new seed to the disaster area for planting for next season's crops but most of the seed has already been eaten by the hungry.

An international appeal for funds has resulted in the donation of some $6 million in cash and supplies. Now the problem is to move the food which has already been shipped to West African ports into the landlocked interior where seasonal rains make ordinary road transport virtually impossible for the next few months.

The President of Upper Volta, Sangoule Lamizana, whose country is one of those worst hit by the drought, addressed the Council meeting of FAO in Rome and told delegates—including for the first time representatives from Peking—how his countrymen had been squeezing mud to extract a few drops of water for drinking and how the only privileged ones were now the vultures, grown fat on the carcasses of cattle.

The food situation in India has also been causing some concern after scattered reports of minor famine. The Indian Government is unduly sensitive to famine scares since Prime Minister Indira Gandhi won her reputation for making India self-sufficient in food grains. There were optimistic reports earlier in the year of a good Indian wheat crop but the latest unofficial estimates put production several million tons below the earlier estimate of 30 milion tons.

Athough production of wheat in India has increased enormousy over the past 10 years, this has not been the case with rice. The new high-yielding varieties of rice depend on plentiful water and fertilizer and there is still a lack of controlled irrigation and a shortage of fertilizer in India.

FACTS ALWAYS ELUSIVE

The Indian Government's nationalization of the wholesale grain trade has also been of doubtful value at the present time, observers in Rome believe. But so far India has sounded no alarm bells and it is not up to FAO to start taking action unless requested by member governments.

In fact FAO has always been hampered by the obstructionism of governments. China, the most populous country in the world with an ancient history of famine disaster, has only just joined the United Nations agency and has hitherto been excluded from its statistical analyses, which must have considerably distorted the total world picture. China used to be treated by the food experts rather as if it were on another planet.

The Soviet Union is still not a member of FAO and is also cagey on statistical information, although contacts do take place with the Russians through the Committee on Agricultural Problems of the United Nations Economic Commission for Europe, of which they are members. Russian grain purchased during the past year to make up for the failure of their last year's crop have been largely responsible for the upsets in the world's agricultural commodity markets and rising world prices. (China, India, and the Soviet Union—in that order—are the three most populous countries in the world. Consequently when they have food shortages at the same time, or when accurate statistics and forecasts are not forthcoming from them, dealing with the world food problem as a whole is made enormously more difficult.)

Wheat export prices generally are now 75 percent above last year's figure. Indeed, it is difficult to find a commodity in which prices have not shot up similarly.

DEMAND PART OF THE PROBLEM

It is partly a question of rising demand, increasing living standards and incomes, but also partly due to the increasing uncertainty in the world food markets over the opening up of trade with China and the Soviet Union. Because of the closed nature of their economies and the lack of available statistics you can never guess what types of purchases the two Communist giants will make nor how large they will be. The recent Soviet purchase of a huge quantity of surplus butter from the European Common Market, for example, was totally unexpected, as the Russians are traditionally butter exporters.

Another factor that has aggravated the international agricultural commodity market is the world currency crisis. When speculators, and indeed governments, buy food as a currency protection measure, getting out of money into commodities, this is bound to disturb the traditional picture of supply and demand. And the losers always tend to be those countries that are least well adapted to new situations.

The recent boycott of meat purchases by housewives in the United States due to rising prices drew attention to the increasing world demand for this staple food. The long-term demand for meat is rising faster than production—people want meat and are prepared to pay what they have to for it. Demand is elastic—and expanding in proportion to living standards.

In Italy, for example meat consumption has approximately doubled from 26½ to 50¾ pounds per person per annum in a little more than a decade. Even in big meat-eating countries like France and West Germany, consumption is increasing. Increased demand coupled with inflation has meant higher prices even in the big meat-exporting areas such as Latin America and Australia. The rising demand for beef led to greater production of lamb, pork, and poultry. But then these, too, grew short.

BEEF DEFICIT SOARING

The world's beef eaters face a deficit of 1,600,000 tons in 1975 and nearly two million tons by 1985, according to an OECD survey. Production in Latin America, which has the highest population growth rate in the world, is not expected to keep pace with rising domestic demand, let alone export requirements.

The world is thus living from hand to mouth for its immediate food supplies with no comfortable buffer stocks as an insurance for future lean years. To quote Dr. Boerma again: "It is intolerable that in this last third of the twentieth century, the world should find itself almost entirely dependent on a single season's weather and crop conditions for its basic food supplies."

Dr. Boerma has suggested that responsibility for keeping adequate food stocks should be spread around both developing and developed nations now that the world's main grain reserves—accumulated more or less unintentionally—in North America no longer exist. But his proposals have met with only

lukewarm support from governments curious to know how accurate information about the world food situation is to be pooled when so many countries are reluctant for reasons of national pride or state security to tell the truth about their food supply situation.

As FAO food experts anxiously scan the forecasts of the coming season's harvests all over the world, it is obvious that the world food situation has sharply deteriorated and that we are back to the crisis of the mid-nineteen-sixties when there were grave fears of famine in India and Pakistan.

The "green revolution" has shown that it is technically possible to improve world food supplies, but population growth still seems to gobble up increases in good production, especially in the critical developing areas where most of the world's poor and hungry live.

## CORPORATE CITIZENSHIP

Mr. MONDALE. Mr. President, it is my pleasure to bring to the attention of the Senate two outstanding examples of corporate citizenship in the community of Minneapolis. In the first case, Investors Diversified Services, Inc. recently donated a 500-year lease, valued at $678,000 for the Minnesota Orchestral Association's concert hall project. A second example was the announcement by Honeywell, Inc. that it will continue its housing rehabilitation program in south Minneapolis. Honeywell for 2 years has bought and repaired houses for resale to low income families with some assistance from the Federal Government. Although the administration has suspended housing subsidies, Honeywell recently decided to continue its program without Federal support.

Each of these actions in my judgment provides a good illustration of the important contributions individual companies can make in attempting to improve the quality of life in our communities.

Mr. President, I ask unanimous consent that a recent editorial from the Minneapolis Tribune describing the two actions be printed in full in the RECORD.

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

TWO CORPORATE ACTIONS

It was indeed a "truly significant contribution" to the Minnesota Orchestral Association concert-hall project, as John Pillsbury Jr., chairman of the orchestral association, said. The gift, by Investors Diversified Services, Inc., was its 500-year lease on a half-block of property where the concert hall and adjoining park will be located in downtown Minneapolis. The lease is valued at $678,000.

On the same day that the IDS gift was announced, it was reported that Honeywell, Inc., will continue its housing-rehabilitation program in south Minneapolis. For two years, Honeywell has been buying and repairing older homes in the neighborhood of the company's headquarters and reselling them to low-income families under federal subsidies. The company was losing about $1,000 on each home, but did it "as part of a program to make a visible impression on the neighborhood."

The government has suspended the subsidies program, but Honeywell will continue its own program. It will buy one home a month through December. Because the subsidies program is suspended, the buyers are expected to be in the middle-income range (Honeywell still expects to lose about $1,000 on each house).

Neighborhood reconstruction and the concert hall are projects of long-range benefit to Minneapolis. These two Minneapolis-based corporations, like many other local firms, are providing examples of good corporate citizenship at the community level.

## COURT RESTORES BALANCE

Mr. THURMOND. Mr. President, during the Presidential campaign of 1968, Richard Nixon told me he thought the greatest accomplishment of his Presidency would be to appoint strict constructionists to the Supreme Court. He has appointed four outstanding men so far, and their conduct has made his promise a reality.

An editorial reviewing the Court's actions recently appeared in a South Carolina newspaper and it accurately portrays the renewed constitutional vitality of the Court under President Nixon. I would like to share it with my colleagues.

Mr. President, I ask unanimous consent that the editorial entitled "Court Restores Balance," which appeared in the Greenville News of Greenville, S.C., July 6, 1973, be printed in the RECORD.

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

COURT RESTORES BALANCE

The Supreme Court of the United States, which recently closed out its 1972-73 term, has become the balanced, non-activist judicial tribunal promised by President Nixon in his 1968 campaign. It is a strict constructionist court, thanks to the four Nixon appointees.

The court's latest term, with only one glaring exception, generally followed a course which pleases constitutionalists and makes activist liberals most unhappy. The one exception was the abortion case in which the court in effect decided unborn children are not entitled to the protection of the Constitution at certain stages and to only limited protection from then until birth. That activist position opens up a whole new political, judicial and moral thicket which will produce controversy for years to come.

Aside from that the so-called Burger Court stuck pretty close to solid constitutional law and came out with a remarkably balanced set of decisions. Its pornography ruling was a classic example of non-activism. So were two decisions relating to reapportionment of state legislatures. In numerous criminal rights cases the court moved to a balanced view of individual rights versus the rights of society.

The court has yet to come up with a definitive decision as to how far schools must go to desegregate. It has yet to determine whether school districts must be combined in order to achieve racial balance in schools.

In general the court seems to be saying that a great many decisions can be and should be decided at state and local levels without recourse to "national" standards or guidelines. In a sense the sanctity of state law has been restored as the law of the land.

A check of the approximately 150 cases handled by the court during the recent terms shows some decisions which could be labeled liberal, some conservative. It is impossible, therefore, to place a strictly ideological label upon the Burger Court.

That is exactly as it should be. The Supreme Court must be an impartial tribunal, guided strictly by the Constitution of the United States. It should leave political decisions to the Congress and the State Legislatures.

With so much social, political and moral instability rampant in the land, much of it directly attributable to the instability of the old Warren Supreme Court, it is good to see the court return to a position of balanced wisdom and stability.

## RURAL TRANSPORTATION CRISIS

Mr. HUMPHREY. Mr. President, soaring food prices in our supermarkets, overcrowded conditions in our larger cities, high rates of unemployment and underemployment, particularly for the young, in rural areas and small communities, and rail lines clogged with grain shipments, are all symptoms of the inadequate attention that has been given to the transport needs of rural America.

As the newspapers feature stories about the "Northeast Rail Crisis," let us not forget the "Rural Rail Crisis" that we are facing. Both of these are critical problems that require congressional action to be alleviated. For 30 years this Nation has seriously neglected its rural transportation system. It is no wonder that the problem we face today is of such dangerous proportion.

Railroad abandonments have cut off many rural areas of the country from their markets. Freight car shortages have seriously delayed, and in some cases actually prevented, delivery of agricultural commodities from the farm to our urban population centers. Inadequate farm-to-market roads prevent large enough trucks from delivering fertilizer and other items farmers need to produce our food at economically competitive prices. Of course, the same high transportation costs exist for shipping farm products to market.

Our transportation system is the economic lifeline of rural America. As it deteriorates, so does the rural economy which it sustains. We must take action immediately to reverse the decline in our rural transportation system.

For this reason, I introduced on May 2, 1973, Senate Joint Resolution 103 calling for a detailed study of our rural transportation system. I then offered and had accepted an amendment to the Agriculture Appropriations Act which provides $100,000 for a 1-year study of our rural transportation problems with specific recommendation to Congress on what must be done to eliminate them.

I hope that the House and Senate conferees on the Agriculture Appropriations bill will agree to accept this amendment in the final legislation.

I ask unanimous consent that an excellent article dealing with this problem, which appeared in Construction News, be printed in the RECORD.

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

THE REAL TRANSPORTATION CRISIS

RISING FOOD PRICES, CLOGGED GRAIN MOVEMENTS ARE SYMPTOMS OF OUR INADEQUATE RURAL TRANSPORTATION SYSTEM WHICH HAS BEEN NEGLECTED FOR 30 YEARS

Sandwiched between other national crises plaguing the U.S. is another potential debacle which until recently has been lost in the shuffle. And yet its reverse impact on the economy could unless checked in time, be the most harmful of all our current and impending problems.

At a time when we are matter-of-factly producing space hardware to explore the moon and orbit the earth, the paradoxical truth is that this nation doesn't have adequate transportation wherewithal—rail, highway or waterway—to get its bulk farm commodities to the marketplace.

An immediate, housewife-documented consequence is higher food prices. Perhaps even more serious, in the long run, is our inability to efficiently move millions of tons of wheat, feed grains and soybeans to our ports for overseas shipment. This is crucial because agricultural exports offer the best and perhaps last hope for achieving a more favorable balance of trade and rejuvenating the U.S. dollar.

No one questions the capability of our farmers to raise the crops. And the government can and has put millions of set-side acres back into production for the stated purpose of hiking agricultural exports from the present $8.1-billion annual level to as much as $18-billion by 1980. But, as long as our transport facilities remain in disrepair and disarray, this productive potential is at least partially academic.

Helping focus national attention on this problem was testimony submitted to the Congress last March by Associated Construction Publications.

Ray Metzger Jr., publisher of Construction News, and Construction Digest editor Art Graham told the House Transportation Subcommittee that there is a direct and obvious link between skyrocketing food prices and (a) abandonment of thousands of miles of rail trackage serving rural areas and (b) hundreds of thousands of miles of deteriorating primary, secondary and farm-to-market roads suffering from 30 years of accumulated neglect.

Since then there has been a rapidfire series of developments:

On April 5, Transportation Secretary Claude S. Brinegar announced establishment of a full-time DOT task force to deal with the freight car shortage. "Outside of the northeast," he explained, "the most serious railroad problem is the shortage of freight cars—especially for grain loading. We are very much aware of the difficulties this poses for shippers trying to move grain to meet contractural commitments."

Concurrently, The Road Information Program (TRIP) launched a press media campaign to explain the impact of inadequate roads on the cost of transporting farm commodities and, ultimately, on retail food prices.

At the invitation of Gov. Dan Walker of Illinois farm and transportation leaders from 12 states participated in a Mid-American Agricultural Rail Transportation Crises Conference at Chicago April 9–10. "Farmers have been asked by the Nixon administration to put millions of additional acres into grain production, but what good will this do if they can't get the grain they've already produced to market?" Walker asked, adding: "Poor movement of grain products has the same effect on food prices that limited supplies of red meat has on consumer prices."

Representatives of 17 states which account for about 85 per cent of the nation's wheat, soybean and feed grain production convened again in Chicago May 16–18 for a Midwest Grain Movement Conference cosponsored by Illinois and Nebraska. This seminar resulted in a dozen-odd major resolutions demanding immediate priority cause/cure consideration of the grain shipment impasse. Governor Walker in turn submitted these recommendations to the National Governors' Conference at Lake Tahoe, Nev., June 3.

Meanwhile, on April 30, Sen. Hubert H. Humphrey (D-Minn.) introduced a joint resolution instructing the Secretary of Transportation to make "a full and complete investigation and study of farm-to-market roads, railroad beds and availability of operational rail lines serving rural areas in the U.S. for the purpose of determining the condition and adequacy of such roads and rail lines to carry the volume and weight of agricultural and other commodities from rural areas necessary for the nation's economy." A report on the findings of this study, together with DOT's recommendations for remedial action, would be submitted to the President and Congress not later than next December 31.

A week later, Minnesota's other Democratic Senator, Walter F. Mondale, introduced legislation (S 1749) to establish within the Department of Transportation a Rural Rail Transportation Administration with authority to make loans or loan guarantees to maintain and/or reestablish rail service for major agricultural areas. Explaining that in his state alone there will be 304 communities isolated from operational railroad facilities by 1980, and that a third of these cities and towns presently must rely on secondary roads restricted to less than 9-ton carrying capacity. Mondale said he was afraid that "many of our rural communities will be left to die" unless they are provided adequate transportation access. He also referred to the world demand for farm products as "the major hope of preventing a sharp deterioration in the U.S. balance of payments" which, he said, makes it "doubly critical not only to the agricultural community but also to the nation's overall economic future that we maintain rural rail lines."

Why this sudden furor? Essentially, what we have had for many years is an inevitable crisis waiting for a time to happen.

More than 46,000 miles of railroad trackage—principally those lines traversing sparsely populated rural regions—have been abandoned in the past 40 years. Railroads today are functioning with 30,000 fewer locomotives and 840,000 fewer cars than they had during their peak years in the 1930s. This loss equates to 13 main line railroads, stretching from coast to coast, each located 100 miles apart and each having 2,300 locomotives and 64,000 cars.

When the nation launched its expanded roadbuilding program in 1956 the emphasis was, with justification, on the planned Interstate expressway network and on modernization of heavily-traveled federal-aid primary routes. Although these two systems represent only 7 per cent of our total highway mileage, they now carry 50 percent of all automobile and truck traffic.

As a result, however, much of the remaining 3.6-million miles of roads and streets have gotten only cursory attention. Except for routine, minimal maintenance, most of the 2-million miles of non-federal-system rural roads have gone untouched and unimproved for 30 years or more. As an example, of the 373,000 highway bridges built before 1935, 343,000—almost 90 percent—are on county secondary and other rural roads. And some 88,900 bridges, or one out of every six in the U.S., are now classified as "critically deficient."

These combined conditions provided the ingredients for what Governor Walker has referred to as the grain shipment "time bomb—one of the nation's major domestic problems that has been swept under the rug too long."

The fuse was three precipitating factors: a bumper grain crop in 1972, the sale in the past 12 monhts of more than 700 million bushels of wheat, feed grains and soybeans to Russia, and record floods which closed the Misissippi and Missouri rivers to barge traffic for weeks this spring.

"It is no wonder then that we find ourselves faced with great difficulties," Robert C. Liebenow, president of the Corn Refiners Assn., told the second Chicago conference in his keynote address. "Movement of grain and grain products so far in 1973 exceeds 1972 loadings by almost 50 per cent. Total grain to be exported in fiscal 1973 is almost 75 million metric tons compared with 50 million metric tons in fiscal '72. And this massive increase in demand for transportation came on the heels of a peak year in 1972.

"Implications of the present railroad car shortage extend beyond the plight of shippers," he added. "Shortages of transportation inevitably will result in price list dislocations in various markets. Thus, we face a price impact on food products at a very time when this nation is engaged in serious efforts to moderate food price increases to the ultimate consumer."

Liebenow, who is a former president of the Chicago Board of Trade, called on the government to "openly asume responsibility of dealing with this problem because, after all, it bears direct responsibility for the crisis situation because of the Russian grain sales."

Acknowledging that the accumulated "structural problem" impeding the flow of farm commodities will require fundamentally new polices and long-range legislation, Liebenow went ahead to emphasize that "I don't believe this country can await the resolution of this underlying problem. Legislation of this kind cannot come quickly enough. More immediate action is required."

His recommendation was that the President promptly commission an inter-agency study, under auspices of the Cost of Living Council, to determine what steps can be taken that would promise quick relief to the American consumer. This commission would examine and report on such questions as:

Could a more liberal admixture of trucking and rail transportation provide significant short-term relief?

Can the government, perhaps including the Defense Department, ease its claim to an inadequate supply of freight cars?

Could the government profitably use emergency authority to coordinate truck, rail and shipping transportation?

Should emergency legislation be sought on a temporary basis, leaving open the question of appropriate long-range solutions?

Later, the conference approved a somewhat parallel resolution drafted by Metzger and Graham which calls on the National Governors' Conference to take the initiative in formation of an ad hoc committee to deal with the problem.

Serving on the committee would be appointees from the Midwest Grain Movement and Governors' conferences, chairmen of the Senate and House public works and transportation committees and representatives from the Departments of Transportation and Agriculture.

"Much of the specific data on abondoned and inadequate rail facilities and substandard roads and bridges has already been compiled," Metzger said, "and the impact of this transportation bottleneck on grain movement and food prices has been confirmed.

"It would be the responsibility of the committee to evaluate this information, pinpoint the best and most practical short- and long-range solutions to the problem, and then to make recommendations and draft legislation to help overcome these transportation inadequacies."

Although the overall financial position of the nation's railroads seriously impairs their capability to make capital investments in new rolling stock and improvement of facilities, it would be unfair to imply that there hasn't been a major effort by most companies during the past decade to cope with increased carloading demands, not only for grain but for lumber, aggregates, automobiles and other bulk commodities and manufactured products.

As was pointed out by representatives of the Assn. of American Railroads during the grain movement conference, U.S. railroads establishd an all-time record of 778-billion

ton-miles of freight service in 1972, an increase of 5.2 per cent over the previous year. And grain car loadings—including those for both domestic and export shipments—averaged 32,660 per week for the first 10 weeks of this year, an increase of nearly 44 per cent over the corresponding period in 1972. This was accomplished despite the fact that there were 40,000 fewer freight cars in service last year than in 1969, when the previous all-time rail traffic record was set.

Since 1960, when virtually all rail grain shipment was in boxcars, railroads have been adding an average of about 11,000 covered hopper cars to their fleets annually. They and private shippers now operate 190,000 of these large hopper cars, and another 5,000 were on order as of last March 1.

It is generally true that, as a group, railroads still rank well down the list in terms of management, operational and labor efficiency. But gains also are being made in this area. A special AAR task force already is well along in a design study for a greatly expanded computerized freight car information program, while improvements are still being made in the basic system now in use. And various individual railroads are continuing to develop new and highly sophisticated computer programs within their own systems.

These stubborn facts remain, however: (a) railroads still do not have sufficient rolling stock to handle loading volume requirements, and existing fleets are not being utilized with maximum efficiency; (b) thousands of miles of rural area rail trackage are no longer in use, and more abandonments are in the offing, and (c) as much as half of the roadbed mileage still in service is inadequate and unsafe for today's 100-ton hopper car loadings.

Without a sustained, multi-billion dollar infusion of funds for new rolling stock and for needed improvement of roadbeds and other physical facilities, U.S. railroads will be extremely hard pressed to meet mounting demands for movement of grain and other basic commodities in the immediate future, let alone handle their subsequent burden of an overall national freight load which, according to DOT predictions, will double by 1985.

As was repeatedly emphasized at the two grain movement seminars, this situation also mandates immediate attention to the other modes of transportation, i.e. rural and farm-to-market roads and inland waterways.

Although over-the-road shipment of heavy bulk farm commodities for distances of more than 50 miles has, in the past, been considered prohibitively expensive, many rail-isolated farmers and suppliers are now left with no alternative. In Illinois alone, because of the lack of railroad lines and/or cars, truck hauling of grain increased by nearly 19-million bushels in 1972.

This extended truck-hauling trend will continue to accelerate. And, even within the prescribed 50-mile radius, the movement of grain to elevators and the equally important transporting of fertilizer, feed grain and heavy equipment to farmers is being choked off or made much more expensive by horse-and-buggy secondary roads and dilapidated, unsafe bridges.

It was this fact which prompted Rep. William H. Harsha (R-Ohio) to comment, during recent floor debate on the Federal-Aid Highway Act of 1973, that actual and proposed abandonment of thousands of miles of rail trackage is putting "an inordinate burden on our already over-burdened highway system and leaves highways—many of them inadequate—as the sole source and method of moving goods and services in and out of many of our rural communities." Harsha went ahead to point out that this is a significant factor in steadily rising feed prices.

Overdue improvements and expansion of the nation's waterways system have been almost equally slow in coming. Commercially navigable inland channels were extended by a scant 290 miles, or only slightly more than 1 per cent, in the 1960–70 decade, and stop-and-go funding of Army Corps of Engineers programs has stalled dozens of needed lock and dam and navigation projects.

A case in point is the old Lock & Dam 26 on the Mississippi River at Alton, Ill. The 41-million tons design capacity of these locks was reached and passed five years ago, and barge tow delays of as much as 18 hours are not uncommon.

There is no practical alternative route for these barges and, in addition to the present delay-loss to shippers and consumers of millions of dollars a year, there exists the possibility of structural failure which would immediately deprive all cities on the upper Mississippi and Illinois rivers of through-barge transportation.

Testifying before Congressional appropriations committees in mid-May, James B. Meanor Jr., manager of the Metropolitan St. Louis Chamber of Commerce transportation department, warned that "with the railroad car shortage becoming even more serious, loss of barge service to and from the upper midwest area would result in extremely serious conditions for its people and industry.

"In this connection, grain exports, much of which move south by barge, are extremely important to improving our balance of trade deficit," he added.

Meanor urged quick release of funds for replacement of Lock & Dam 26, explaining that, even if construction were to start immediately the new facility would not be fully operational for another seven or eight years.

Sen. R. Vance Hartke, chairman of Senate's Surface Transportation Subcommittee, sums up the total picture in this manner. "The situation, simply put, is that our needs for fast, safe and efficient ways to move people and goods are far in excess of the capacity of available systems.

"Our rail system is in disrepair. The waterways are nowhere near their full potential as useful carriers. And, despite tremendous strides made in recent years, many of our road and streets are still either unsafe or inadequate for the traffic volumes they are required to handle."

A number of other influential Congressional leaders are now speaking out on this problem and the enigma of more and more bypassed and isolated "ghost towns" in the hinterlands contrasting sharply with people-packed, transportation-jammed urban areas.

"Our population distribution today is badly unbalanced, with 80 per cent of all Americans living on 5 per cent of the nation's land area," explains Rep. John A. Blatnik (D-Minn.), chairman of the House Public Works Committee. "Half of all our people live on the perimeter of the mainland within 50 miles of the Atlantic, Pacific, the Gulf of Mexico or the Great Lakes.

"We can and we must reverse this flow, and in so doing we can do much to reduce the population pressures that are at the root of today's urban congestion," he stated, adding: "One way to get people back to countryside America is through the development of adequate highways that will encourage industry to locate in rural and small town areas.

"In our concern over the undeniable transportation crisis of our cities," Blatnik concluded, "we cannot afford to overlook or minimize the vital transportation needs of rural America."

Rep. Don Clausen (R-Calif.) echoed the same logic when he said that "if there is ever going to be a change in the quality of life in America, it's going to be brought about as a result of creating either new economic growth centers or revitalizing and diversifying some of the more sparsely populated areas in the U.S.

"If we are going to reverse or slow this out-migration from our rural sections, and if we're going to stop the stacking of people on top of one another in the big cities, then we must stop giving total consideration to allocating funds where the population is without giving some consideration to where the population can be," Clausen pointed out.

The grain shipment impasse is, obviously just one important symptom of a number of interlocking problems from which the only key is a carefully conceived, adequately financed and quickly implemented national transportation plan.

## THE UNITED STATES AS AN ARMS MERCHANT

Mr. MONDALE. Mr. President, I would like to bring to the attention of my colleagues two editorials which recently appeared in the New York Times and the New York Post concerning the U.S. sale of conventional weapons to nations in the Middle East and Latin America.

The New York Times editorial, entitled "Phantom Security," persuasively rebuts administration justifications for our arms sales policy. The administration argues, for example, that if the United States does not sell jets to the Saudis or the Chileans, someone else will. But the Times replies: "The same arguments could be made by a debt-ridden dope pusher in Harlem."

Phantom jets and napalm cannot be equated with farm machinery and wheat, competing with others to place lethal weapons into the hands of nations which often can't afford them and which may use them to add to the world's burden of strife and misery is not a wise or honorable way to balance the books of a nation that claims to be leading the world to a generation of peace.

An editorial in the New York Post makes the additional point that while the Nixon-Brezhnev summit focused on negotiating a limit on offensive nuclear weapons, world peace could be strengthened "by reducing the bigger business in smaller armaments."

Mr. President, my amendment to the Foreign Military Sales and Assistance Act would direct the President to convene an international conference on conventional arms to eliminate the kind of situation which these editorials describe. I hope that the President acts promptly and signs this bill into law so that the United States will eventually cease from being a merchant of death.

Mr. President, I ask unanimous consent that these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 7, 1973]

PHANTOM SECURITY

The sharply reduced foreign military aid bill as passed by the Senate recently represents a timely attempt to exercise some restraint over a new Administration drive to boost sales of sophisticated military equipment to nations in the Middle East, Latin America and perhaps elsewhere.

In recent weeks Washington has announced its willingness to sell F–4 Phantom fighter-bombers to Saudi Arabia as part of a billion-dollar deal to modernize that country's defenses; has entered negotiations to sell $500-million worth of arms and services to the tiny Persian Gulf state of Kuwait, including F–8 Crusader jet fighters;

and has authorized the sale of F-5E International fighters to Argentina, Brazil, Colombia, Venezuela and Chile, ending a five-year ban on the transfer of sophisticated arms to Latin America. In addition, Iran has committed itself to purchase about $2.5 billion in American military hardware and services, including Phantoms.

Credit limits and a specific ceiling on arms transfers to Latin America in the Senate bill could inhibit Administration plans for new sales in the Southern Hemisphere. Although credit curbs would not affect sales to oil-rich Middle East nations that can afford to pay cash, the bill does provide for Congressional review of sales exceeding $25 million.

Administration spokesmen have asserted that all of these new arms sales serve United States security interests. This may be demonstratable in some cases but it is certainly doubtful in many others. In any event, the scope of the new drive to expand arms exports and some of the explanations offered to justify them suggest motivations that have nothing to do with American security.

It is argued, for example, that arms sales which rose to a record $3.4 billion last year and are expected to reach $4.6 billion next year, will help the United States balance of payments. Furthermore, it is pointed out that if the United States doesn't sell jets to the Saudis or the Chileans somebody else will. The same arguments could be made by a debt-ridden dope pusher in Harlem.

Phantom jets and napalm cannot be equated with farm machinery and wheat. Competing with others to place lethal weapons into the hands of nations which often can't afford them and which may use them to add to the world's burden of strife and misery is not a wise or honorable way to balance the books of a nation that claims to be leading the world to a generation of peace.

Administration officials also argue that the sale of weapons will help the United States gain influence in purchasing countries and that Washington will be able to control their use. Has nothing been learned from the Soviet experience in Egypt or from their country's own miscalculations in South and Southeast Asia?

Even where a strong case for American security interests can be made, there needs to be careful analysis of the wider implications of any arms transfer to any country. Will arms aid lead to direct United States military involvement, as is the case today in Cambodia? Is there any real assurance that jets sold to the Saudis, for example, will be directed solely against forces hostile to the United States in the Persian Gulf area?

Finally, since the United States is already the world's leading arms exporter, the impact of stepped-up American arms sales on the worldwide arms race merits special consideration. The respected Stockholm International Peace Research Institute recently noted: "Although the greatest single threat to Man's survival is, undoubtedly, the nuclear arms race between the United States and the Soviet Union, the conventional arms races now taking place elsewhere are also extremely dangerous. A future conflict in one of these areas could escalate into a general nuclear war—possibly the most likely way in which such a war would come about." In the interest of its own security, can the United States afford to continue feeding so indiscriminately the imbalance of terror around the world?

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[From the New York Post, June 22, 1973]

WORLD ARMS BUSINESS

If the U.S. and the Soviet Union can meet the deadline they agreed on yesterday—to negotiate a permanent limit on offensive nuclear weapons next year—the accomplishment will be both admirable and memorable; the initial agreement alone is most reassuring. In the meantime, they could contribute a great deal by reducing the bigger business in smaller armaments.

There are, indeed, some distressing ironies in the current spectacle. As the world welcomes and ponders the Camp David agreement, there is every likelihood that the global traffic in "conventional" arms, now somewhere above $216 billion a year, will reach $350 billion by the end of the decade.

And, as Sen. Mondale (D-Minn.) is now warning: ". . . the greatest danger to world peace may well lie not so much in the sudden outbreak of nuclear warfare . . . but in the step-by-step escalation of a local war fought with conventional weapons."

To limit such dangers, Mondale is now proposing legislation that would oblige President Nixon to seek a meeting of the world's principal arms suppliers—the U.S. has the unpleasant distinction of originating half the trade—with a view toward serious negotiations on reducing, instead of expanding, sales. Such talks could perhaps restrict the savage competition. The proposal invites study now by the White House.

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## CONSUMER PROTECTION AGENCY AND MARIHUANA USERS

Mr. ALLEN. Mr. President, the Executive Reorganization Subcommittee of the Senate Committee on Government Operations upon which I serve has just completed hearings on proposals to create an independent Consumer Protection Agency.

A colloquy between a Consumers Union witness and myself during the hearings on March 28, 1973, concerned whether that interests of marihuana users should be represented by a CPA. This led to a letter from Consumers Union, dated May 8, 1973 in an attempt "to clarify" its position followed by a "clarifying" letter from me to the subcommittee.

These letters and the colloquy crystalize some of the major issues which this body will face when debating a CPA bill. I ask unanimous consent to have printed in the RECORD at this point my letter on the subject of July 11, 1973, which reprints the hearing colloquy, followed by Consumers Union's letter of May 8, 1973, which attempts "to clarify" statements made in the colloquy.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON GOVERNMENT OPERATIONS,
*Washington, D.C., July 11, 1973.*

Hon. ABRAHAM RIBICOFF,
*Chairman, Subcommittee on Reorganization, Research and International Organizations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: I have read the May 8, 1973, letter from Mr. Peter H. Schuck of Consumers Union clarifying his remarks to me, during the hearings on the Consumer Protection Agency bills, concerning legalizing marijuana.

His letter, I feel, might distort the import of that dialogue on marijuana, unless further clarification is made. Therefore, I request that this letter immediately follow Mr. Schuck's letter of May 8, 1973, in the hearing record.

My question about marijuana was one of a series designed to gain knowledge about how a CPA would determine what was a proper "interest of consumers"—a determination that is left to the sole, unchallengeable discretion of the CPA under S. 707 which Consumers Union strongly supports.

Thus, I asked Mr. Schuck about situations in which the interests of consumers might conflict with the interest of environmentalists (e.g., in the Alaska pipeline controversy), with the interests of American workers (e.g., increasing the importation of less expensive foreign products), with the interests of the press (e.g., in demanding source identification), and so forth.

The purposes of Consumers Union, as stated in its charter, are to provide consumers with information and counsel on consumer goods and services, to give information and assistance on all matters relating to the expenditure of the family income, and to initiate and to cooperate with individual and group efforts seeking to create and maintain decent living standards.

The testimony and action of Consumers Union, therefore, are very instructive to the Subcommittee. Much of what the prestigious Consumers Union does now parallels what is proposed for the CPA under S. 707—it testifies before Congressional bodies, requests action by Federal agencies and intervenes in their proceedings and activities, seeks judicial review of the decisions of these agencies and gathers and disseminates information thought to be of interest to consumers.

We have been assured continually by supporters of S. 707 that we should not be alarmed by the sweeping advocacy and information powers proposed by it for a CPA which will determine what is an interest of consumers. The CPA, these supporters say, is to be a nonregulatory agency that will take a prudent course.

Seeing the parallel between the CPA proposed in S. 707 and the mandates imposed upon Consumers Union by its charter—and as part of my attempt to fathom how any single government unit is going to prudently determine what is in the interest of consumers—the following dialogue, taken from the unedited transcript, ensued between the Consumers Union witness and myself:

"Senator ALLEN. Your organization, Consumers Union, has not taken a position in advocacy of the users of marijuana?

"Mr. SCHUCK. Well, the position that we have taken is that the mere possession of marijuana should not be regarded as criminal conduct. We have not in anyway advocated the use of marijuana. In fact, it is quite clear we have taken quite the opposite position. But we do not feel the mere possession of marijuana should bear criminal penalties.

"Senator ALLEN. I have an item from the Star, the Washington Star of November 28, 1972, 'Consumers Union Endorses Legalizing Marijuana.' That is a correct statement, is it not?"

"Mr. SCHUCK. There is some confusion between the terms 'legalization' and 'decriminalization.' Usually, the term that is used to describe the position that possession of marijuana should not carry criminal penalties is called 'decriminalization.' Consumers Union, in the book it published to which you refer did suggest that the production and marketing be retained under government control.

"So, it would be not be legalization in that sense at all. To the extent that the Washington Star calls it legalization if it had that in mind, that is not our position.

"Senator ALLEN. Would you feel, then, that the CPA ought to take over the advocacy of the interest of the users of marijuana in line with your recommendation?

"Mr. SCHUCK. Which particular interests of the users do you mean?

"Senator ALLEN. Well, who ever uses it, the users. A user is a user by any other name.

"Mr. SCHUCK. I think, if there are 20 million people in this country who are using marijuana, and the figures is somewhere in that neighborhood—

"Senator ALLEN. Their interests ought to be protected by the CPA?

"Mr. SCHUCK. May I continue?

"Senator ALLEN. Yes. Excuse me.

"Mr. SCHUCK. And if their conduct is

no longer criminal, as we feel it should not be, then I see no reason why the CPA should not protect them in their freedom of choice."

First, it should be noted that in the opinion of Consumers Union (and, therefore, very conceivably in the opinion of a CPA) legalization of marijuana is an important interest of consumers worthy of the expenditure of a great deal of time, effort and money at the expense of other interests. The question is whether the general consumers (as opposed to those who illegally consume marijuana) agree with this determination.

Before going on to other points, it should be noted that Consumers Union's recommendations relating to marijuana are far more extensive than one might be led to believe by the brief colloquy on the subject at the hearing and Mr. Schuck's clarifying letter.

Specifically, Consumers Union made seven recommendations concerning marijuana, urging quick Congressional and State action on them; namely—

"(1) Consumers Union recommends the immediate repeal of all federal laws governing the growing, processing, transportation, sale, possession, and use of marijuana.

"(2) Consumers Union recommends that each of the fifty states similarly repeal its existing marijuana laws and pass new laws legalizing the cultivation, processing, and orderly marketing of marijuana—subject to appropriate regulations.

"(3) Consumers Union therefore recommends that a national marijuana commission be established to help provide the states with needed research information, to monitor the various plans evolved by the states and to build, eventually, the best features of those plans into federal marijuana legislation.

"(4) Consumers Union recommends that state and federal taxes on marijuana be kept moderate, and that tax proceeds be devoted primarily to drug research, drug education, and other measures, specifically designed to minimize the damage done by alcohol, nicotine, marijuana, heroin, and other drugs.

"(5) Consumers Union recommends an immediate end to imprisonment as a punishment for marijuana possession and for furnishing marijuana to friends.

"(6) Consumers Union recommends, pending legalization of marijuana, that marijuana possession and sharing be immediately made civil violations rather than criminal acts.

"(7) Consumers Union recommends that those now serving prison terms for possession of or sharing marijuana be set free, and that such marijuana offenses be expunged from all legal records."

Here we have a good example of major recommendations by a self-avowed consumer protection agency, Consumers Union, after which the CPA under S. 707 will be patterned in large part.

We must assume that Consumers Union will be among the most successful "lobbyists" of a CPA if it is created; and, by virtue of the great importance Consumers Union has expressly put upon its marijuana recommendations, we must assume that Consumers Union will seek to gain the influential CPA advocacy of its recommendations.

If legalization of marijuana is not a valid interest of consumers, Consumers Union has exceeded the bounds of its charter. If it is a valid interest of consumers, we can expect that the CPA under S. 707 would, among other things, take the following authorized steps:

Testify before Congress and make recommendations to the President. Sec. 202(a)(10)(b).

Intervene on behalf of convicted marijuana users before Federal parole boards. Sec. 203(b).

Intervene to represent marijuana users in Federal investigations. Sec. 203(b).

Order enforcement agencies to turn over records concerning marijuana users. Sec. 207(c).

Issue court-enforceable information orders to private persons. Sec. 207(b).

Issue pro-marijuana press releases. Sec. 208.

Thus, my questions concerning marijuana were not intended to be "cute" or "red herrings." They were based upon a real-life situation having to do with how a consumer protection agency determines what is in the interests of consumers, a central question for us to consider in relation to S. 707 and S. 1160, the CPA bills before us.

It would appear that, now more than ever before, this Subcommittee should cast a wary eye on proposals that would grant sweeping, uncontrollable discretionary powers upon some unknown appointee. Let us not smother our reservations in the warmth of political popularity, but get them into the open and deal rationally with the difficulties with which they are concerned. I was attempting to do just that in my questioning of the Consumers Union witness.

Sincerely,

JAMES B. ALLEN.

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CONSUMERS UNION,
*Washington, D.C., May 8, 1973.*

Senator ABRAHAM RIBICOFF,
*Senate Government Operations Committee, Subcommittee on Executive Reorganization, Old Senate Office Building, Washington, D.C.*

DEAR SENATOR RIBICOFF: I would appreciate the opportunity to clarify one portion of my testimony delivered before our subcommittee on March 28, 1973, concerning the proposed bill to establish a Consumer Protection Agency, S. 707.

In response to a question asked by Senator Allen toward the end of my testimony, I sought to make clear that, while Consumers Union had taken the position that possession and use of marijuana should not bear criminal penalties, Consumers Union had not in any way advocated the use of marijuana and in fact had been careful to stress the possibilities for its abuse. Then Senator Allen asked me whether "the CPA ought to take over the advocacy of the users of marijuana in line with your recommendation" I responded that *assuming that possession and use of marijuana were no longer illegal acts,* "then I see no reason why the CPA should not protect [consumers] in their freedom of choice." My principle is a very simple one—if society makes a decision to permit the use of a product without restrictions, then that product should be treated like any other product for purposes of protecting the interests in freedom of choice of those who would consume it. I in no way suggested or intended to suggest that a CPA would be justified in intervening in criminal proceedings concerning marijuana use; my explicit assumption for purposes of responding to Senator Allen's question was that marijuana use was no longer restricted in any way by the law. And in any event, of course, nothing in S. 707 would authorize the CPA to intervene in any criminal proceedings.

Thank you for the opportunity to clarify my remarks.

Very truly yours,

PETER H. SCHUCK,
*Director, Washington Office.*

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## THE JOB CORPS CAMP AT TRAPPER CREEK IN MONTANA

Mr. METCALF. Mr. President, one of the Job Corps camps in Montana is Trapper Creek in western Montana where young men are given a second chance for acquiring skills and background that will enable them to obtain useful jobs and get out of the treadmill of poverty.

The other day the editor from the Billings Gazette, a newspaper in eastern Montana, visited the Trapper Creek center and his comments are worth consideration by each of my colleagues.

I ask unanimous consent that this article be printed in the RECORD.

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

GREAT PLACE FOR A WAR

(By Duane W. Bowler)

TRAPPER CREEK.—The war against poverty goes on unabated in this serene setting on the eastern slopes of the Bitterroot Range where Montana's face-like western border noses into Idaho.

Midnight June 30, 1973, came and went for the 200 plus young men and the 50 or so staff workers who are combining efforts at Trapper Creek Civilian Conservation Center.

The warfare to kill the war on poverty which encompassed the first parent, Office of Economic Opportunity, has left the Trapper Creek Job Corps camp operational if not overfunded.

The new parent is the U.S. Forest Service, the staff much the same. And so is the job.

The job of the Job Corps is to take underachievers, the unskilled and heretofore unemployable young men, up to 22, and teach them an occupation.

The place is full of dropouts, not of the upper and middle class whose offspring have opted for the counter culture. These are the young men who never really had much of a chance before.

They come from Montana, Wyoming and other nearby states. They also come from St. Louis and Kansas City, from New Orleans, many from families which have known little but welfare.

The goal of the Job Corps is to break that welfare chain, to get these young men into useful occupations where they can provide for themselves and families to come later.

Many don't have a high school education, at least not what they should have gotten out of high school, diploma or not.

The Job Corps instructors not only teach them a useful trade, they also teach them what is necessary to learn a useful trade—how to read and understand, be it mathematics or recipes.

Mostly, the young men respond. They learn how to weld, to do carpentry, to cook, to repair cars and trucks, to operate machinery, to do electrical work, to maintain buildings—and to live in harmony.

The Job Corps entry is recruited on the streets of his home town through cooperation with the U.S. Department of Labor. When the Job Corps has completed its efforts, six months to two years later, the graduate goes back to the world he left through the same system.

And they get jobs, these young men who see the course through. And most of them do see it through.

Many don't like it when they first arrive. There is a certain amount of regimentation, call it discipline or group living or getting along. There is a certain amount of conforming, of learning that the barracks boss you helped select has authority.

The life isn't tough but it isn't all a matter of doing your own thing. You are there to learn and the prod never stops.

The corpsmen get their clothes and about $50 a month in pay. If they stick it out, another $50 a month is added to the pot for them when they leave the Job Corps. It may be just what the young man needs to buy tools for his newly learned occupation. It helps him adjust. It helps him find his place in the world and to find it a better place than he left to enter the Job Corps.

It might well be added that the Job

Corps is good for Ravalli County, too, though quite a few residents resent the strange faces in their midst. The Job Corps Center pours a million dollars or so into the local economy, which isn't all that lively.

The young men also do work in the community. They build, they repair, they learn as they prepare to make their way with success somewhere else.

The story isn't a complete tale of success. When you start with failures—and face it, that's what the corpsmen were—you don't expect 100 per cent results.

But the law of averages is with the Job Corps.

One of the instructors tells you, with a smile of satisfaction playing across his face, that the Job Corps has a smaller dropout rate than the U.S. Air Force Academy, where 42 per cent of the starts quit.

And Job Corps costs are only about $6,000 a year per man while the Air Force spends nearly $100,000 on its recruits coming quite largely from what most of us would feel is a politically savvy, privileged sector of the system.

On this basis, the Job Corps would appear to be winning its war without much bombing.

## MAKE ELECTION DAY A HOLIDAY

Mr. HUMPHREY. Mr. President, late last month, as an amendment to S. 343, the Senate passed my proposal to make election day a Federal holiday.

During the debate on that amendment, I pointed out that other countries achieve high voter participation rates, and one reason they may do, is that election day in nations such as Austria, Belgium, Germany, and Italy is a holiday.

I am pleased to see that my proposal has been endorsed editorially by the Minneapolis Star. The Star called for another "V" day—for voting day—a legal holiday for all Americans.

Said the Star editorial:

It would be impossible to think of a more appropriate occasion to have time off from work than a new V-Day.

Mr. President, I ask unanimous consent that the Minneapolis Star editorial, "We Need Another 'V-Day'" be printed in the RECORD.

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

WE NEED ANOTHER V-DAY

If you were a citizen of Austria, Belgium, Denmark, Finland, France, Germany, Italy, Norway, or Sweden, come national election day you'd have the day off. Isn't that a good idea? Sen. Hubert H. Humphrey, D-Minn., thought so.

He offered a successful amendment to make the day on which federal general elections are held a legal public holiday, effective in 1976. The amendment was to a bill setting primary and convention dates.

"A nation at work on election day is a nation that denies its people the full opportunity to participate in the election process," he said.

The U.S. election turnout is often compared invidiously with that in other countries. The fact is, Humphrey said, that countries that already have an "election holiday" are countries with a turnout of 85, 90 and 95 percent of the electorate. Humphrey's office dug up the records, finding that the U.S. average between 1904 and 1966 was 59 percent. In 1972 the percentage of eligible voters who showed up for the presidential election was 55.3.

The remedy is another V-day—"V" for "voting," that is.

"Make no mistake about it. There is a limitation on access to the voting booth because election day is a regular workday," Humphrey asserted. We agree, even when polling places stay open into the evening hours. There is a psychological lift in having a holiday. It would be impossible to think of a more appropriate occasion to have time off from work than a new V-day.

## THE CURRENT STATE OF VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, I recently had the privilege of addressing the California State Convention of the Veterans of Foreign Wars in Fresno, Calif., and of the American Legion, in Anaheim, Calif. I was delighted to have this opportunity to speak about current problems and developments in the area of veterans' affairs, and to inform the VFW and the Legion of my priorities and plans in the area of veterans' legislation and appropriations for the immediate future.

Mr. President, since the time that I spoke to the VFW and Legion, the status of several matters I spoke about has changed. I would like to take this opportunity to report on developments relating to these matters:

First. The amendment I introduced with Senator JAVITS to the Veterans'-Cost-of-Instruction provisions of the Higher Education Act to expand the eligibility of schools for Veterans'-Cost-of-Instruction grants, passed the Senate on June 25, 1973. I am hopeful that the House will take action on this measure before the August recess.

Second. I have written the Secretary of Labor, Mr. Peter J. Brennan, urging immediate action regarding the appointment of the 68 new assistant veterans' employment representatives required by law.

Third. The Veterans' Health Care Expansion Act of 1973, passed overwhelmingly by the Senate as S. 59, was reported by the House Veterans' Affairs Committee on Tuesday, July 10, as H.R. 9048, and is scheduled to be taken up by the House on Monday, July 16. I worked very closely with the House on this measure in order to meet the objections raised by the administration. I believe this bill will soon be signed into law.

Fourth. The $25 million which was added in the Senate to the fiscal year 1973 Supplemental Appropriations Act, H.R. 90555, to carry out the Veterans' Health Manpower Training Act of 1972 was reduced to $20 million in conference with the House. That bill was signed into law on July 1, as Public Law 93–50, and those funds remain available for expenditure for 6 more years under the terms of the authorizing legislation in chapter 82 of title 38 of the United States Code.

Fifth. As a result of the recommendations I made with Senator HARTKE to the Appropriations Committee based on extensive oversight hearings held by the Veterans' Affairs Committee's Subcommittee on Health and Hospitals, which I am privileged to chair, the fiscal year 1974 HUD-Space-Science, Veterans' Appropriations Act, H.R. 8825, as passed by the Senate on June 30, 1973, contains the following amendments above the President's budget request, totaling $122,743,063:

First, an additional $55 million for implementation of the VA Medical School Assistance and Health Manpower Training Act of 1972 (Public Law 92–541). This would bring the total amount available in the current fiscal year—and the next 5—to the full $75 million authorized by the law to be appropriated annually. See my discussion under point 4 earlier.

Second, $50,805,063 for the following medical care items: $2,478,063 to activate 50 closed wards where patient demand has been shown, $2,160,000 to establish 10 new and upgrade 4 existing alcohol dependence treatment units, $1,273,000 to establish 15 and upgrade 16 hospital-based home-care programs, $544,000 to establish 4 and upgrade 2 spinal-cord injury home care programs, $30,000,000 for the hiring of approximately 2,500 additional health-care personnel, with direction that the appropriate number of personnel positions be assigned to the VA, to support an unrestricted daily patient census in VA medical facilities in order to enable the Veterans' Administration to meet the demonstrated need for hospital and medical care for veterans, and $14,350,000 for 1,000 additional nurses, which the House had added over the President's budget request.

Third, $6.8 million for medical and prosthetic research to continue a level VA research program and meet minimal animal research standards at 8 noncomplying VA stations.

Fourth, $10,138,000 for construction, which will provide air-conditioning at eight VA hospitals in some of the hottest areas in the country, with a direction to turn off the air-conditioning at OMB until the funds are released and obligated.

Mr. President, I am delighted with the spirit of cooperation with which these recommendations were accepted. I look forward to the early passage of my amendment to the Veterans'-Cost-of-Instruction provisions, and the early appointment of the 68 new Assistant Veterans' Employment Representatives.

Mr. President, I ask unanimous consent that the full text of my speech before the American Legion California State Convention on June 22, 1973, followed by the full text of my July 10, 1973, letter to Secretary Brennan, be printed in the RECORD.

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

AMERICAN LEGION CALIFORNIA STATE CONVENTION, ANAHEIM. JUNE 22, 1973

I am delighted to be with you today. The American Legion is a tower of strength in veterans affairs throughout the Nation and in Washington. I value highly the wise counsel I receive from Legion State and national legislative representatives. Your Washington staff is dedicated and informed and an indispensable ally in our efforts to improve veterans programs.

I consider myself fortunate to have been deeply concerned with veterans matters since

the beginning of my service in the Senate: First, as the Veterans Affairs Subcommittee Chairman of the Labor and Public Welfare Committee; and now, as Chairman of the Subcommittee on Health and Hospitals of the Veterans Affairs Committee since that Committee's organization two and one-half years ago.

Working in this area has been particularly satisfying for me. I take great pride and satisfaction in the way Congress has made major improvements in G.I. Bill benefits, VA medical programs, veterans education programs, and veterans employment programs.

But this has also been an area in which I have experienced some of my greatest frustrations. Congress' struggle to get the Administration to give higher priority to programs for veterans has been a constant one for all four of the Nixon years. It has only been with persistent vigilance on the part of veterans organizations that we have been able to keep the present Administration from fully pursuing it's policies of what I consider to be very short-sighted budgetary economies in veterans programs.

This Administration operates on a policy of "Maximize the Minimal" and whenever possible "Make Mountains out of Molehills". The President has made numerous public pronouncements about the employment needs of veterans. In these proclamations, real accomplishments take a back seat, and the numbers game is played most adroitly by the Administration. As a case in point, the Department of Labor announced in January that "the President's Veterans program has been so successful that unemployment among 20-to-29 years old returning servicemen 'in effect' no longer constitutes a national problem".

That is simply wrong. It reflects the most elementary statistical trickery. The Administration stated that for veterans aged 20–29 the unemployment rate had dropped to 5.5 percent. Even that misleading figure is higher than the National average in January. But, what the Administration neglects to say is that for veterans 20-to-24 the National rate was at 10.6 percent. Here in the West it was 14.3 percent. Veterans who are over age 24, like everyone else over 24, simply find it easier to get jobs than younger people.

Additionally, the Department of Labor press release neglected to mention that many, many veterans now simply have been disillusioned and have stopped looking for work. They aren't counted among the unemployed—but unemployed they are.

The Administration is now proposing an increase of $19 billion dollars in the Federal budget. But it keeps right on skimping and cutting on aid to those most in need. This policy is absolutely disgraceful when it comes to veterans, particularly in programs for those who fought in the Indochina conflict. These men did not have the strong support and encouragement from the general public such as many of us here today had during and after World War II and the Korean conflict.

I have great respect and admiration for the men who have returned from battle in recent years. They did what they were called upon to do—in a generally unpopular cause. These men lost years in education, job training and work experience. Their contemporaries, who avoided the conflict in Indochina, have a head start on them in competing for jobs.

And jobs are scarce in an economy where over 4 million people are looking for work. More than half a million Californians are looking for jobs. Tens of thousands of them are veterans.

Congress recognizes its special responsibilities to returning veterans seeking work in this tight job market, and so we mandated in the "Veterans Employment and Readjustment Act of 1972", which I authorized, that about 70 new *Assistant Veterans Employment Representative* positions be created around the country by the Labor Department to search out and develop jobs for returning veterans, and to promote major placement efforts by State and local employment services for veterans.

Where are the 70 new Assistant Employment Representatives? Eight months later, these positions have not yet been created, let alone filled. They are not even being actively recruited for. All of this despite the requirements of law enacted by Congress and signed by the President. This is a clear violation of the law.

Let me give you another sad example: In that same law, we required each Federal contract and subcontract to contain a requirement that "special emphasis" must be given by the contractor to the hiring of service-connected disabled veterans of all eras and returning veterans. The result, despite my continued inquiries, urgings, and even demands to two Secretaries of Labor and the Assistant Secretary, is that the Labor Department has thus far refused to carry out this statutory mandate.

I am slightly hopeful that there might be a change in policy forthcoming on both of these failures to carry out the law, as a result of a personal meeting I held several weeks ago with the new Assistant Secretary of Labor for Manpower.

But we shall see.

While all this action was going on, the President has proclaimed his dedication through press releases about "Hire the Vet" and "Jobs for Veterans" programs. But words are not jobs, except for the White House speech writers.

During the excessively high unemployment of 1970 and 1971, I joined in sponsoring the Emergency Employment Act of 1971, which has resulted in decent jobs for over 200,000 Americans. We wrote into that legislation a provision providing for special consideration for veterans in filling jobs. Accordingly, over 27% of the Emergency Employment Act jobs are held by returning Vietnam era veterans.

Yet, the Administration has not sought, in fact has opposed, extension of this important legislation.

Apparently 5 percent unemployment is acceptable to the Administration. Well, with so many people in California and the nation looking for work and unable to find it, it's not acceptable to me, to the Congress, or the people. Consequently, S. 1560, the "Emergency Employment Amendments of 1973", extending this highly successful program for two more years has just been ordered reported to the Senate floor by the Labor and Public Welfare Committee, of which I am a member, with a requirement which I coauthored that 50% of the jobs be filled by Vietnam era and service-connected disabled veterans.

The men who fought this last war have returned home to no jobs, inequitable GI Bill benefits, underfunded and understaffed VA hospitals, run-away prices, and generally limited and begrudging assistance from the Administration. And for what little help they do receive, they must fight every inch of the way.

What is the Administration's justification for the cutbacks, the impoundments, the opposition to every significant legislative proposal to aid returning veterans and the refusal to seek the extension of the one job-creation program of the Federal government? Inflation.

But it is the Vietnam war that has led directly to the inflated economy which is used as a basis for denying the veteran who fought that war adequate readjustment assistance and benefits when he comes home. The Nixon Administration in effect says to veterans: "We can't help you, because that would be inflationary!"

This unjust policy demands that veterans make a double sacrifice. The Administration is shortchanging former servicemen in jobs and veterans benefits in a totally unsuccessful and unfair effort to halt inflation. It is altogether improper and unacceptable for the Aministration to demand that the men who fought that war must now make a second sacrifice through government skimping on veterans disability, education and employment programs.

The Administration must stop using veterans to pay the cost of inflation. They have paid more than enough already. The young veteran in particular finds fewer available jobs and more people looking for work, and he finds that whatever dollars he now has don't stretch nearly as far as they did when he left for Indochina.

But he can't get much help from the Government which asked him to give up years of his life in an undeclared war and in which he may have given up an arm or leg, or his vision, and in which many close friends were sacrificed.

Inflation strikes all Americans.

But it strikes hardest at the most helpless—the aged living on fixed retirement incomes; the low and moderate wage earner; the small business operator; and, perhaps most callously, those veterans who are returning to an inflated, job-tight economy.

Funding for veterans assistance and benefits is 100 percent a cost of war.

We *must* pay it!

There is plenty of fat in the whopping federal budget.

Let's cut *it* out.

That will help cure inflation.

Do you know that we are spending 30 billion dollars to support U.S. military bases overseas—17 billion dollars for NATO alone? Is all of that really necessary with today's modern weaponry, C5A's and instant strike capabilities? I believe that some of this decreases rather than increases our security, militarily and economically. We are also spending 5 billion dollars abroad in military assistance to other governments—mostly dictatorships, and most of the aid to them in the form of gifts. And we're spending 5 billion dollars more of your money and mine in foreign aid. Again, most of it in the form of gifts.

On top of all that, the President wants to spend vast sums in still another giveaway: to rebuild North Vietnam.

I oppose that. And I assure you that President Nixon won't be able to change my position—at least not until a number of conditions are met—and the first condition is proper care, first, for American veterans.

All these Federal dollars spent abroad drive the international value of the dollar lower and lower, enormously increasing the cost to us here at home of imported products such as fuel, food and cars. All these Federal dollars spent abroad have a lot to do with inflation, too.

So let's make some cuts in this overseas spending—but not in vitally needed veterans programs. The veteran has paid plenty already.

So here is my pledge to you. I am going back to Washington with this agenda:

I support a $268 billion ceiling on federal expenditures for this next fiscal year. That is $700 million less than the budget proposed by President Nixon.

I pledge that I will do all that I can to help Congress curb unnecessary, wasteful federal spending and to establish a sounder, more careful Congressional budgetary system under that annual spending ceiling.

I believe we can and must hold the line on spending—without increasing taxes or worsening the federal debt—and still maintain essential domestic programs, for veterans, and for others.

I believe that the way to fight inflation is to use federal funds for constructive, productive work—like programs to provide mass transit, improve housing and health care, fight pollution, and control crime and drugs.

I will work to strengthen both our na-

tional economy and our national security by voting to cut wherever possible needless and wasteful overseas spending of taxpayers' dollars.

The manpower bill just reported from the Labor and Public Welfare Committee includes amendments of mine (1) to require the Labor Department to set aside the funds to hire the Assistant Veteran Employment Representatives, (2) to carry out the federal contractor veterans special emphasis program, and (3) to place veterans representatives on all local, regional, state, and national manpower planning and oversight councils.

I will ensure that, in the public service employment program legislation now under consideration, 50 percent of the jobs it can fund are set aside for service-connected disabled veterans and returning vets.

We are currently deeply engaged in negotiations with the House Veterans Affairs Committee on my Veterans Health Care Expansion Act, S. 59. I will expend every effort to get that bill through the Congress and to the President by early July. It is a vital bill to update and expand VA nursing home and medical care, and to protect the integrity and independence of the Veterans Administration medical care system—something which I know is a number one priority with you.

I will continue my efforts to get House action on my Veterans Drug and Alcohol Treatment and Rehabilitation Act (S. 284), passed by the Senate again three months ago. This is a very vital measure.

I will continue my Health and Hospital Subcommittee oversight of the Veterans Administration medical program. In April I held extensive hearings on the basis of which I will present in the next few weeks recommendations to the Appropriations Committee for increases in VA medical funding for the next fiscal year. We have already been successful in the Senate in adding 25 million dollars to carry out my newly-enacted VA Health Manpower Training Act.

This week, I co-chaired hearings on the practice of questionable psychosurgical procedures in VA hospitals.

In the area of education, I am pleased that the Senate Labor and Public Welfare Committee adopted my amendment to expand the eligibility of schools for Veterans-Cost-of-Instruction grants under the program I authored a year ago. That program is now finally being carried out under a court order.

As to the GI Bill, I have found, sadly, that it isn't enough to write new laws directing that new programs be set up and old ones improved. I was the principal author of the GI Bill Amendment laws in 1970, and 1972, last Fall. But it has been necessary to hold the VA's hand every step of the way to get even half-hearted implementation. I will continue actively to pursue this oversight activity.

We have finally been able to enact a Veteran Cemetery Act, which includes my proposal to triple service-connected death benefits. Now we must make sure the VA carries out the law and prepares the report and survey. California, especially in the South, badly needs veterans burial space.

We are also planning action shortly to deal with the unfortunate January reductions in Veterans pension benefits caused by the recent Social Security increase. The Senate last fall passed a bill containing my formula to bring equity to this situation. It didn't become law. We plan to move ahead shortly in the Senate on this matter again.

We also must move to prevent horror stories such as the recent VA proposal to cut disability compensation benefits for returning Veterans. Although this was abandoned after public and Congressional outcry, we must remove the power of unilateral administrative action. I am a principal sponsor of the proposed VA Accountability Act of 1937 which would give Congress a veto over rating schedule revisions, hospital closings or construction plans, and land transfers or dispositions. In the weeks ahead, I will introduce an amendment to that bill, co-sponsored by Senator Hartke, Chairman of the Veterans Affairs Committee, to require that future appointments to the post of VA Deputy Administrator, Chief Medical Director, and Chief Benefits Director be made by the President—subject to Senate approval. Right now, in an agency spending 12.5 billion dollars, only one official, the Administrator, is so appointed and so accountable.

Finally, in August I will conduct hearings in San Diego on the need for a VA regional office there to unclog the scandalous backup in service to all Southern California veterans.

That's my program for this year.

I hope it meets with your approval.

I believe it merits your full support.

I pledge all my energy to fulfill these commitments.

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U.S. SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
*Washington, D.C., July 1973.*

Hon. PETER J. BRENNAN,
*U.S. Department of Labor,*
*Washington, D.C.*

DEAR SECRETARY BRENNAN: Thank you for your response to my inquiry at your confirmation hearing last January concerning Assistant Veterans' Employment Representatives (VERs).

In your letter you state: "We have determined that from the available data on veterans population, a number of assistant veterans' employment representatives would *appear* to be required." (Emphasis added.) They *are* required by law.

Section 2003 of title 38, U.S.C. states:

"The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the veterans' employment representative, and shall further assign to each State one assistant veterans' employment representative per each 250,000 veterans of the State veterans population.

According to figures for the most recent veteran population by state, 93 assistant VERs must be assigned in order to comply with the law to search out and develop jobs for returning veterans and to promote major placement efforts by State and local employment services for veterans. This is 68 more than the present number of Assistant VERs.

Yet eight months after this law was enacted by Congress and signed by the President, these positions have not even been created, let alone filled.

Mr. Secretary, I would appreciate your response to the following questions as soon as possible:

1. What are the results of your study regarding ways to comply with the statutory provisions within your overall budgetary resources?

2. What do you consider to be "the appropriate number of Assistant VERs," and how have you arrived at this figure on a state-by-state basis?

3. When do you plan to have "the appropriate number" of Assistant VERs assigned?

4. When do you plan to begin recruiting and actively interviewing for these positions, on a state-by-state basis?

Thank you for giving your immediate attention to this most important matter.

With best wishes,

Sincerely,

ALAN CRANSTON.

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## A RADIO DISCUSSION ON THE PETROLEUM CRISIS

Mr. METCALF. Mr. President, I recommend for the reading of the Senate and of all Americans a transcript which I just received of a short radio discussion on the petroleum crisis in this country.

Panelists were Mr. Ed Wimmer, president of Forward America, Inc., and John Kunnen, president of the Greater Cincinnati Gasoline Dealers Association. Their perceptive analysis of the "realities behind the oil crisis" is well worth the reading of anyone who wonders how we got into this mess—and how we are going to get out.

Mr. President, I ask unanimous consent that the transcript be printed in the RECORD.

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

REALITIES BEHIND THE OIL CRISIS

(Interview with Ed Wimmer and Mike Kunnen)

ED WIMMER. Thank you, Lowell Thomas, for that fine introduction, and I hope I can do as well in introducing the man sitting across from me at my desk at Forward America, Inc., here in Covington (Ky.): Mr. John (Mike) Kunnen, President of the Greater Cincinnati Gasoline Dealers Assn., who is as familiar with the gasoline business as the "experts" who have been making the headlines.

Mike is not only a dealer himself, but he has been a student of the petroleum industry for 29 years, and his appearances before investigative committees has brought commendation from government officials that is enjoyed by few people. We, in all these years at Forward America, could count on him in any attempt to eliminate trading stamps and other abuses in the oil industry, and especially those affecting the independent gasoline dealer.

Before turning you over to Mike, however, I want to lay some groundwork by quoting a few rather sensational remarks by John McLain, Chairman, Continental Oil Co. from statements he made in September 1972. Listen please:

"There are enough potentially recoverable oil reserves in the U.S. to last for 65 years . . . Potentially recoverable gas reserves in the U.S. to last 50 years—at present rate of consumption.

"Measured coal reserves, 300 years. Uranium reserves sufficient for electric power needs for 25 years. Recoverable shale oil reserves (and here is something to think about) sufficient to last 35 years after all other natural reserves are exhausted—at present rate of consumption.

"The total resources in the U.S., alone, are enough to supply all our needs (at present rate of consumption) for 300 years.

"Present trends indicate mobility to meet these needs which are going to be doubled by 1985—a period in which domestic production will decline 30%—in the next 15 years. By 1975 we will be 50% below median gas needs; imports of crude oil will have to be quadrupled—which we cannot do."

Mr. McLain, emphasized that he wants private enterprise to be allowed to meet this crisis, and future needs, and in his final statement, he said:

"We have an adequate source base. Our problem is to get new supplies at a faster rate."

Lowell, perhaps we can clear up what seems to be some striking contradictions here, and what bothers me, if we have domestic resources in such quantity, what has happened to exploration and development, and why are we risking a balance of trade crisis in getting imports that could border on a monetary disaster?

LOWELL THOMAS. First of all, Mr. Kunnen, what can we expect in the price of gasoline, this year and next?

Mr. KUNNEN. I can go only by estimates which at the moment run from 4-to-10-cents a gallon more, but who can really foretell the future in all this energy confusion. I hate to say it but I think we will find some planned shortages in this picture to cause a price increase.

We need to consider that in the State of Ohio there are five billion gallons of gas sold annually by all suppliers. If the state collects 7c a gallon in taxes, and if supplies are reduced, what is the state going to do but increase the tax to offset the deficit? Estimates of 2c a gallon have already been made. Most of the states around us are already collecting 9c a gallon.

There also is the problem that if a retail dealer suffers a loss through allocation, his income will be substantially cut, which means increased prices in order to stay in business.

LOWELL THOMAS. True, but, Mike, what happens if consumers start boycotting gasoline dealers as they did with meat, and drive less?

Mr. KUNNEN. Our fears are that boycotts will do with gasoline what meat boycotts did to the weaker dealers and already distressed smaller suppliers. They will hit the canvas, which we have seen on a wide scale in gasoline even without boycotts or shortages. Most big suppliers created their own price-cutting outlets, and these people are suffering widespread cut-offs and closings.

LOWELL THOMAS. What is your answer, Mike, to the charge that some of the majors in the oil industry are using this situation to put the independents out of business?

Mr. KUNNEN. No one in this industry wants to believe such charges, but we all know, and Congress knows, that this sort of thing goes on. But I see the picture in a broader light; the Alaskan Pipeline controversy, for example; the recent cut in the depletion allowance; the change in import quotas—are all factors needing more exploration. Crude oil from Venezuela cost us 10 cents a barrel 10 years ago. It is now headed for $3 a barrel, which is only one warning that we've got to speed up exploration in this country.

LOWELL THOMAS. Ed, you have been talking about the effects of devaluation, in your broadcasts, and the dollars piling up in the hands of oil exporting countries. How do you view this situation?

ED WIMMER. According to the exporters, devaluation has cost them an 11% loss, and they claim they are asking for only 50% of the loss. What seems to worry a lot of Congressmen at the moment, are the billions of so-called floating dollars they hold which they get rid of by increasing their already tremendous holdings in this country.

Population in most oil producing countries is too small to absorb our goods in amounts that would even jar our unbalanced trade situation, so why not follow the pattern of British Petroleum, and get control of American corporations? Look at the hold the Japanese are getting in this country with their surplus dollars, and you will get some idea of what all this multinational, corporate empire-building is going to do to the whole world.

The Japanese made a joking statement they didn't know whether to buy GM or IBM, and the oil producing countries have more of our dollars than Japan. We have reached a point where even the Swiss bankers are predicting a dollar crisis of unimaginable proportions; so how can we treat this situation with anything but the deepest concern?

Another factor at least suspected by most informed people, is the subservience of 'Big Oil' to many governments of countries in which they do business. How can they carry the American Flag anywhere today and do business, or be loyal to any private enterprise ideals they might hold? The bigger they are the greater their involvement in foreign governments, so where does that leave the United States?

So why shouldn't this country have been spending the $30 billion a year mentioned by Mr. McLain, in domestic exploration and development? He said we are spending only $14 billion; yet, the depletion and special depreciation allowances of the last few years make that figure look like peanut money. Some of the biggest paid—virtually no federal income taxes, so where did the money go? You know where a lot of it went: into mergers with insurance companies, opening shopping centers, chains of restaurants and motels; land development; billions into unneeded service stations, catalogue businesses, et cetera, et cetera; but let Mike pursue this thought.

Mr. KUNNEN. An outstanding study in this field was done by Dr. Walter Adams, Michigan State University, in which he said there are 25 major oil companies that control 95% of all petroleum sales—which companies have bought up 2262 other assorted companies. This money should have gone into exploration and development, so what happens? . . . To help meet the crisis, the President lifts the oil import quotas which didn't do anything because the facilities are not available to process any flood of imports. Instead, we should be creating facilities to meet such a situation.

This may sound like I am anti-oil industry. I'm not, but no one can tell me that an industry as powerful and as integrated as petroleum could not have foreseen exactly what is happening, and what could happen to the motoring public in this decade. It all points to a man-made crisis. Listen to the oil industry as they shout fuel crisis, so everybody with the news media estimates gasoline prices up to $1 a gallon. Suppose it goes to 50c—a 7c increase, but multiply that by billions of gallons of gasoline, and what do you come up with? You come up with consumers screaming and independents going broke, and the 'bigs' getting richer and bigger. What we are going to see is an investigation of the oil industry that will blow the lid sky high.

ED WIMMER. I am glad you mentioned Dr. Adams. He has been a longtime friend of mine, and is one of the strongest advocates of decentralization and protection of independent enterprise we have in this country.

Mike, we ought to bring out at this point that all we have is one month's supply of petroleum needs. This seems critically low to me, and I repeat: Where were the oil experts and government officials while all these conditions were building up? Where were their million-dollar computers? Why no preparation, no alarm, five years ago?

Answers will have to be found soon, and they won't come from any attacks oriented against big business. We already know that monopoly exists, and we should have had a second Standard Oil-type breakup a long time ago. This challenge will have to be faced. There is a lot of sentiment against bigness per se in this country, and if we don't watch ourselves, the demand for public controls will spread until the whole structure of private enterprise could suffer irreparable damage.

Where the problem comes in, is how do you talk about the evils of monopoly power, which exist in every industry, in agriculture, banking, labor unions—without appearing to be anti-bigness?

LOWELL THOMAS. Mr. Kunnen, how would a 10% cut in supplies across the board affect the independent dealer?

Mr. KUNNEN. There is a failure rate right now in our retail business of 35%. That should answer your question; and look at the staggering number of terminal operators and jobbers who have gone down in the last few months.

ED WIMMER. I can certainly attest to that, Mike, because Forward America, like your Association, gets its revenue from independents, and, believe me, the people battling for the smalls these days, are in trouble—just when they are needed the most. We saw this process in the fall-out of the wildcatters these past several years, who were once the backbone of the discovery of petroleum, gas and other hidden resources. Consider what happened when Standard Oil was broken up in 1911. Over 2500 new companies sprung up out of nowhere, and wildcatters were like gophers. Imagine the competition that would exist if that situation existed today.

Biggest need of the hour is all-out decentralization of economic and political power whether we are talking about food, clothing, energy, labor, government, or any other area of the body economic and body politic; and if it doesn't come, there will be another Watergate' in this country that will drown whatever hopes we have of celebrating a Republic on July 4, 1976.

Mr. KUNNEN. I say restore the depletion cut and confine it to exploration and development, and increase it if necessary. This will turn the wildcatters loose, and you will increase incentive and build up domestic resources—which would keep foreign imports at reasonable price levels and protect our balance of payments. Since 1947 the so-called wildcatter has gone down more than 50% in number, and we ought to learn the reasons why.

Instead, we get such silly proposals as reducing speeds to 50 m.p.h. which would create traffic jams on super-highways that would burn twice what could be saved. We need to expedite traffic, unless we take half the cars off the expressways, not jam it.

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## WILLIAM BENTON

Mr. HUMPHREY. Mr. President, everyone who attended the memorial service in Connecticut for our late former colleague and my dear friend Bill Benton was touched by the meditation statement of the Reverend Francis X. Cheney. Unfortunately, his remarks were not recorded, but at the request of friends, Dr. Cheney consented to reconstruct them.

I ask unanimous consent that they be printed in the RECORD as another tribute to a great American.

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

A MEDITATION GIVEN BY THE REVEREND FRANCIS X. CHENEY, D.D.

(The meditation followed a reading of portions of Roman 8 and John 14, and a poem by Emily Dickinson.)

St. Paul points out that if we have only hope we are of all men the most miserable. This is true. Men do not build great lives on the fragility of hope; they build them on strong inner convictions—the God given aspirations of the human spirit.

One of the inner convictions upon which great living is built is that truth brings its own reward of beauty and freedom. Truth is not to be avoided in order to protect some ancient prejudice or feared as dangerous to cherished ways. Truth is a liberating force the pursuit of which produces deep inner satisfaction. Indeed, those who would suppress truth are enslavers of the human spirit.

William Benton had this strong inner conviction and sought truth unafraid. We are grateful for that today.

Another strong inner conviction that great living is built upon is that it is the duty of the strong to secure justice for the weak. The inalienable rights of man enunciated at our nation's birth are not reserved for the favored few; they belong to all mankind. No

one can accept as right injustice to the weak who either by circumstances of birth and living conditions, or by unjust laws, are denied the right to live in dignity. The God who implanted the desire for justice in the human heart demands it of all men and of all nations.

William Benton had this inner conviction and was a staunch defender of justice. We are grateful for that today.

Then too, there is the inner conviction that mercy is the fruit of love. Love without mercy is a fraud and a religion which does not promote mercy is a caricature.

God gives to us the spirit of reconciliation. Malice and all uncharitableness are cancerous sores of the soul. Empathy, compassion, and forgiveness are the signs of love and are the gifts of God. These alone can heal broken relationships. These alone are the cure for the estrangements which separate families, friends, neighbors, communities, and nations.

William Benton had a deep inner conviction about the God of Mercy and we are grateful for that today.

Finally, there is an inner conviction, when we are at our best, that love is immortal and life is eternal. St. Paul spoke without hesitancy of this. He was persuaded that neither life nor death nor anything else could separate us from the love of God. Our own life of the spirit informs us that our ultimate destiny is not death, but life—life in growth in love, knowledge, and peace.

William Benton was thus persuaded, and we are grateful for that today.

So death came to William Benton in kind civility and he was ready for it, for he knew "that the horses heads were toward eternity".

XXVII

Because I could not stop for Death,
He kindly stopped for me;
The carriage held but just ourselves
And Immortality.

We slowly drove, he knew no haste,
And I had put away
My labor, and my leisure too,
For his civility.

We passed the school where children played
At wrestling in a ring;
We passed the fields of gazing grain,
We passed the setting sun.

We paused before a house that seemed
A swelling of the ground;
The roof was scarcely visible,
The cornice but a mound.

Since then 'tis centuries; but each
Feels shorter than the day
I first surmised the horses' heads
Were toward eternity.

## AMERICAN DEATHS SINCE THE CEASE-FIRE

Mr. CRANSTON. Mr. President, accounts of the continuous American bombing of Indochina are in the newspapers every day. Everyone knows that these bombs kill citizens of those countries. But I wonder how many people know that since the so-called cease-fire of January 27, 1973, a total of 23 Americans have been killed in Indochina.

Mr. President, I ask unanimous consent that my correspondence with the Department of Defense, together with a list of these 23 men, be printed in the RECORD.

There being no objection, the correspondence and list were ordered to be printed in the RECORD, as follows:

JUNE 7, 1973.

Lt. Gen. LEO E. BENADE,
*Deputy Assistant Secretary of Defense for Manpower, Department of Defense, The Pentagon, Washington, D.C.*

DEAR GENERAL BENADE: I am writing to enquire about the casualty figures for the war in Vietnam that you released to Senator Robert Byrd on June 4. According to your report there were 45,958 combat-related deaths and 10,303 noncombat deaths.

But according to news dispatches from Saigon on March 29, the date on which the last soldier left South Vietnam, the figure was 45,943 combat deaths and 10,298 noncombat deaths.

If these figures are correct, 20 men have died since the U.S. withdrawal—15 from combat causes and 5 from noncombat causes.

To the best of my knowledge, reports of these deaths have not been publicized. Do the figures represent a discrepancy in accounting methods, or have 20 men really died in Southeast Asia in the last two months? If there have been 20 deaths, where did they occur, and under what circumstances?

Your attention to these questions will be much appreciated. Thank you for your consideration.

Sincerely,

ALAN CRANSTON.

ASSISTANT SECRETARY OF DEFENSE,
*Washington, D.C., June 28, 1973.*

Hon. ALAN CRANSTON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR CRANSTON: This is in response to your letter of June 7, 1973, regarding U.S. military casualties in connection with the conflict in Vietnam, since the cease-fire.

The casualty figures cited by the United Press International (UPI) on March 29, 1973 were incorrect. The casualty data provided Senator Byrd for the period January 1, 1961 through March 31, 1973 were correctly shown as 45,958 hostile and 10,303 nonhostile deaths.

At the time of the ceasefire in Vietnam, the casualty figures were 45,941 hostile and 10,303 nonhostile deaths. Since the cease-fire January 27, 1973, through June 16, 1973, there have been 16 hostile deaths and 7 nonhostile deaths. Enclosed is a listing of these deaths giving the name, date, place of occurrence and circumstances of death.

It should be noted that the Military Departments in reviewing the case files of those personnel still unaccounted for in Southeast Asia have reclassified previously reported casualties which resulted, through June 16, 1973, in a net increase of 100 hostile deaths and 1 nonhostile death. These unaccounted for personnel were previously carried as "Missing in Action, Missing Nonhostile and Captured."

Therefore, the total casualties as of June 16, 1973 are 46,057 hostile and 10,311 nonhostile deaths.

I trust this information will help to clarify the casualty data for you.

Sincerely,

J. M. PLATT,
*Acting Deputy Assistant Secretary of Defense*

HOSTILE DEATHS—SOUTHEAST ASIA SINCE JAN. 27, 1973—

| Name and cause | Rank | Country | Date of casualty | Week reported |
|---|---|---|---|---|
| Army: | | | | |
| Dal Pozzo, Anthony Jr. (helicopter loss) | WO1 | SVN | Jan. 29, 1973 | Feb. 3, 1973 |
| Scroggins, James L. (helicopter loss) | Sp5 | SVN | Feb. 23, 1973 | Mar. 24, 1973 |
| Air Force: | | | | |
| Bernhardt, Robert E. (Fixed wing loss) | 1Lt | Laos | Feb. 5, 1973 | Feb. 17, 1973 |
| Brandenburg, Dale (Fixed wing loss) | Sgt | Laos | Feb. 5, 1973 | Feb. 24, 1973 |
| Matejov, Joseph A. (Fixed wing loss) | Sgt | Laos | Feb. 5, 1973 | Feb. 24, 1973 |
| Bollinger, Arthur R. (Fixed wing loss) | Capt | Loas | Feb. 5, 1973 | Feb. 24, 1973 |
| Cressman, Peter R. (Fixed wing loss) | Sgt | Laos | Feb. 5, 1973 | Feb. 24, 197 |
| Spitz, George R. (Fixed wing loss) | Capt | Laos | Feb. 5, 1973 | Feb. 24, 1973 |
| Melton, Todd M. (fixed wing loss) | SSgt | Laos | Feb. 5, 1973 | Feb. 24, 1973 |
| Primm, Severo J. III (fixed wing loss) | 1 Lt | Laos | Feb. 5, 1973 | Feb. 24, 1973 |
| Gambino, Joseph Jr. (fixed wing loss) | 1 Lt | Cambodia | Apr. 7, 1973 | Apr. 7, 1973 |
| Costello, Jeremiah F. (Fixed wing loss) | Capt | Cambodia | May 25 1973 | May 26, 1973 |
| Gray, Richard T. (Fixed wing loss) | 1 Lt | Cambodia | June 5, 1973 | June 9, 1973 |
| Meador, Francis E. (Helicopter loss) | 1 Lt | Cambodia | June 14, 1973 | June 16, 1973 |
| Rovito, Gilbert A. (Helicopter loss) | 1 Lt | Cambodia | June 14, 1973 | June 16, 1973 |
| McLeod, David V., Jr. (Helicopter loss) | MSgt | Cambodia | June 14, 1973 | June 16, 1973 |

NONHOSTILE DEATHS—SOUTHEAST ASIA SINCE JAN. 27, 1973

| | | | | |
|---|---|---|---|---|
| Army: | | | | |
| Paulos, Frank W. (Drugs) | PFC | SVN | Feb. 10, 1973 | Feb. 17, 1937 |
| Beavers, James D. (Auto accident (1965) in coma until date of death, from pneumonia) | Sgt | SVN | June 6, 1973 | June 16, 1973 |
| Navy: | | | | |
| Duensing, James A. (Fixed wing accident) | Lt | NVN | Jan. 30, 1973 | Feb. 3, 1973 |
| Haviland, Roy E. (Fixed wing accident) | Lt JG | NVN | Jan. 30, 1973 | Feb. 3, 1973 |
| Stringham, William S. (Lost from USS Midway in South China Sea) | ADR3 | SVN | Feb. 3, 1973 | Mar. 17, 1973 |
| Marine Corps: | | | | |
| Conner, Donnie R. (Cardiac arrest, respiratory failure and pneumonia) | LCpl | SVN | Feb. 14, 1973 | Feb. 17, 1973 |
| Air Force: | | | | |
| De Wolf, Dale L. (Jeep accident) | Sgt | SVN | Feb. 5, 1973 | Feb. 10, 1973 |

## SUPPORT OF PERCY LEGISLATIVE PACKAGE ON FEDERAL CRIMINAL JUSTICE SYSTEM

Mr. MOSS. Mr. President, as a former city judge for 10 years and a county attorney for 8, I know that we badly need improvements in the treatment of people who come within the control of the criminal authorities, and I have strong convictions as to the form these improvements should take. In addition, I have for years advocated reorganization of administrative agencies of Government in the field of natural resources. Fragmented authority and gaps make it impossible for administrators to deal decisively and comprehensively with the real problems of water, land, energy, and environment. The same is true for the broad problems of crime control and rehabilitation.

Our Constitution, laws, and courts provide protections for those falsely accused of crimes which is unmatched by any other society past or present. But it is important in our society that we also be concerned about persons who are proven guilty. Our tolerance for others' weaknesses, willingness to forgive failures, and our unique American sense of justice demand this. And in recent years I think we have all learned that self-interest makes the same demand. Convicted persons must be given treatment so they will not offend again.

Roughly 80 percent of crimes in this country are committed by recidivists. This is an appalling figure, but it is one that has increased over the years. To reverse that trend requires major revision of structures and programs which operate after conviction. The Federal Government must take the lead in this area. The substantive laws which govern prisoner and parolee treatment in the Federal correctional system must be a model of justice, humanity, and efficacy. The structures must give administrators both the responsibility and the tools to make "treatment" a reality. In both organizations and substance we have a long way to go.

Senator PERCY has worked hard to make himself an expert on the administrative aspects of the correctional system. The legislative package he introduced yesterday, bills S. 2160, 2161, 2162, 2163, and 2164, addresses key shortcomings in substantive laws as well. I have been impressed by his grasp of key issues in criminal law since reading his article, "An Overhaul of the Federal Parole System," which appeared in "Case and Comment" early this year.

This legislative package is simple, straightforward—and long overdue. While the five bills do not advance solutions for every problem in the administration of criminal justice, they deserve our immediate attention.

I am proud to join the senior Senator from Illinois as a cosponsor of his bills to reorganize and reform the Federal criminal justice system.

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## IMMEDIATE ACTION NEEDED TO ALLEVIATE BANGLADESH FOOD SHORTAGE

Mr. HUMPHREY. Mr. President, I have requested the Council on International Economic Policy—CIEP—to give immediate consideration to a plan that would help alleviate the food storage in Bangladesh.

On June 20, I joined with several other Senators in suggesting that the President request the diversion of 200,000 tons of wheat from U.S. shipments to the Soviet Union, or other available U.S. shipments of grain en route to foreign buyers, for the alleviation of the food crisis expected to hit Bangladesh this fall.

In a letter dated July 12, I have asked Peter Flanagan, Assistant to the President and Executive Director of CIEP, whether any action has been taken on our suggestion.

As I pointed out in my letter to Mr. Flanagan, there is precedent for food diversion in times of crisis, and the administrative requirements can surely be handled with necessary speed.

The timing for such a diversion is advantageous because the Soviet shipments are being dramatically reduced in August, partly in response to Soviet rail needs for their own internal wheat harvest.

On March 31, the United States signed an agreement committing itself to the delivery of 500,000 tons of grain to Bangladesh.

It is expected that 280,000 tons of this allocation will reach the beleaguered country in September.

However, the people of Bangladesh will require every bit of the 280,000 tons that we have donated, and more as well from other sources if they are to move through the October food grain shortfall period without starvation.

If we do not formulate the immediate Soviet diversion by a new allocation of 200,000 tons, I pointed out, then we will be watching as the late September-October crisis materializes, and we, the United States, will be unable to get food through in time.

Mr. President, even in times of domestic shortage, we must not forget our responsibilities to the less developed countries which have come to depend on the United States and others for assistance in times of crisis. For many people, our food commitments mean the difference between subsistence nourishment or mass starvation.

Moreover, the Soviet Union has responsibilities too, to the people of Bangladesh, as a recent New York Times editorial suggests. They should be agreeable to the diversion.

I have asked for a prompt response from the administration concerning their plans, and I again urge the adoption of the diversion plan.

I ask unanimous consent that the text of my letter and the New York Times editorial be printed in the RECORD.

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

U.S. SENATE,
*Washington, D.C., July 12, 1973.*

Mr. PETER FLANAGAN,
*Assistant to the President and Executive Director, Council on International Economic Policy, Executive Office Building, Washington, D.C.*

DEAR MR. FLANAGAN: On June 20 I joined Senator Saxbe and several other of my colleagues in a letter to the President calling for immediate attention to the food crisis in Bangladesh. The most reasonable solution to the current food shortages was suggested to be the diversion of 200,000 tons of grain from the Russian grain agreement with the concurrence of the Soviet government. Because of my deep personal interest in this situation, I would appreciate following up our previous letter of concern by asking the present status of our suggestion.

1. Have we asked the Soviet Union to divert the 200,000 tons of wheat from our shipments to them for the alleviation of the food shortages in Bangladesh?

2. If not, does our government intend to do so? When?

3. If it is not the intention to make such a request, or, if for some reason the request is refused, will the United States government take steps to provide 200,000 tons of grain within the next three weeks to Bangladesh by other means, the period suggested to remain before food shortages become extremely severe?

I am aware of the recent allocation of 280,000 tons of wheat that will arrive in Bangladesh during September. In this regard, the commitment of 31 March for the U.S. delivery of 500,000 tons is partially fulfilled.

There are reasons for facilitating the immediate diversion of Soviet wheat to Bangladesh without requiring that the government of Bangladesh repay the Soviet from the 280,000 tons that we have donated for September arrival.

1. The Soviet shipments are being dramatically reduced in August, in part in response to Soviet rail needs for their own internal wheat harvest. As a result, the only opportunity to divert Soviet wheat is right now.

2. The people of Bangladesh will require every bit of the 280,000 tons that we have donated, and more as well from other sources if they are to move through the October foodgrain shortfall time period without starvation.

If we don't formulate the immediate Soviet diversion by a new allocation of 200,000 tons, then we will be watching as the late September-October crisis materializes—we, the United States, will be unable to get food through in time, and the diversion of Soviet grain shipments will no longer be available to provide substantial amounts of grain within a very short time period—3 to 4 weeks.

There are presently 12 ships loading in the gulf port, 6 more ships to arrive in July and only 3 to be loaded in August.

This will end the present schedules for wheat shipments to the Soviet Union.

The allocation that is required now can be actualized not immediately, but at some later date, convenient to both the Soviets and ourselves. In this respect, it is no more than a statement that sometime in the next months—year—the United States will be granting 200,000 tons foodgrain to Bangladesh.

Our commitment of 31 March was to deliver 500,000 tons of wheat to Bangladesh to meet their unusual survival needs before the November rice harvest.

With the immediate diversion of 200,000 tons of Soviet wheat to Bangladesh, we will meet the need for the early August foodgrain shortfall and will have successfully fulfilled that commitment.

There is precedent for food diversion in time of crisis and the administrative requirements can surely be handled with necessary speed.

Because of the immediacy of this problem, I would appreciate a reply to these questions by tomorrow. This is to allow time to explore the possibility of Congressional action if emergency relief is not currently planned.

Even in times of domestic shortage, we must not forget our responsibilities to the less developed countries which have come to depend on the United States for assist-

ance in times of crisis. For many of these people our food commitments mean the difference between subsistence nourishment or mass starvation. I, therefore, ask your prompt attention to these issues.

Sincerely,

HUBERT H. HUMPHREY.

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[From the New York Times, July 12, 1973]

HELP FOR BANGLADESH

An appeal from Dacca to the Soviet Union to divert some of the wheat it is buying from the United States to help avert a severe food shortage in Bangladesh suggests a fruitful new area for constructive Soviet-American cooperation.

Bengali sources say they have pledged to reimburse the Soviets next year with "surplus" wheat they expect to get from the United States under the Food for Peace program. This arrangement would enable the United States, currently short of gift wheat because of its large sales to the Soviets earlier this year, to continue its generous food shipments to Bangladesh at a time when they are most desperately needed. It should cause the Soviets no inconvenience since they are reported to be now receiving more wheat than their ports can efficiently absorb.

Few Americans would object to reimbursing the Russians next year from an expected bumper crop if an emergency loan of stocks from this year's Soviet purchases can help avert starvation in a hungry land. But the image of Soviet-American cooperation in a humanitarian cause would be more real if Moscow would volunteer to share the cost of any diverted wheat. The Kremlin, after all, had a good deal more to do with the creation of the Bengali nation than did the United States. It is time the Soviets assumed a more equal share of the burden of helping to keep the Bengalis alive.

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## BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Mr. MONDALE. Mr. President, as you know, one of the most encouraging elements in the Education Amendments of 1972 was the creation of the basic educational opportunity grants program. This new student aid program—commonly called the Pell grant program—represents a major and long overdue improvement in our national commitment to student aid. If fully funded in this year's HEW appropriations bill, as I hope it will be, this program could go a long way toward reducing financial barriers that currently keep hundreds of thousands of talented and scholastically able students from continuing their education after high school.

FAMILY CONTRIBUTION SCHEDULE

Perhaps the keystone in this program is the family contribution schedule. This schedule, which is to be determined by the Office of Education, is intended to indicate how much financial help families of different incomes and different sizes could reasonably be expected to contribute to the costs of higher education which confront their children. The law authorizes that this expected family contribution be subtracted from $1,400 to determine the amount of financial aid the student is entitled to—provided this amount does not exceed one-half the cost of attending college.

EDUCATION SUBCOMMITTEE HEARINGS

In order to assure that the family contribution schedule presented by the Office of Education was fair and equitable, the Education Subcommittee, under the able leadership of Senator PELL, held hearings on this subject in March. At these hearings, it became clear to a number of us that OE's original contribution schedule placed a particularly heavy burden on the families of farmers and small businessmen and families with four dependents or more.

CORRESPONDENCE

As a result of these hearings, Senator PELL and I, along with 31 other Senators sent a letter to Commissioner-designate Ottina on March 28, expressing our concerns in these areas and recommending that the proposed contribution schedule be adjusted.

We received a reply on May 10 indicating that OE was modifying their schedule by: First, establishing the concept of "negative income" treatment of assets; second, creating the opportunity for recomputation of expected family contributions in cases of changing financial circumstances; and third, establishing a separate category of assets consisting of high cost consumer durables.

On June 5, following my request, OE provided us with specific examples of what effects these provisions would have. Finally, on June 28, I wrote to Mr. Ottina, indicating that, in my judgment, these changes would provide fairer treatment to students from families with low income and marginal assets, and urging him to implement this program immediately so that grants would be available this fall. At the same time, however, I indicated my belief that these modifications did not resolve the problems faced by many children from families of farmers and small businessmen and suggested several proposals we might pursue administratively or legislatively to insure the necessary relief in time for the second year of the program.

Mr. President, in order that the complete record of this effort can be available to the public and to my colleagues, I ask unanimous consent that the correspondence I have referred to be printed in the RECORD at the close of my remarks along with the statement of Mr. Ottina at the Education Subcommittee hearings and a copy of the very useful testimony offered at the same hearing by Mr. Richard Hawk, the executive director of the Higher Education Coordinating Commission in my own State of Minnesota.

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

STATEMENT BY JOHN OTTINA, U.S. COMMISSIONER OF EDUCATION-DESIGNATE

Mr. Chairman and Members of the Committee: It is a pleasure to be here before you this morning. I am deeply honored to have been nominated by President Nixon for the Office of Commissioner of Education.

Attached to my statement is a resume and a biographical sketch. In my statement I will briefly highlight those aspects of my background which seem particularly relevant to this Committeee's consideration of my qualifications.

Upon completion of my baccalaureate degree in 1953 I entered the teaching profession as an instructor of mathematics for two years in an urban high school in Los Angeles, where I also served as a counselor for a total of 300–500 students. During this period I earned a Master's Degree from U.C.L.A. in educational psychology, specializing in testing and measurement.

For the following two years I taught algebra, geometry, and trigonometry in an evening adult education program while working as a mathematical analyst with the Lockheed Corporation.

In February of 1958 I joined the System Development Corporation in Santa Monica, California where I ultimately became vice-president. In my 11 years with this company I worked in a different dimension of educational activity from that of my classroom experiences. Specifically, this activity included training, development of training systems, and computer learning.

During my tenure with the System Development Corporation, I continued to pursue my formal education at the University of Southern California, where I specialized in experimental research and design. I received a Ph. D. in educational psychology in 1964.

In view of my career long involvement with education, I eagerly accepted Dr. Marland's invitation to come to the Office of Education as Deputy Commissioner for Development in December 1970. I moved over to the post of Deputy Commissioner for Planning, Evaluation, and Management a few months later and served in that capacity until being named Acting Commissioner in November 1972.

The experience I've gained with the Office of Education has had a profound influence on my conception of the Commissionership and my ability to execute the duties of the job effectively.

The fact that my experience before and during my affiliation with the Office of Education has required substantial administrative and managerial elements will be of prime importance to my serving effectively as Commissioner. The Commissioner is the statutory administrator of OE programs and the person primarily responsible for the lawful and effective operation of such programs. My experience as Acting Commissioner and as the Deputy Commissioner in charge of the management, planning, and evaluation functions of the Office of Education should prove valuable in carrying out the duties of the Commissioner.

I do not imply any demeaning of the policy formulation role of the Commissioner. The Commissioner should continue to have a strong influence in the formulation of Federal education policy. However, policy making is a team effort, requiring the input of many persons in the legislative and executive branches. Insuring that the chosen policy is translated into an effective operational program procedure falls primarily to the Commissioner.

I would expect as Commissioner to be a public spokesman on education topics. While Dr. Marland, the very capable Assistant Secretary for Education, is the principal Federal spokesman for education, I would intend to be active in this area as well. To illustrate the interaction between the Commissioner and the Assistant Secretary I suggest envisioning a continuum with Administrative Responsibilities at one pole and Public Spokesman at the other. For the Commissioner, a line between the poles would show decreasing activity as it moved from the "administrative" pole to the "spokesman" pole, the line for the Assistant Secretary would reflect increasing responsibility as the line proceeds toward the "spokesman" pole.

I believe more emphasis on the administrative role of the Commissioner, relative to the duties of public spokesman for education, is desirable. It is my feeling that the press of the latter responsibilities has often robbed the previous commissioners of time needed to attend to administrative matters. At other times the reverse has been true. Public exposure has been curtailed because of internal pressure. I submit that one man has been trying to do two jobs and that the working relationship I have outlined between the Commissioner and Assistant Secretary will permit both jobs to be handled more efficiently.

Another factor will be working in favor of this relationship between Commissioner and Assistant Secretary. Dr. Marland and I have worked well together and share the highest personal and professional regard for each other. In addition, we both have a clear understanding of the statutory responsibilities vested in each office. We understand that the statutory relationship between Assistant Secretary and Commissioner does not altogether fall into the mold of the traditional organizational relationship of line authority. I anticipate no significant problems in adjusting to this situation.

I would like to turn to the future of the Office of Education. As you are aware, President Nixon recently submitted the Better Schools Act of 1973 to the Congress for your consideration. This legislation, which authorizes a program of education revenue sharing through grant consolidation, is a major element in the Administration's legislative program for education. Since we will be testifying on this proposal before the Senate Subcommittee on Education in the near future, I will confine my remarks to the general concepts which I hope will be applied to the agency as soon as possible.

If the Better Schools Act is enacted, significant numbers of trained and experienced professional educators, now confined to pushing paper in the agency, would be released to provide technical assistance services to the States so that the States themselves can more effectively implement decisions of their own making. In my view, this is the most effective way to provide the Federal education assistance now authorized under the programs encompassed by the Better Schools Act.

Of course, the States would not have unlimited discretion with the expenditure of Federal funds. The Better Schools Act carefully assures a continued level of Federal effort in the education of the disadvantaged. Other broad national priorities are assured a minimum acceptable commitment from Federal funds. The Office of Education in the post-education revenue sharing era would be able to better facilitate and encourage local and State self-determination while maintaining a position of leadership in promoting and preserving the priorities in Federal education policy.

In conclusion, let me say that if I am confirmed I would look forward to working with you in the coming months to shape Federal education policy. If the past is truly prologue, I do not expect that harmony will always prevail in this task, but I am confident that goodwill and genuine concern for the education of young people and adults in this Nation will always be our foremost consideration.

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STATEMENT BY RICHARD C. HAWK, EXECUTIVE DIRECTOR, MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

(Prepared for the U.S. Senate Education Subcommittee, Feb. 22, 1973)

Mr. Chairman, members of the Committee, thank you for this opportunity to comment on proposed regulations for the Basic Educational Opportunity Grant Program, which potentially can make post-secondary education available to many students previously excluded from education beyond high school.

Making post-secondary education realistically accessible to all citizens, regardless of family economic status, is an important national goal and a serious problem worthy of your continuing attention. The Basic Opportunity Grants Program can be a significant means to achieve this goal, if implemented properly. The Congress and the Education Subcommittee are to be commended for establishing such a well formulated program. Those of us who are striving to improve access to post-secondary education in Minnesota have been especially gratified by the persistent interest and effort of our own distinguished senator, Walter F. Mondale.

While some provisions of the proposed BEOG regulations are commendable, other provisions are so deficient as to impair the potential effectiveness of the program. Implementation of the program under the proposed regulations would effectively preclude grants to a significant portion of the most needy students in Minnesota and many other states—those whose families derive their income from farming or operation of small business establishments.

The BEOG Program is appropriately directed to the students who are least able to afford post-secondary education, because as we have found in Minnesota, it is the students from low income families to whom post-secondary education is least accessible.

Indeed, a major thrust of the efforts of the Minnesota Higher Education Coordinating Commission this year has been concerned with mechanisms to improve access to post-secondary education for low-income and disadvantaged students. The BEOG Program, based on an entitlement principle, can complement our efforts by providing a base upon which state efforts can build.

It is as an entitlement determination system that I have reviewed the proposed guidelines, and it is in this context that my comments are made. I note this context because when balanced against the existing procedures used to determine family ability to pay, the proposed procedures suffer from serious problems. Social security payments and state income tax payments, for example, vary directly with family income level (and coming from Minnesota with a rather hefty state income tax, I should note that income tax varies considerably by state also). This variation is not reflected in the stable allowance which, I assume, is included in the Family Size Offset. Similarly, a family's disposable income is directly affected by the amount of property tax it is required to pay. Although I presume that a housing allowance included in the Family Size Offset includes a standard property tax allowance, it is quite clear that the property tax paid (either directly or indirectly through rent payments) will vary from the standard allowance and will as a consequence, affect the individual family's disposable income and ability to pay in a manner not reflected in the procedure proposed in the guidelines.

I do not, however, consider these problems significant given the entitlement purpose incorporated in the BEOG Program. Given the entitlement concept, the system used to determine eligibility should be sufficiently simple and straight-forward for students to estimate the approximate size of the grant for which they might qualify. The proposed procedure would accomplish this.

The proposed guidelines make another important contribution by establishing standards and definitions that have been problematic in student aid for many years. I refer here to the definition of procedures for Independent Student, for determining what year of income information to use, for identifying what should be counted as unusual expenses, and for defining what should be included as an asset. For years, these concepts have been debated and various procedures and definitions have been used by financial aid administrators. By establishing standard procedures, the guidelines will facilitate greater horizontal equity among students by treating similar students in a similar manner.

There are, however, four problems in the proposed guidelines which need attention. First, there appears to be no appeal procedure for those students whose family or financial situation changes dramatically between the base year (1972 for applicants for the 1973–74 year) and the year in which the student will be enrolled. Although the majority of students are not affected, the student whose family experiences a sudden loss of income (through the death of a father, loss of the father's job, or some other unpredictable event), could be excluded from eligibility to the BEOG Program and, as a consequence, could be deprived of post-secondary education. The system should provide a procedure to meet needs of students who experience sudden income losses.

Second, the proposed procedure for evaluating family assets would effectively exclude the majority of low income farm and small business families. This is a particularly serious problem for a state such as Minnesota where approximately 12 percent of our population is on the farm and roughly seven percent of the families are small business owners. Table I indicates that the median adjusted gross income for farmers in Minnesota is approximately $3500 per year. This would clearly identify students from these families as a target for the BEOG Program because of the very limited disposable income of these families and their relative and absolute inability to bear the post secondary educational expenses of their children. We know also that farmers require significant investment in capital—both land and equipment—to earn an income. The typical farmer needs net capital assets (as opposed to liquid assets) in excess of $34,000 merely to earn a living. Yet, under the proposed guidelines, any family with net assets (regardless of their purpose or nature) in excess of $34,000 is automatically excluded from the BEOG Program. Thus, the effect of these guidelines would be to exclude from the BEOG Program the majority of farm families and a high proportion of small business families who would otherwise qualify because of their low incomes and their inability to pay for the post-secondary expenses of their children. More than 8,000 students from farm families are graduated from Minnesota high schools annually.

Third, the proposed guidelines suggest an ability to contribute from both income and assets that is not realistic when compared to the assessments made by the American College Testing Program and the College Scholarship Service. Table II contains a comparison of the contribution expected from parents with income of $7500 and assets of $15,000 under the system proposed in the guidelines and the ACT and CSS need analysis systems. It can be observed that for all family sizes the contribution expected by the procedure outlined in the guidelines, from both income and assets, is considerably in excess of that expected by the two other systems. This suggests that the use of the proposed system will not provide the necessary assistance for the target population to pursue post-secondary education because of an unrealistic expectation of what the family can provide. The danger of this procedure is that it will undermine the significant potential of the BEOG Program by promising more than it will deliver.

My final point is also exemplified in Table II. As family size increases, the difference in the contribution expected by the proposed procedure increases when compared to the ACT and CSS systems. This is undoubtedly caused by inadequate Family Size Offsets in the procedure outlined in the guidelines. Indeed, this should not be surprising when one considers that the proposed allowance for the summer expenses of an Independent Student are set at $700 and the proposed allowance for the expenses of maintaining a two-person family are set at only $2800 for an entire year. It would appear that the Family Size Offsets are considerably below that which is required to maintain a family and that, as family size increases, the Family Size Offsets are increasingly inadequate. The negative potential created by this procedure

is emphasized by the fact that large families tend to be concentrated among the lower income segments of the population.

Before concluding, I should like to call your attention to three additional potential problems. Realizing the potential of this program depends on a successful beginning. I would hope, therefore, that the BEOG Program will be implemented by the middle of April at the latest. By this time, institutions have made their awards and are in the process of notifying students. If the program is implemented much later, both students and institutions are likely to be confused by the process.

Second, since the program is based on an entitlement concept, adequate funding is crucial. We cannot afford to raise false hopes. When low income students learn that they are entitled to a grant because they meet the criteria (presumably realistic criteria), the funds necessary to meet students' expectations must be available. Their confidence in this society's ability to deliver on promises is at stake; their confidence in governmental processes hangs in the balance. That is not, I would submit, an insignificant challenge.

Finally, I would appeal to you to provide funding for other student aid programs. The BEOG is appropriately targeted to those students most in need. But, college costs are increasing faster than family incomes, and meeting the rising costs is increasingly difficult for students from middle-income families. It is of interest that a survey of a sample of Minnesota banks revealed that 58 percent do not plan an increase in student loans and 62 percent do not plan to make loans in excess of the subsidized proportion available under the new FISL regulations. Proposed guidelines for the BEOG Program must be reviewed and funding for other student aid programs must be considered in the context of rising costs and inadequate aid for both low and middle income students.

Summarizing, Mr. Chairman, I would propose the following recommendations:

(1) An appeal procedure should be incorporated into the proposed BEOG process to accommodate sudden financial changes for individual students.

(2) The evaluation of family assets should be modified to prevent the systematic exclusion of low income farmers and small business owners from the BEOG Program.

(3) The Family Size Offsets should be adjusted upward to more realistically represent the living expenses of larger families and to provide a more accurate assessment of parents' ability to pay regardless of the family size.

In addition, I would urge this committee to encourage a timely implementation of the BEOG Program, to seek adequate funding of the program and to strive for adequate funding for the other Federal student aid programs.

Thank you, Mr. Chairman, for the opportunity to meet with you. I hope my comments will be helpful in your deliberations.

TABLE I.—DISTRIBUTION OF MINNESOTA FARMS BY AMOUNT OF SALES AND NET INCOME, 1970

| Sales | Number | Percent | Net income |
|---|---|---|---|
| Under $2,500 | 21,722 | 19.6 | $1,059 |
| $2,500 to $4,999 | 14,144 | 12.8 | 2,049 |
| $5,000 to $9,999 | 20,976 | 18.9 | 3,492 |
| $10,000 to $19,999 | 27,081 | 24.5 | 6,208 |
| $20,000 to $39,999 | 19,509 | 17.6 | 9,962 |
| $40,000 and over | 7,315 | 6.6 | 25,664 |
| Total | 110,747 | 100.0 | |

Note: Medians: Sales $9,950; net income $3,473. Farm population equal 455,000 or 11.9 percent of total population.

TABLE II.—COMPARISON OF EXPECTED FAMILY CONTRIBUTION FROM INCOME AND NET WORTH DERIVED FROM FEDERAL, CSS AND ACT COMPUTATION PROCEDURES

| Computation procedure | Number of dependent children 1 | 3 | 5 | 7 |
|---|---|---|---|---|
| Expected family contribution from income: | | | | |
| Federal | $701 | $412 | $208 | 0 |
| CSS | 635 | 167 | (30) | ($133) |
| ACT | 690 | 70 | (100) | (340) |
| Expected family contribution from net worth: | | | | |
| Federal | 375 | 375 | 375 | 375 |
| CSS | 319 | 238 | 165 | 162 |
| ACT[1] | 0 | 0 | 0 | 0 |
| Expected family contribution composite: | | | | |
| Federal | 1,076 | 787 | 583 | 375 |
| CSS | 954 | 405 | 135 | 29 |
| ACT | 690 | 70 | (100) | (340) |

[1] Excludes net assets in excess of $15,000 for retirement allowance.

Note: Case data: 2 parents, 1 parent employed; father age 43. Adjusted gross family income equal $7,500; Net worth equal $15,000. Only adjustment to family income is the amount of Federal income tax liability.

SUPPLEMENT TO THE STATEMENT BY RICHARD HAWK, EXECUTIVE DIRECTOR, MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

(Prepared for the U.S. Senate Education Subcommittee, Feb. 22, 1973)

My testimony recommends three modifications to the proposed BEOG guidelines:

(1) An appeal procedure should be incorporated into the proposed BEOG program to accommodate sudden financial changes for individual students.

(2) The evaluation of family assets should be modified to prevent the systematic exclusion of low income farmers and small business owners from the BEOG Program.

(3) The Family Size Offsets should be adjusted upward to more realistically represent the living expenses of larger families to provide a more accurate assessment of parents' ability to pay regardless of the family size.

Since the U.S. Office of Education is developing an appeal procedure for the BEOG Program, this statement will describe specific procedures for accomplishing the latter two recommendations.

Procedures proposed by the U.S. Office of Education for deriving a composite estimate of a family's ability to contribute toward education costs treat income and net assets independently. Exclusive consideration of these two elements of a family's financial strength may, and often does, result in gross inequities in the computation of Expected Family Contributions. The financial strength of families varies by (1) the level of disposable income, (2) the amount and nature of net assets, and (3) family size. A change in any of these factors significantly affects a family's ability to meet basic maintenance and other costs.

A need assessment procedure, even in a simplistic form, should include and consider these related factors simultaneously. Computation procedures based on these principles have been validated by economists and demonstrate that when net assets are considered together with income level, the distribution of families by order of financial strength varies considerably from the distributions obtained when income and net assets are considered exclusively.*

When current income is less than that required to provide for basic maintenance of the family, net asset resources would be utilized and thereby reduced to enable the family to meet day to day expenses. Consequently, a family's ability to contribute toward educational costs from its stock of net assets should be diminished in direct proportion to its income deficiency. Therefore, when family income is below the level of basic maintenance requirements, the negative expectation from income should be used to reduce the positive expectation from net asset resources. That proportion of net assets resources required to supplement income to provide for basic maintenance should not be "taxed" to obtain an index of the family's ability to contribute toward educational costs. The "tax" on discretionary income must, therefore, take into consideration the element of income deficiency (negative discretionary income) as well as the positive. Each of the examples which follow illustrate the principle of offsetting negative expectations from income with expectations from net assets. The net effect of this procedure is to consider the income and assets of the family together and to minimize the extent to which low income farmers with large capital assets would be systematically excluded from the BEOG Program.

An additional adjustment to the treatment of assets should be made to more adequately reflect the potential drain on the Asset Reserve provided in the regulations. Both the income and net assets of a family are measures of its financial strength. Both the flow and the stock of economic goods can support current consumption. Assessment of a family's ability to pay for education must consider both of these resource elements. Given a level of income and a stock of economic goods, a family's ability to provide for education expenses will vary with the number in the family unit requiring support.

The function of an asset reserve is to provide for basic maintenance of the family unit in the event of unforeseen emergencies, e.g., temporal unemployment, unusual medical expenses during prolonged illness, losses from catastrophes or in the case of death of a member of the family, for burial expenses.

Just as a proportion of family income, varying by family size, must provide for current maintenance expenses at a minimal level, so must a proportion of net assets be reserved to provide a financial resource for emergencies. The need for such reserves is directly related to the number of members in the family. The larger the family, the greater the potential for disaster as a consequence of unusual events. Therefore, the amount of the Asset Reserve should relate to family size similarly to that proportion of family income required to provide for basic maintenance for each member of the family unit. On the average, to provide equitable consideration for family size, it is fair and reasonable that the Asset Reserve should provide a financial resource approximating two units of current income required to provide for basic maintenance as proposed in Table I.

TABLE I.—PROPOSED NET ASSET RESERVE BY FAMILY SIZE

| Family Size | Reserve | Differential |
|---|---|---|
| 2 (1 p, 2 ch) | 7,500 | |
| 3 (2 p, 1 ch) | 9,000 | 1,500 |
| 4 | 10,500 | 1,500 |
| 5 | 12,000 | 1,500 |
| 6 | 13,500 | 1,500 |
| 7 | 15,000 | 1,500 |
| 8 | 16,500 | 1,500 |
| 9 | 18,000 | 1,500 |
| 10 | 19,500 | 1,500 |
| 11 | 21,000 | 1,500 |
| 12 | 22,500 | 1,500 |

*Weisbrod, B. A. and Hanson, W. G., "An Income—Net Worth Approach to Measuring Economic Welfare." *The American Economic Review*. December, 1968. pp. 1315–1329

The other problem in the proposed regulation relates to the unrealistic contribution expected from family income, particularly from the income of large families.

The Family Size Offsets are, as pointed out in my testimony, quite small and the increments for additional family members appear to have little relation to the increment in expenses that a family would actually experience from adding another member of the family.

Alternative Family Size Offsets are provided below in Table II. Even though they are derived from a low standard of living budget, the allowances for family living expenses are considerably above those contained in the proposed regulations, and they provide Family Size Offsets that more realistically represent the expenses families would encounter from an additional family member.

TABLE II.—A COMPARISON OF FAMILY SIZE OFFSETS FOR THE FAMILY CONTRIBUTION SCHEDULE FOR THE BEOG PROGRAM

| Family members | Family size offsets contained in the guidelines | Differential | Alternative family size increments | Differential |
|---|---|---|---|---|
| 2 | $2,800 | | $2,800 | |
| 3 | 3,350 | $550 | 3,950 | $1,150 |
| 4 | 4,300 | 950 | 5,310 | 1,360 |
| 5 | 5,050 | 750 | 6,420 | 1,110 |
| 6 | 5,700 | 700 | 7,380 | 960 |
| 7 | 6,300 | 600 | 8,120 | 740 |
| 8 | 7,000 | 700 | 8,780 | 660 |
| 9 | 7,700 | 700 | 9,440 | 600 |
| 10 | 8,400 | 700 | 10,100 | 660 |
| 11 | 9,100 | 700 | 10,760 | 660 |
| 12 | 9,800 | 700 | 11,420 | 660 |

The Alternative Family Size Offsets are those used in the need analysis system of the American College Testing Program. (For a detailed explanation of the derivation of these Offsets see the American College Testing Program, 1972 Revisions in the ACT Student Need Analysis Service, Iowa City, Iowa, 1972, pp. 10–16.

It should be emphasized that these alternative Family Size Offsets are not derived from a budget that allows liberal living expenses for the family. Rather, they are derived from the consumption expenditures, adjusted to December 1971, that the Bureau of Labor Statistics identified as associated with a low standard of living in the United States. They represent an approximation of the basic expenses required to maintain a family at a living standard that is above the poverty level but considerably below the living standard experienced by a family living at the median family income level. (By comparison, the consumption expenditures from the BLS moderate budget would be approximately 59 percent higher and for the BLS high standard of living budget they would be 105 percent higher.)

The three modifications proposed above are responsive to the recommendations made when I testified before your committee; their adoption would provide for more equitable treatment of students under the BEOG Program. By considering assets and income together, applying the concept of negative discretionary income, low income farmers will not automatically be excluded from the BEOG Program. Similarly, the graduation of the Asset Reserve by size of family would provide more equitable assessment of the contribution that can be provided from family assets by recognizing that the potential drain on assets and the ability of families to accumulate assets are both directly affected by the size of the family. Finally, the Alternative Family Size Offsets indicated in Table II would result in more realistic expectations from family income when actual expenditures required to maintain larger families are given proper consideration.

For your convenience and information, I have attached a comparison, for selected cases, of the expected contribution that would be produced by the procedure outlined in the regulations and by the procedures as they would be modified by proposals outlined in this statement. I should add that each of the modifications I have proposed could be easily accommodated in the procedure contained in the regulations without changing the data collection instrument or the calculation schedule.

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EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS, ACADEMIC YEAR 1973–74

Wage earner, two dependent children, one in college with $200 savings.

Taxable income, $7,700.

Net assets, $14,600.

*Summary of calculations—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 7,670 |
| 2. Other parental income in 1972 | 30 |
| 3. Parent's adjusted annual income in 1972 | 7,700 |
| 4. Parent's Federal income tax paid in 1972 | 540 |
| 5. Effective family income in 1972 | 7,160 |
| 6. Family size offset | 5,310 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6 plus 7 plus 8) | 5,310 |
| 10. Discretionary income (line 5 minus line 9) | 1,850 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution. X .20 | 370 |
| 12. Determine net assets of parents | 14,600 |
| 13. Subtract asset reserve | 10,500 |
| 14. Available parental assets | 4,100 |
| 15. Multiply available assets by 0.05 | |
| 16. Parental contribution from assets | 205 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets. 370 plus 205 | 575 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education | 575 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by 0.33 | |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 642 |

Maximum BEOG eligibility, $1,400 minus $642 equals $758.

Negative figures in parentheses.

Wage Earner, Two Dependent Children, One in College with $200 Savings.

Taxable Income, $7,700.

Net Assets, $14,600.

(BEOG guidelines from Federal Register)

*Summary of calculations—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 7,670 |
| 2. Other parental income in 1972 | 30 |
| 3. Parent's adjusted annual income in 1972 | 7,700 |
| 4. Parent's Federal income tax paid in 1972 | 540 |
| 5. Effective family income in 1972 | 7,160 |
| 6. Family size offset | 4,300 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6+7+8) | 4,300 |
| 10. Discretionary income (line 5 minus line 9) | 2,860 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution (×0.20) | 572 |
| 12. Determine net assets of parents | 14,600 |
| 13. Substract asset reserve | 7,500 |
| 14. Available parental assets | 7,100 |
| 15. Multiply available assets by 0.05 | 0 |
| 16. Parental contribution from assets | 355 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets 572+355) | 927 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education (×1.00) | 927 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by 0.33 | 0 |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 994 |

Maximum BEOG Eligibility=$1,400−944 =$406.

Negative figures in parentheses.

CASE NO. 1

Farm family, three dependent children, one in college with $200 savings.

Taxable income, $3,690.

Net assets, $34,900.

*Summary of calculations—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 3,690 |
| 2. Other parental income in 1972 | 0 |
| 3. Parent's adjusted annual income in 1972 | 3,690 |
| 4. Parent's Federal income tax paid in 1972 | 0 |
| 5. Effective family income in 1972 | 3,690 |
| 6. Family size offset | 6,420 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6+7+8) | 6,420 |
| 10. Discretionary income (line 5 minus line 9) | 2,730 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution (×0.20) | 546 |
| 12. Determine net assets of parents | 34,900 |
| 13. Subtract asset reserve | 12,000 |
| 14. Available parental assets | 22,900 |
| 15. Multiply available assets by 0.05 | |
| 16. Parental contribution from assets | 1,145 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and asse's $1,145–$546 | 599 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education (×$1) | 599 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by 0.33 | |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 666 |

Maximum B.E.O.G. eligibility, $1,400 minus $666 equals $734.

Negative figures in parentheses.

Farm family, three dependent children, one in college with $200 savings.

Taxable income, $3,690.

Net assets, $34,900.

(BEOG guidlines from Federal Register)

*Summary of calculations—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 3,690 |
| 2. Other parental income in 1972 | 0 |
| 3. Parent's adjusted annual income in 1972 | 3,690 |

| | |
|---|---|
| 4. Parent's Federal income tax paid in 1972 | 0 |
| 5. Effective family income in 1972 | 3,690 |
| 6. Family size offset | 5,050 |
| 7. Unusual expenses | 0 |
| 8. Employment expens· offset | 0 |
| 9. Total offsets against income (Lines 6 + 7 + 8). 5,050 | 5,050 |
| 10. Discretionary income (line 5 minus line 9) | 0 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution (0.20x0) | 0 |
| 12. Determine net assets of parents | 34,900 |
| 13. Substract asset reserve | 7,500 |
| 14. Available parental assets | 27,400 |
| 15. Multiply available assets by 0.05 | |
| 16. Parental contribution from assets | 1,370 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets | 1,370 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education (x1.00) | 1,370 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by 0.33 | |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 1,437 |

Maximum BEOG eligibility=$1,400—$1,-437=0.

Negative figures in parentheses.

Gas station attendant, one child in college with $200 in savings.

Taxable income, $5,200.

Net assets, $8,400.

*Summary of calculation—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 5,200 |
| 2. Other parental income in 1972 | 0 |
| 3. Parent's adjusted annual income in 1972 | 5,200 |
| 4. Parent's Federal income tax paid in 1972 | 320 |
| 5. Effective family income in 1972 | 4,880 |
| 6. Family size offset | 3,950 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6+7+8) | 3,950 |
| 10. Discretionary income (line 5 minus line 9) | 930 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution (×.20) | 186 |
| 12. Determine net assets of parents | 8,400 |
| 13. Subtract asset reserve | 9,000 |
| 14. Available parental assets | 0 |
| 15. Multiply available assets by 0.05. | |
| 16. Parental contribution from assets | 0 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets | 186 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education (×1.00) | 186 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by 0.33. | |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 253 |

Maximum B.E.O.G. Eligibility=$1400—$253=$1,147.

Negative figures in parentheses.

Gas Station Attendant, One Child in College, with $200 in Savings.

Taxable Income, $5,200.

Net Assets, $8,400.

(BEOG guidelines from Federal Register)

*Summary of calculations—Proposed method*

[In dollars]

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 5,200 |
| 2. Other parental income in 1972 | 0 |
| 3. Parent's adjusted annual income in 1972 | 5,200 |
| 4. Parent's Federal income tax paid in 1972 | 320 |
| 5. Effective family income in 1972 | 4,880 |
| 6. Family size offset | 3,350 |
| 7. Unusual expenses | 0 |
| 8. Employment Expense offset | 0 |
| 9. Total offsets against income (lines 6 + 7 + 8) | 3,350 |
| 10. Discretionary income (line 5 minus line 9) | 1,530 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution (x 0.20) | 306 |
| 12. Determine net assets of parents | 8,400 |
| 13. Subtract asset reserve | 7,500 |
| 14. Available parental assets | 900 |
| 15. Multiply available assets by .05 | |
| 16. Parental contribution from assets | 45 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets | 351 |
| 18. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education (x 1.00) | 351 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of students | 200 |
| 21. Multiply student's net assets by .33. | |
| 22. Students contribution from assets | 67 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 418 |

Maximum BEOG Eligibility=$1,400 — $418 = $972.

Negative Figures in Parentheses.

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U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
*Washington, D.C., March 28, 1973.*

Hon. JOHN OTTINA,
*U.S. Commissioner of Education Designate, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR COMMISSIONER: We would like to register our deep concern over the family contribution schedule recently proposed by the Office of Education for the Basic Education Opportunity Grant Program.

During the Education Subcommittee hearing at which you testified on this proposal, it became apparent that your schedule would require many families to pay more of their children's college costs than the schedules currently used by most colleges to determine student aid.

There are two aspects of this proposal which present particular problems: First, the schedule would make it difficult, if not impossible, for many children of farmers or small businessmen to receive the scholarship aid they need to attend college or post-secondary vocational schools. As we know, the family farmer or the small businessman needs investments in buildings, land and equipment just to eke out a living. Yet, these proposals would deny aid to the children of small businessmen in Rhode Island or elsewhere in this country who have assets of $35,000 or more, even if their income was below the poverty line. And they would deny scholarship aid to children of a farmer in Minnesota whose income is $3500 a year or less, if his farm is worth $35,000.

Secondly, this proposal would make it difficult for many children in large families—both poor and middle-income families—to secure the assistance they need.

In both these areas your proposal would provide substantially less assistance to young people than they would receive under either of the two current independent scholarship services—the American College Testing and the College Scholarship Service.

We are very proud of this legislation and pleased that the Administration has asked for full funding of it next year. We believe there is no disagreement between those of us in the Congress and those in the Executive Branch about the need to remove financial barriers to post-secondary education and we hope to continue working with the Administration to achieve this goal.

We feel strongly, however, that at the very least, the schedule should be adjusted immediately in these two areas so that all deserving young people can attend college next fall.

With warmest personal regards.

Sincerely,

WALTER F. MONDALE,
*Chairman, Subcommittee on Children.*
CLAIBORNE PELL,
*Chairman, Subcommittee on Education.*

Also signed by: James Abourezk, Birch Bayh, Alan Bible, Edward W. Brooke, Quentin N. Burdick, Frank Church, Dick Clark, Alan Cranston, Thomas F. Eagleton, Philip A. Hart, William D. Hathaway, Ernest F. Hollings, Harold E. Hughes, Hubert H. Humphrey, Jacob K. Javits, Edward M. Kennedy, Gale W. McGee, George S. McGovern, Thomas S. McIntyre, Gaylord Nelson, John O. Pastore, Claiborne Pell, William Proxmire, Jennings Randolph, Abram A. Ribicoff, Richard S. Schweiker, Robert T. Stafford, Adlai E. Stevenson III, John G. Tunney, Harrison A. Williams, Jr., Milton R. Young.

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DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
*Washington, D.C., May 10, 1973.*

Hon. WALTER F. MONDALE,
*Chairman, Subcommittee on Children and Youth, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.*

DEAR SENATOR MONDALE: In further response to your letter of March 28 regarding the Family Contribution Schedules for the Basic Educational Opportunity Grant Program, we would like to share with you the revisions we have made in these schedules.

As we indicated in our interim reply of April 6, we have re-examined our position regarding the treatment of assets in the system for determining expected family contribution for the Basic Grants in light of the concerns expressed by yourself and a number of other members of the Senate.

As a result of our deliberations, we are incorporating several significant modifications in the Schedules which were presented to the Senate Subcommittee on Education on February 22.

The first of these modifications would permit a reduction in the amount of assets considered in those cases where the computation of discretionary income yields zero or a negative amount. In cases such as this, the reduction in the amount of assets would be the amount necessary to offset the negative level of the family's discretionary income. In other words, an unused exclusion against income could be "carried over" as an exclusion against assets.

The second revision provides for the inclusion of high-cost consumer durables as a separate category of assets. Included in this category of assets would be such consumer durables as cars, boats, jewelry, art objects, etc. We would not include any of these types of assets with a value of less than $500 and would provide an asset allowance of $7500 against the total net worth of the consumer durables included in this category. Most appliances and automobiles owned by the family would, therefore, usually be exempt.

Another modification to the Schedules expands the definition of "Federal Income Tax" to include the taxes on income paid to the Government of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. Residents of these outlying areas do not pay Federal Income Tax, but instead, pay a similar tax to their own Governments. This change allows them to be able to deduct the income tax paid from their adjusted gross income in the same manner as those persons who do pay Federal Income Tax.

We believe that the Schedules with these modifications will be more equitable than those originally proposed.

In addition to these modifications in the Schedules themselves, we have also developed a process by which students may request a recomputation of Expected Family Contribution due to changed financial circumstances which would adversely and significantly affect the family's income. The circumstances under which a student may request such a recalculation are the death of a parent or spouse whose income is included in the determination of family contribution, the loss of employment of such a parent or spouse for a period of at least ten weeks, or the inability of such parent of spouse to pursue normal income-producing activities for a period of at least ten weeks by reason of disability or natural disaster. In these situations, the applicant may use the current year rather than the previous or base year as the best indicator of family financial strength for computing his family contribution.

The question of a special asset treatment for farm and small business assets was debated at great length. After much discussion and careful consideration, we came to the conclusion that preferential treatment of any special kinds of assets would destroy the equity which we felt was essential to the program.

There are a number of reasons for not making this kind of modification. First, the purpose of any need analysis system is to measure the financial strength of a family. It appears that a rural family with an annual income of $5000 and $30,000 in farm assets is in a stronger financial position than an urban family with the same income but no assets. It would be very difficult to justify not recognizing that difference in determining expected family contribution. Also, the two major national need analysis services (the College Scholarship Service and the American College Testing Program) do not distinguish between types of assets. Their experience has been that trying to segregate income-producing assets in order to treat some kinds in a preferential manner is extremely difficult and does not produce any significant additionally equity. In addition, the use of adjusted gross income as defined by the Internal Revenue Service, seems to provide some additional benefits to farmers and small businessmen in the calculation of a family contribution.

We hope that this information will alleviate your concerns. We appreciate your continued support and good advice in our efforts to implement this vital new program.

Sincerely,

JOHN OTTINA,
*U.S. Commissioner of Education-designate.*

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MAY 21, 1973.

Hon. JOHN OTTINA,
*Commissioner Designate, Office of Education, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR MR. OTTINA: Thank you for your recent reply to a letter I and 33 other Senators sent you on March 28, questioning the proposed family contribution schedule for the Basic Educational Opportunity Grant Program. I write this letter as a follow up to conversations between members of our staffs.

In order to underscore and formalize the request I made last week, I would like to specially ask that you supply me with several examples of what your proposed changes will mean to the children of farmers and small businessmen.

I would be particularly interested in examples which indicate in what cases, and to what extent, the proposed modifications concerning the reduction in the amount of assets might have for these children. Please supply me with some examples, as well, of what your recomputation provision might mean in situations affecting these children.

Finally, I would very much appreciate learning of the reasons why you decided not to make any distinction between what many of us consider to be non-liquid assets and liquid assets. No one would quarrel with your statement that a rural family with an annual income of $5,000 and $30,000 in farm assets appears to be in a stronger financial position than an urban family with the same income but no assets. But that is not the point. The question is whether or not that rural family with its assets in the form of land or cattle is as able to free some of them up for college expenses as an urban or rural family with an equal income and equal assets in the form of a savings account or stock certificates. That is the issue. And I would like very much to receive your response on it.

I appreciate the effort you have made to be responsive to the concerns we have expressed and I hope that you can respond to these question in the very near future so that the implementation of this important program will not be delayed any further.

With warmest personal regards.

Sincerely,

WALTER F. MONDALE.

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DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
*Washington, D.C., June 5, 1973.*

Hon. WALTER F. MONDALE,
*U.S. Senate*
*Washington, D.C.*

DEAR SENATOR MONDALE: Thank you for your letter of May 21 requesting additional information on the treatment of assets for the Basic Educational Opportunity Grant Program. Specifically, you asked that I provide cases illustrating how the new "negative income" treatment of assets will affect the family contribution of farm and business families. I am pleased to include several cases illustrating the Family Contributions that would be expected under the Family Contribution Schedules published February 2, and the lower contributions now expected for these families under the schedules to be published shortly.

You also asked that I outline the rationale behind the expectation from the assets of farmers and businessmen. First, I want to emphasize that the expectation is not from gross assets; rather, it is from that portion of the asset unencumbered by debt. Second, the value of these assets is the current market value of the assets; that is, the value of the asset on the market today. Finally, at some point, all such assets must be assessed at their cash value and the farmer, businessman or his heirs will have the full benefit of its worth. Therefore, the comparative liquidity of an asset should not be a consideration for this grant program since we are attempting to measure the family's financial strength.

The Office has concluded, as have the College Scholarship Service and the American College Testing Program, that a dollar of assets is a dollar of assets. If some different treatment is offered farm and business assets, then a substantial amount of money is sheltered for students from farm and business families while the student is offered a nonrepayable grant, while such a grant is denied a student from a salaried family with an equivalent amount of assets.

A second argument may be made that liquidity is not the problem but, rather, the fact that if the farmer and businessman do actually sell a portion of their assets, then their ability to earn a livelihood from the farm or business is decreased. This may be true. However, a 5 percent expectation cannot be viewed as requiring that an asset be liquidated. Rather, there is a significant increase in the family's ability to obtain additional resources as a result of holding assets. The $30,000 asset position which you posit in your letter could easily support an additional $1500 in debt for educational purposes.

May I say that we have designed this family contribution system with the intention of producing consistent treatment for all parents and students. There will inevitably be circumstances which cannot be accommodated by a nationally consistent family contribution system such as the Basic Grant Family Contribution Schedules. However, such individual circumstances can be met from State, private, and other Federal resources, where additional flexibility is possible.

I am pleased to clarify further this important area of concern and to report that we are making good progress under the considerable pressure of time to implement this exciting new program for this fall.

Sincerely,

JOHN OTTINA,
*U.S. Commissioner of Education-designate.*

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DESCRIPTIONS OF SAMPLE CASES FOR THE PROPOSED BASIC GRANT FAMILY CONTRIBUTION EXPECTATION

A student's maximum grant eligibility, under the Basic Educational Opportunities Grant Program, is equal to $1400, less the amount of expected family contribution, but not to exceed one-half the cost of attendance. "Expected Family Contribution" is defined as the amount which the family of each student may reasonably be expected to contribute toward the education of that student for each academic year. Family Contribution Schedules were published in the Federal Register on February 2, 1973, under the proposed rule making procedure.

As a result of the comments received in response to the previously published schedules, several changes in the determination of the contribution from assets have been incorporated in the schedules which will be published shortly. The attached cases illustrate the different treatment of these assets as previously published in the Federal Register as opposed to the treatment to be published shortly.

First, a so called "negative income" procedure has been included in the calculation of the contribution from assets. "Negative income" occurs in low-income families whereby the sum of the various offsets will exceed the amount of family income leaving a negative amount. The new schedules will permit a reduction of this amount from the net assets of the family.

In addition, the new schedules provide for a contribution from "other assets," if these assets are in excess of $7500. This so called "other assets" are such consumer durables and personal assets as automobiles, boats, art objects, electronic sound and visual equipment, jewelry, antiques, cameras, etc. In order to be included in this category of assets, each item must have a value of $500 or more.

Case A–1 shows a farm family with a negative income asset treatment. The total income is les sthan the various offsets, and therefore, "negative income" may be said to exist. The previously published family contribution schedules make no provision for this situation, and therefore, there is merely a $0 contribution from family income and no adjustment to assets.

Case A–2 shows the same family with the amount of negative income subtracted from

assets along with the $7500 asset allowance before any contribution is expected.

Case B–1 shows a family headed by a widow with negative income and a considerable amount of net assets. Their contribution is computed on the amount of the net assets, less the asset reserve of $7500. No allowance is made for the negative income.

B–2 shows the same family with the amount of negative income subtracted from the assets along with the $7500 asset reserve, before their contribution is determined.

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DONALD JONES FARM FAMILY, SIX-MEMBER FAMILY, TWO IN COLLEGE

*Expected family contribution for dependent students, academic year 1972–74*

[Calculated on the basis of February 2-family contribution schedules, in dollars]

WORK SHEET/SUMMARY OF CALCULATION

| | |
|---|---|
| 1. Parents' adjusted gross income in 1972 | 4,000 |
| 2. Other parental income in 1972 | 0 |
| 3. Parents' adjusted annual income in 1972 | 4,000 |
| 4. Parents' Federal income tax in 1972 | 0 |
| 5. Effective family income in 1972 | 4,000 |
| 6. Family size offset | 5,700 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6, 7, and 8) | 5,700 |
| 10. Discretionary income (line 5 minus line 9) | 0 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution | 0 |
| 12. Determine net assets of parents | 15,000 |
| 13. Subtract asset reserve | 7,500 |
| 14. Available parental assets | 7,500 |
| 15. Multiply available assets by .05 | |
| 16. Parental contribution from assets | 375 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets | 375 |
| 18. Multiply standard contribution by multiply student rate to determine expected family contribution for each family member in postsecondary education | 262.50 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of student | 200 |
| 21. Multiply student's net assets by .33 | |
| 22. Student's contribution from assets | 66 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 328.50 |

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FARM FAMILY, SIX MEMBER FAMILY, TWO IN COLLEGE

*Expected family contribution for dependent students, academic year 1973–74*

[Calculated on the basis of revised family contribution schedules to be published shortly]

SUMMARY OF CALCULATION

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 4,000 |
| 2. Other parental income in 1972 | 0 |
| 3. Parents' adjusted annual income in 1972 | 4,000 |
| 4. Parent's Federal income tax paid in 1972 | 0 |
| 5. Effective family income in 1972 | 4,000 |
| 6. Family size offset | 5,700 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 0 |
| 9. Total offsets against income (lines 6, 7, and 8) | 5,700 |
| 10. Discretionary income (line 5 minus line 9) | 1,700 |
| 11. Determine net assets of parents | 15,000 |
| 12. If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net assets | 13,300 |
| 13. If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero | 0 |
| 14. Determine net other assets of parents' | 0 |
| 15. Multiply discretionary income in line 13 by applicable rate to obtain standard contribution | 0 |
| 16. Subtract asset reserve of $7,500 from amount entered on line 12 to obtain available parental assets | 5,800 |
| 17. Multiple available parental assets by 0.05 | |
| 18. Parental contribution from assets | 290 |
| 19. Subtract other asset reserve of $7,500, from amount entered on line 14 to obtain available other assets of parents | 0 |
| 20. Multiply available other assets of parents by 0.05 | |
| 21. Parental contribution from other assets | 0 |
| 22. Add lines 15 plus line 18 plus 21 to obtain standard contribution from income, assets, and other assets | 290 |
| 23. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education | 203 |
| 24. Effective income of student | 0 |
| 25. Determine net assets of student | 200 |
| 26. Multiply student's net assets by 0.33 | |
| 27. Student's contribution from assets | 66 |
| 28. Total family contribution equals sum of lines 23 plus 24 plus 27 | 269 |

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SHERRY JONES—MOTHER IS A WIDOW WHO OWNS A BUSINESS, FOUR-MEMBER FAMILY, ONE FAMILY MEMBER IN COLLEGE

*Expected family contribution for dependent students, academic year 1972–74*

[Calculated on the basis of the February 2 family contribution schedules, in dollars]

WORK SHEET/SUMMARY OF CALCULATION

| | |
|---|---|
| 1. Parents' adjusted gross income in 1972 | 3,800 |
| 2. Other parental income in 1972 | 0 |
| 3. Parents' adjusted annual income in 1972 | 3,800 |
| 4. Parents' Federal income tax in 1972 | 0 |
| 5. Effective family income in 1972 | 3,800 |
| 6. Family size offset | 4,300 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 1,500 |
| Total offsets against income (lines 6, 7, and 8) | 5,800 |
| 10. Discretionary income (line 5 minus line 9) | 2,000 |
| 11. Multiply discretionary income by applicable rate to obtain standard contribution | 0 |
| 12. Determine net assets of parents | 12,000 |
| 13. Subtract asset reserve | 7,500 |
| 14. Available parental assets | 4,500 |
| 15. Multiply available assets by .05 | |
| 16. Parental contribution from assets | 225 |
| 17. Add lines 11 plus 16 to obtain standard contribution from income and assets | 225 |
| 18. Multiply standard contribution by multiply student rate to determine expected family contribution for each family member in postsecondary education | 225 |
| 19. Effective income of student | 0 |
| 20. Determine net assets of student | 350 |
| 21. Multiply student's net assets by .33 | |
| 22. Student's contribution from assets | 116 |
| 23. Total family contribution equals sum of lines 18 plus 19 plus 22 | 341 |

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SHERRY JONES, MOTHER IS A WIDOW WHO OWNS A BUSINESS, FOUR-MEMBER FAMILY, ONE FAMILY MEMBER IN COLLEGE

*Expected Family Contribution for Dependent Students, Academic Year 1973–74*

[Calculated on the basis of the Revised Family Contribution Schedules to be published shortly]

SUMMARY OF CALCULATIONS

| | |
|---|---|
| 1. Parent's adjusted gross income in 1972 | 3,800 |
| 2. Other parental income in 1972 | 0 |
| 3. Parent's adjusted annual income 1972 | 3,800 |
| 4. Parent's Federal income tax paid in 1972 | 0 |
| 5. Effective family income in 1972 | 3,800 |
| 6. Family size offset | 4,300 |
| 7. Unusual expenses | 0 |
| 8. Employment expense offset | 1,500 |
| 9. Total offsets against income (lines 6, 7, 8) | 5,800 |
| 10. Discretionary income (line 5 minus line 9) | 2,000 |
| 11. Determine net assets of parents | 12,000 |
| 12. If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net assets | 10,000 |
| 13. If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero | 0 |
| 14. Determine net other assets of parents | 0 |
| 15. Multiply discretionary income in line 13 by applicable rate to obtain standard contribution | 0 |
| 16. Subtract asset reserve of $7,500 from amount entered on line 12 to obtain available parental assets | 2,500 |
| 17. Multiply available parental assets by 0.05 | |
| 18. Parental contribution from assets | 125 |
| 19. Subtract other asset reserve of $7,500 from amount entered on line 14 to obtain available other assets of parents | 0 |
| 20. Multiply available other assets of parents by 0.05 | |
| 21. Parental contribution from other assets | 0 |
| 22. Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets, and other assets | 125 |
| 23. Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in post-secondary education | 125 |
| 24. Effective income of student | 0 |
| 25. Determine net assets of student | 350 |
| 26. Multiply student's net assets by 0.33 | |
| 27. Student's contribution from assets | 116 |

| | | |
|---|---|---|
| 28. | Total family contribution equals sum of lines 23 plus 24 plus 27 | 241 |

JUNE 23, 1973.

Hon. JOHN OTTINA,
*Commissioner of Education-Designate, Office of Education, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR MR. OTTINA: Thank you for your letter of June 5, concerning the treatment of assets under the Basic Educational Opportunity Grants Program.

I appreciate your enclosing the examples I requested illustrating the impact of the changes you had made in response to concerns which I and 33 other Senators expressed earlier.

Let me begin by commending you for the changes and modifications you have made. The procedures you provided to permit a recomputation of expected family contributions in cases of changing financial circumstances—such as a death of a parent, loss of employment, or natural disaster—are good. The separate category of assets established to keep high-cost consumer durables also makes a good deal of sense. And the new concept of "negative income" treatment of assets is a useful step in the right direction.

Taken together, these changes constitute a much-needed liberalization of this program. Unquestionably, these changes assure fairer treatment and authorize greater financial assistance to students from families with low incomes and marginal assets.

I am still concerned, however, about your reluctance to make any special consideration for the assets of small businessmen and farmers. If a distinction between liquid and non-liquid assets does not make sense, as you suggest, I wonder whether we shouldn't consider a distinction between assets which provide a primary means of livelihood for a family—such as a farmer or small businessman—and those that provide supplementary income. And I wonder, as well, whether an effort shouldn't be made to vary the amount of exempt assets according to the size of the family. I hope you will give me your opinion of these ideas. They may well be worth pursuing for the second year of the program via further administrative change or legislative change.

At this point, I hope you will expedite implementation of the Basic Educational Opportunity Grant Program so that it can be of help to students attending college by this fall. Because of the changes you have made in response to our concerns, and because the Congress has provided funds for existing student aid programs, as well as for the BEOG program, what I and a number of my colleagues considered to be major weaknesses in your initial regulations have been reduced in magnitude and importance.

Let me close by expressing my appreciation for your responsiveness and my support for the immediate implementation of the BEOG program. And let me re-emphasize my hope that you will work with us in the consideration of further modifications to this effect in the second year of BEOG grants.

With warmest personal regards.

Sincerely,

WALTER F. MONDALE.

## SENATOR NELSON CALLS FOR EXPANDED FUNDING OF REGIONAL COMMISSIONS

Mr. HUMPHREY. Mr. President, on July 12, Senator GAYLORD NELSON testified before the Senate Appropriations Subcommittee on State, Commerce, Justice, Judiciary, and Related Agencies in support of expanded appropriations for the title V regional commissions. I totally agree with Senator NELSON that the regional commissions play a vital role in the economic lives of many of the poorest areas of our Nation. We have both seen, first hand, the Upper Great Lakes Regional Commission become a dynamic catalyst for economic growth in our States.

I ask unanimous consent that Senator NELSON'S remarks be printed in their entirety in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NELSON TO THE SENATE APPROPRIATIONS SUBCOMMITTEE ON STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, JULY 12, 1973

Mr. Chairman, I appreciate this opportunity to present to your Committee testimony in support of expanded appropriations for the Title V Regional Commissions. In 1965, the Congress established the Economic Development Administration. The intent in passing that legislation, known as the Public Works and Economic Development Act of 1965, is clearly spelled out in the bill. Initially, the Act acknowledges that some of the regions of the country suffer from "substantial and persistent unemployment and underemployment, and that such unemployment causes hardship to many individuals and their families, and wastes invaluable human resources."

To overcome this problem, the federal government, in cooperation with the state, "should help areas and regions of substantial unemployment and underemployment to take effective steps in planning and financing their public works and economic development . . . to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions."

This expressed intent of Congress to help "local communities help themselves "is carried out, in part, through the establishment of the Regional Action Planning Commissions in Title V of the Act. The purpose of such organizations, the Title V Commissions, is to combine the financial resources of the federal government with the decision-making processes of the state and local governments to effectively determine the key priorities for the distribution of funds designed to relieve economic depression. The principle involved is really a very old one. Clearly, individuals who deal with the problems of unemployment, education and social services on a first-hand basis are most qualified to determine what the local needs in that area are. The Title V Commissions were established to guarantee that local participation.

In the Midwest, the Upper Great Lakes Regional Commission was established under Title V, encompassing 119 counties in northern Wisconsin, Minnesota and Michigan. Inherent in the Upper Great Lakes Commission, and in every one of the other regional development commissions, is that the problems of like geographic and like economic areas can best be approached with a recognition that what benefits a small area will benefit the entire area. As such, the Upper Great Lakes Commission approaches its work with both a concern for the individual problems in each locality, and for the contribution which those problems make to the problems of the entire region.

These 119 counties, including 36 counties in northern Wisconsin, clearly suffer under the most acute economic depression. Their average income is 20% lower than the average of the three states, unemployment averages 6.4%, while the State average is 5%, and the population trends indicate that the region lost 2.7% of the total population between 1960 and 1970, while the states had increases of 11.8%.

Some counties in particular suffer from much more severe problems. Menominee County, which was created when the Menominee Indian tribe was terminated in 1960, has an unemployment rate of 24%, and a median income of $5700, while the state average is $10,100.

Iron County, once a booming mining area, had a population decrease of 16% in the ten year period, and a 1972 unemployment rate of 10.9%.

Listed below are the 36 Wisconsin counties in the Upper Great Lakes region, and comparative figures on unemployment, population trends, median income.

| County | Unemployment | Population | Median income |
|---|---|---|---|
| Adams | 10.3 | +22.0 | $6,930 |
| Ashland | 7.1 | −4.0 | 7,355 |
| Barron | 6.0 | −1.0 | 7,759 |
| Bayfield | 12.0 | −2.0 | 6,962 |
| Brown | 6.1 | +27.0 | 10,300 |
| Burnett | 7.7 | +1.0 | 6,050 |
| Chippewa | 7.8 | +6.0 | 8,885 |
| Clark | 5.9 | −4.0 | 7,199 |
| Door | 6.2 | −3.0 | 8,079 |
| Douglas | 9.4 | −1.0 | 8,502 |
| Eau Claire | 5.4 | +15.0 | 9,857 |
| Florence | 17.4 | −4.0 | 6,856 |
| Forest | 8.2 | +2.0 | 6,432 |
| Iron | 10.9 | −16.0 | 6,860 |
| Jackson | 5.6 | +1.0 | 7,970 |
| Juneau | 6.1 | +6.0 | 7,769 |
| Kewaunee | 5.1 | +4.0 | 9,340 |
| Langlade | 5.7 | −3.0 | 7,111 |
| Lincoln | 5.8 | ±1.0 | 8,290 |
| Marathon | 5.3 | +10.0 | 9,173 |
| Marinette | 7.0 | +3.0 | 7,916 |
| Menominee | 24.9 | ---------- | 5,768 |
| Oconto | 7.1 | +3.0 | 7,275 |
| Oneida | 5.3 | ±10.0 | 8,197 |
| Outagamie | 5.4 | +17.0 | 10,384 |
| Polk | 6.5 | +7.0 | 7,814 |
| Portage | 6.0 | +29.0 | 9,309 |
| Price | 6.6 | +1.0 | 6,865 |
| Rusk | 8.5 | −4.0 | 6,724 |
| Sawyer | 11.5 | +2.0 | 5,817 |
| Shawano | 7.1 | +2.0 | 7,686 |
| Taylor | 8.8 | −5.0 | 6,980 |
| Vilas | 6.6 | +17.0 | 6,956 |
| Washburn | 9.1 | +3.0 | 7,035 |
| Waupaca | 6.6 | +7.0 | 8,049 |
| Wood | 6.2 | +11.0 | 9,733 |
| Region | 6.4 | −2.8 | ---------- |
| State | 5.0 | +11.8 | 10,068 |

While these statistics illustrate the economic depression that has gripped the Upper Great Lakes region, nothing can better convey the problem than the realization that this area once boomed from extensive lumber, mining and shipping businesses. Blessed with thousands of square miles of forestland, and abundant mineral resources, and the Great Lakes System to serve as the transportation to carry the raw material to market, northern Wisconsin gave its heart to the development of the nation. But the forests were logged out, the deposits were depleted, and now the area stands as a shadow of its former prosperity.

With the creation of the Upper Great Lakes Regional Commission in 1966, it appeared that at last there would be an organization which would provide the needed coordination between local, state and federal government to assure the most effective utilization of the funds made available to increase the economic stability of the area. The active cooperation of the Governors of Minnesota, Wisconsin and Michigan, along with adequate appropriations by the Congress, created a climate where the work of the UGLRC could truly have a beneficial and notable effect on the area.

The aid provided by the Regional Development Commissions covers the entire range of assistance needed to raise the economic stability. Investments are made in the areas of transportation, business and industrial development, manpower, tourism, natural resources, waste management, lake pollution control, minerals, forestry, agri-

culture and recreation. Grants are made for projects which are designed to find long-term solutions to economic and related problems plaguing the region, as well as to provide short-term assistance to relieve particularly damaging conditions. Supplemental grants made by the Commission in situations where local governments are unable to provide the necessary "matching funds" for projects of great need also serves to attract significant outside public and private funds to the Region. The ability of the UGLRC to supplement with its dollars the local share of numerous community facilities projects thus serves a double function, as it promotes investment by other governmental agencies. Technical assistance grants are provided to initiate and continue pilot projects, demonstration programs, and research activities which assure that the gains made through short-term assistance are carried into the future.

Through the years 1966 through 1971, the Upper Great Lakes Regional Commission funded 58 supplemental grants in Wisconsin. Total project costs amounted to $39 million of which $6 million was supplied by the commission. In 1972, 18 projects totaling $6.7 million received Upper Great Lakes grants of a little over $1 million. And so far in 1973, the Commission has approved grants totaling $3 million for 17 projects and involving $770,000 in commission funds.

The most important factor underlining the work of the Regional Commission is that they are capable—both financially and organizationally—to operate on both the levels of short term assistance to relieve particularly aggravating problems, and on the long-range scale to cover planning for the future for an entire area.

Such planning on the regional level is absolutely necessary if real progress is to be made in alleviating the economic depression that exists in those areas.

The Commissions provide the necessary leadership, professional and technical assistance, and the financial resources to help in the long-range planning for the economic revitalization of the area.

The other levels of government are not able to provide this kind of leadership. Because of their limited size and financial resources, the lack of overall jurisdiction, and the lack of expertise, the city and county governments are unable to fill the role necessary to reverse the problems of the area.

In the area of recreational resources which are common to the three states, the Upper Great Lakes Regional Commission has developed a program of technical assistance which will provide assistance in the restoration, maintenance and protection of the 17,000 lakes in northern Michigan, Minnesota and Wisconsin. These lakes are valuable assets to both the economy and the environmental quality of the Upper Great Lakes region. Only an organization such as the Upper Great Lakes Regional Commission, with the expertise and funds adequately provided, can successfully prevent the destruction of these significant natural resources.

The Commission has provided important assistance to the many native Americans in the three states with the establishment of a training program to qualify Indians for jobs in environmental protection occupations, such as conservation aides and technicians, forest fire control, forest conservation, and park-forest-recreation management. Besides providing both training and job opportunities, this program also aids the environmental protection activities by assuring that qualified people are available for the jobs open.

Only two examples of the work of the Commission, the lake preservation program and the conservation job training project demonstrate the ability of the Regional Development Commissions to establish programs which would not otherwise be possible because of the limited resources.

To further illustrate the wide impact of the work of the Upper Great Lakes Regional Commission on the economy of northern Wisconsin, following is a list of ten major projects carried on by the Commission in the past three years:

SUPPLEMENTAL GRANTS

(1) Barron, Wisconsin (sewage improvements) 1970.

Sewage lagoon and sewage collection to industrial park and newly annexed area. This project was considered a hardship case and was approved to forestall the closing of an existing turkey processing plant which would have had an effect on approximately 800 people dependent on this operation; an economic impact has been realized. The 800 people referred to are involved in the processing, hatchery and raising of turkeys as well as the production of eggs.

Funding:

| | |
|---|---|
| Total | $481,200 |
| UGLRC | 88,240 |

(2) Iron River, Wisconsin (Iron River Sewer and Water) 1970.

Because of the sewage collection and waste treatment program, the Brule Corporation (fiberglass fishing poles) was able to expand its operation on Iron River. The program enabled the firm to continue its operation in Iron River, rather than being forced to move. Seventy-five people were employed before the project, and now approximately 240 people are employed. The program also resulted in a decrease in the firm's fire insurance rate. The program has resulted in industrial expansion in Iron River and an increase in new home building, and remodeling and repairing of existing homes. Currently, in the planning stages is a Rest Home with 65 beds and an expected employment of 35–40 people, and a Senior Citizens Housing Unit on a 22-acre site on Iron River.

Funding:

| | |
|---|---|
| Total | $377,000 |
| UGLRC | 113,000 |

(3) Brown County, Green Bay (Northeast Wisconsin Technical Institute) 1971.

This project provides for a technical institute instructional complex including labs, general classrooms, learning resource center, related facilities and appropriate fixed and movable equipment. It is anticipated that the facility will produce 1,200 to 2,000 qualified workers with special skills for the local labor market each year.

Funding:

| | |
|---|---|
| Total | $7,691,751 |
| UGLRC | 157,500 |

(4) Clark County, Greenwood, Wis. (Greenwood Sewer and Water) 1971.

This project provided for water supply and storage facilities, including an elevated storage tank, a ground storage tank, satellite wells, a pump house, controls and pumping equipment. Expansion of existing industry is dependent upon improved water supply. Previous to installation, students in grades 7–12 were not able to attend classes on several occasions due to lack of water. Installation has remedied the problem. Other benefits of the system is the addition of two mobile home courts, expansion of the Greenwood Milk Products Co-op, enabling it to increase its output by at least three times. Greenwood Homes, Inc., is now able to expand its facilities to over 30,000 sq. ft. in size and double its employee force. Greenwood Campers, Inc. is expected to expand its work force of 40. The system has also provided the city with more available jobs and an increased tax base, making it more attractive to industry, and providing for the water needs of the community.

Funding:

| | |
|---|---|
| Total | $286,800 |
| UGLRC | 121,300 |

(5) Rhinelander, Wis. (Rhinelander Sewer and Water) 1969.

Improvements served a new college, two industrial parks, and residential growth. One industrial park has attracted an asphalt terminal which has added $1,500,000 to the tax rolls. The other park has 3 new business establishments which add another $750,000 to the tax base. The college would not have been a possibility without city sewer and water. It now has an enrollment of 700.

Funding:

| | |
|---|---|
| Total | $1,450,000 |
| UGLRC | 150,000 |

TECHNICAL ASSISTANCE PROGRAMS

(6) Inland Lake Renewal and Management:

| | |
|---|---|
| UGLRC Investments | $180,000 |
| | 224,050 |
| | 303,525 |
| | 176,350 |

*Problem:* 17,000 lakes in Northern Michigan, Minnesota, and Wisconsin and shorelands are foundations of tourism. Many have deteriorated largely because of use and abuse by man.

*Project Objectives:* Demonstration of techniques to restore, maintain, and protect high-quality environment within and adjacent to inland lakes in Upper Great Lakes region.

*Argument:* This project merits consideration because it would result in the renovation of over-fertile lakes through the Lake Renewal program. This program of "clean-up" would then provide for extensive development of these areas. The Shoreland Management program is showing ways to realize the economic potential of lake shorelands with minimal environmental disturbance. Such a project would involve short-term employment, possible long-term employment (maintenance), preservation of valuable resources, tourism, and recreational facilities.

(7) Northern Wisconsin Development Center:

| | |
|---|---|
| UGLRC Investments | $55,000 |
| | 67,000 |
| | 120,000 |
| | 95,000 |

*Purpose of Project:* Aids existing business and industry within UGLRC. Seeks entrepreneurial and management talent, capital sources and product ideas for formation of new business as well as assisting in feasibility studies.

*Argument:* The following figures from 1970 to the present attest to the success of the project:

(a) Management counsel to 125 businesses annually and assisted 660 since inception,

(b) 39 businesses assisted in formation,

(c) 547 jobs created and immediate projections for 71 more new jobs in 4 firms,

(d) 859 jobs saved through counseling from center with 41 firms,

(e) Assistance to 13 businesses, expanded employment by 629 with 8 more firms expecting to increase their job opportunities by 200 this year.

This project is possible by a grant to the University Extension to fund, in Wausau, a Regional Center for Management Assistance to Small Business.

(8) A Feasibility Study of Advanced Waste Treatment Systems for Combined Municipal and Pulp and Paper Waste.

| | |
|---|---|
| UGLRC Investment | $50,000 |
| | 50,000 |

This project, made possible by a grant to the Institute of Paper Chemistry in Appleton, to investigate costs and efficiency of using innovative waste treatment system process for both pulp paper mill and municipal wastes. The advantages of this system would provide for better waste treatment, higher

rate of waste purification and promoting the development of more mills. This system, if effective will save the paper industry money, thus encouraging growth, resulting in increased employment and possible employee benefits. The paper industry is a major industry in Northern Wisconsin, and if this system proves effective, it would greatly benefit the entire region.

(9) Project Native American Resources:

UGLRC Investment ..... $66,800

This project is a joint venture of Upper Great Lakes Regional Commission, Nicolet College, Department of Natural Resources and U.S. Forest Service. It will provide training for American Indians from Wisconsin (Michigan and Minnesota) and occupations such as conservation aides and technicians in fish and game management, park-forest-recreation management, forest fire control and forest conservation. It will be staffed by both whites and Indians as counselors and instructors. This project will help train and employ native American Indians who suffer from higher unemployment than the general population. The project will serve as a model for other programs throughout the nation. The advantage of this project would be the opportunity to train and employ a minority group and provide for professional environmental supervision.

(10) Lake States Forestry Co-op:

UGLRC ..... $60,000
31,300

Grants to establish the Lake States Forestry Co-op which provide economic development assistance to both large and small wood using businesses, wood processors, loggers and landowners. Success of this project is evident through past performance. One hundred sixty new wood industry jobs have been created since its existence. Assistance given to various small lumber concerns has resulted in their enabling to expand their markets and increase production. The Co-op is largely advisory and aids small businesses suffering from production deficiencies. The Co-op specializes in markets which will tend to stabilize production. These businesses are often able to increase employment because of expansion advice from the Co-op, i.e. a sawmill in Tomahawk which constructed an addition on the advice and guidance of the Co-op.

In accordance with proposals to encourage environmental protection, sewage treatment, and expansion of mills, the co-op's professional counseling services would aid small business, increase employment and keep the lumber industry in tune with other UGLRC programs.

It is important to note that not only does the Upper Great Lakes Regional Commission provide the basic funding for many projects, but the supplemental grants to generate additional non-Commission funds. Over the entire six-year period of the Commission, supplemental grants in the three states have totaled 32 million, and have generated an additional $125 million in state, local and federal assistance. This shows a ratio of approximately four dollars generated by every one dollar of Great Lakes money.

In short, the Upper Great Lakes Regional Commission is a critically important agency to help plan for economic growth for a whole area which has similar problems which can only be dealt with on the wide-scale. The planning programs, leadership, and cooperation that has been evident under the work of the Commission clearly demonstrates the support that it has received from the officials and citizens of the three-state region. All of the resources of the three states, the participation of the three Governors (Anderson of Minnesota, Lucey of Wisconsin, and Milliken of Michigan) and the coordinating ability of the Commission have combined together to reach the objective of making the Upper Great Lakes region economically viable.

Progress is being made. Jobs are being created and saved from elimination, assistance is provided to local governments to expand their pollution-abatement facilities, vocational education programs are being aided to provide help for the young people, businesses are being stabilized and expanded, and generally, the Upper Great Lakes Regional Commission has helped to strengthen the economic stability of the Upper Great Lakes Region.

But more is being accomplished than just the projects themselves. Through the investments made to revitalize the area, the Commission has guaranteed that the money expended will be more than made up in the future through expanded tax bases, a more stable economy capable of supporting the citizens, and overall a greater standard of living and human environment.

For the Regional Commissions to be effective, they must be provided with the adequate funding by Congress which will not only make available continuing funding for existing projects, but will also allow the assistance for new projects which hold out hope for more progress.

But the funding recommended by the Administration for the Title V groups, $21 million, is clearly inadequate for the continuation of the Commissions' activities. Should this funding be maintained by Congress, it is likely that the Commissions would be forced to abandon many worthwhile projects, and would prevent them from honoring commitments already made for the future. The cut-off of funds and the phase-out of the Title V groups such as is proposed by the Administration would have a great and detrimental effect on the economic progress which has been made to date in northern Wisconsin as a result of the assistance provided by the Upper Great Lakes Regional Commission.

For not only do the Commissions provide much-needed assistance in areas of economic depression, but the Commissions represent fully the principle expressed by the President as the "New Federalism," which places the prime responsibility for determining priorities in the hands of the local officials and citizens, who are best able to judge the needs in a particular area.

I would hope that the committee would see fit to provide at least $41.7 million for the Title V Commissions, which is the appropriation provided in fiscal year 1973. In addition, the Commissions ought to receive, as in the past, a proportionate allotment of the total Economic Development Administration funds, which, under the President's request, would total 20% or $40 million.

## THE NEED FOR FISCAL INTEGRITY

Mr. BROCK. Mr. President, on several occasions I have called to the attention of this body the need for fiscal integrity to insure the soundness of the dollar.

We have seen the specter of rising prices and Congress has reacted by passing a law to stop them.

We have seen growing deficits and the Senate has twice voted—and then ignored—a spending ceiling $700 million under the President's budget request.

Congress has demanded that business and labor limit their wage and profit increases.

It has urged a ceiling on the prices charged by the farmer and the retailer.

Although Congress has demanded sacrifices of others, it has totally failed to curb its penchant for spending.

Despite pledges to hold down Federal spending to combat inflation, Congress so far has voted to boost fiscal 1974 Government outlays by at least $1 billion over the $268.7 billion budget ceiling proposed by President Nixon. These figures are contained in the most recent 1974 budget scorekeeping report of the Joint Committee on Reduction of Federal Expenditures.

I have repeatedly called to the attention of this body the need to reform our budget process, and have introduced legislation in that regard. These figures illustrate the necessity for Congress to act forthwith to enact such needed reforms. I am pleased to be able to report that the Senate Government Operations Committee has been considering and should soon report comprehensive budget reform legislation.

Mr. President, I ask unanimous consent that the pertinent sections of the 1974 Budget Scorekeeping Report No. 4 be printed in the RECORD.

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

INTRODUCTION

FISCAL YEAR 1974—SCOREKEEPING HIGHLIGHTS

The impact of Congressional action to June 30 on the President's fiscal year 1974 requests (revised June 1) for budget authority and budget outlays, as shown in this report, may be summarized as follows:

[In millions]

| | House | Senate | Enacted |
|---|---|---|---|
| 1974 budget authority requested | $288,135 | $288,135 | $288,135 |
| Congressional changes to date (committee and floor action): | | | |
| Appropriation bills | +1,267 | +1,172 | |
| Legislative bills: | | | |
| Backdoor and mandatory increases | +1,704 | +1,166 | +39 |
| Adjustments and other changes | −1,139 | −601 | −1,139 |
| Total, changes (see table 1, p. 8, for details) | +1,832 | +1,737 | −1,100 |
| 1974 budget authority as adjusted by congressional changes to date | 289,967 | 289,872 | 287,035 |

| | House | Senate | Enacted |
|---|---|---|---|
| 1974 budget outlay estimate | $268,671 | $268,671 | $268,671 |
| Congressional changes to date (committee and floor action): | | | |
| Appropriation bills | +799 | +1,108 | +454 |
| Legislative bills: | | | |
| Backdoor and mandatory increases | +280 | +1,189 | +737 |
| Adjustments and other changes | −157 | −41 | −157 |
| Total, changes (see table 1, p. 8, for details) | +923 | +2,257 | +1,034 |
| 1974 budget outlays as adjusted by congressional changes to date | 269,594 | 270,928 | 269,705 |

*Deficit position*

The 1974 unified budget deficit, as revised June 1, is estimated at $2.7 billion—a decrease of $10 billion from the original January estimate of $12.7 billion. This current deficit estimate reflects a federal funds deficit of $18.8 billion and a trust fund surplus of $16.1 billion.

On the basis of changes to date (including committee action) by the respective Houses of Congress in budget outlay and revenue requests, the 1974 unified budget deficit would be:

| | |
|---|---|
| Budget estimate (revised June 1) | $2.7 billion |
| Based on House changes to date | $4.6 billion |
| Based on Senate changes to date | $4.8 billion |
| Based on changes enacted to date | $4.5 billion |

*Appropriation bills (see table 1, p. 8, for details)*

*Completed action* to date on appropriation legislation reflects the 1974 outlay impact of actions taken with respect to 1973 supplemental appropriations and other requests in the Urgent and Second Supplemental bills.

*Incomplete action* on 9 regular 1974 appropriation bills is reflected in this report, with the major impact as follows:

*Passed House and Senate*

Agriculture bill: House reduction of $120 million in budget authority and increase of $140 million in outlays; Senate increase of $671 million in budget authority and increase of $643 million in outlays.

HUD-Space-Science-Veterans bill: House increase of $454 million in budget authority with no change in outlays; Senate increase of $501 million in budget authority and decrease of $29 million in outlays.

*Passed House*

Transportation bill: decrease of $140 million in budget authority and $70 million in outlays.

Labor-HEW bill: increase of $1,264 million in budget authority and $490 million in outlays (committee action).

*Legislative bills—"backdoor" and mandatory (see table 1, p. 8, for details)*

*Completed actions:* To date, there has been completed action on 6 legislative bills carrying backdoor or mandatory authorizations affecting fiscal 1974. The major items are:

Welfare and medicaid amendments: mandatory increases of $391 million in budget authority and outlays.

Social security—exempt wages: backdoor increase of $100 million in outlays.

Unemployment benefit extension: backdoor increase of $116 million in outlays.

Veterans national cemeteries: mandatory veterans benefits of $110 million in budget authority and outlays.

*Pending actions:* In addition, there are 17 legislative bills carrying backdoor or mandatory authorizations which have passed or are pending in one or both Houses of Congress.

House action pertaining to 9 measures would increase budget authority by $2.2 billion, having an outlay impact of at least $184 million excluding the undetermined effect of increased contract authority.

Senate action pertaining to 11 such measures would increase budget authority by $1.1 billion, having an outlay impact of at least $452 million excluding the undetermined effect of increased contract authority.

The scored backdoor or mandatory impact of these pending legislative bills includes the following major programs and amounts in excess of the budget:

Highway programs: additional backdoor contract authority of $1,115 million as passed by the House, and $405 million as passed by the Senate. The 1974 outlay impact is undetermined. (Pending conference.)

Traffic safety: additional backdoor contract authority of $915 million as passed by the House and $245 million as passed by the Senate. The 1974 outlay impact is undetermined. (Pending conference.)

Other veterans benefits: two bills authorizing mandatory veterans health benefits totaling $248 million in budget authority and outlays as passed by the Senate.

*Legislative bills—adjustments and other changes (see table 1, p. 9, for detail)*

Completed action has been taken on 2 additional legislative bills having impact on the 1974 budget totals:

REA loans: removes lending program from the budget, thereby decreasing budget totals by $579 million in budget authority and $157 million in outlays.

Airport development: enactment of this contract authority in fiscal 1973, instead of 1974 as requested, has the effect of reducing 1974 budget authority by $560 million and shifting it into 1973.

*Revenue legislation (see table 2, p. 10, for detail)*

The June 1 budget revisions estimate revenue for fiscal 1974 will total $266 billion. This is an increase of $10 billion over the original January estimate of $256 billion.

To date, legislation has reduced 1974 revenue estimates (revised June 1) by $810 million, as follows:

Railroad Retirement: decrease of $612 million due to failure on part of the House and Senate to provide additional trust fund receipts requested.

REA loan repayments: decreased receipts by $348 million by removal of program from budget totals.

Social security wage taxes: increase of $150 million in trust fund revenue due to a wage base increase.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## AMENDMENTS OF 1973 TO FEDERAL LAW RELATING TO EXPLOSIVES

The PRESIDING OFFICER. The Senate will now resume the consideration of S. 1083, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1083) to amend certain provisions of Federal law relating to explosives.

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from West Virginia will state it.

Mr. ROBERT C. BYRD. Do I correctly understand that, under the order, the unfinished business will remain in a temporarily laid-aside status until the disposition of S. 1083 or until the close of business today, whichever is earlier?

The PRESIDING OFFICER. The Senator is correct. Who yields time?

Mr. JAVITS. Mr. President, I ask unanimous consent that Mr. Brian Conboy may have the privilege of the floor in connection with the debate on S. 1083.

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

Mr. BAYH. Mr. President, I ask unanimous consent that Mr. G. Robert Blakey, chief counsel of the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary, which has considered the bill, and Miss Mathea Falco, chief counsel of the Subcommittee To Investigate Juvenile Delinquency, which has also had a significant part in the preparation of the bill, be granted the privilege of the floor.

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

Mr. BAYH. Mr. President, I ask unanimous consent that the senior Senator from Alaska (Mr. STEVENS), the junior Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. COOK), and the Senator from Texas (Mr. TOWER) be added as cosponsors of the bill.

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

Mr. BAYH. Mr. President, the bill now before the Senate, S. 1083, cosponsored by the aforenamed Senators and the distinguished Senator from North Carolina (Mr. ERVIN) and the distinguished Senator from Kentucky (Mr. HUDDLESTON), as well as by the junior Senator from Indiana, now speaking, is designed to exempt commercially produced black powder from the licensing, permit, transportation, and storage provisions of title XI of the Organized Crime Control Act of 1970.

Under present Federal law, the purchase, possession, storage, and transportation of black powder in amounts larger than 5 pounds as well as certain igniters are subject to extensive regulation, resulting in serious hardships for the many thousands of Americans who use these materials for recreational, cultural, and sporting purposes. My bill would remove these burdens without affecting in any way the strict criminal penalties for the misuse of explosives, including black powder and igniters. These penalties, adopted by the Congress in 1970, are designed to prevent unlawful damage to property, intimidation, personal injury, and loss of life through the use of explosives. I believe that these terrible crimes must be punished swiftly and severely, as provided by present law.

Mr. President, S. 1083 has been considered by the Subcommittee on Criminal Laws and Procedures, of which the distinguished Senator from Arkansas (Mr. MCCLELLAN) is chairman. Both this subcommittee and the full Judiciary Committee favorably reported this bill in the nature of a substitute. The subcommittee amendment improved my original bill by extending the black powder and igniter exemption to include not only sporting purposes, but also cultural and recreational purposes in the definition of the permissible uses of these materials.

The issue we are considering today, the regulation of black powder, is not new to the Senate. In the 91st Congress Senators MCCLELLAN and HRUSKA introduced a bill, S. 3650, to strengthen the Federal laws concerning the illegal use, transportation, and possession of explosives. During consideration of this measure, the committee recognized the overly broad scope of its provisions with regard to ammunition and materials used for sporting purposes. The committee report on S. 3650 notes that—

The broad scope of the bill as originally introduced would have resulted in needlessly penalizing law abiding sportsmen who, because of the expense involved in pur-

chasing ammunition and as a hobby, hand load their own shells to be used for legitimate sporting purposes. In addition, over 10,000 of our citizens legitimately use black powder, smokeless powder, primers and percussion caps in connection with sporting activities involving muzzle loaded rifles and other guns. To meet this problem, Senator Schweiker (cosponsored by 27 other Senators) introduced amendment No. 728 to S. 3650 (see 116 Cong. Rec. S. 9559 (daily ed. June 23, 1970)), and others contacted the subcommittee. Consequently, language has been added to the bill that would exempt from its coverage these kinds of legitimate sporting activities. (Senate Report 91-1215, 91st Cong., 2d Sess., pp. 8-9 (1970).)

While Senator SCHWEIKER's amendment (No. 728) referred to in the committee report provided an exemption for black powder in amounts not to exceed 6 pounds for use for lawful sporting purposes—and I wish to emphasize the phrase "lawful sporting purposes"—the bill as reported by the committee contained a complete exemption for black powder by excluding small arms ammunition and components intended for use therein from the definition of explosive.

The Senate accepted without debate the committee amendments and adopted the bill by a vote of 68 to 0 on October 8, 1970.

However, it is fair to say this was done only in the spirit of compromise in trying to reach agreement. Both Houses passed separate bills, with the Senate finally adopting the House version which did not give adequate recognition to the use of black powder for sporting purposes. Thus, despite the language of the explosives law as finally enacted, the legislative history of this important measure clearly indicates that the Senate thoroughly considered the issue of exempting black powder for sporting purposes and acted favorably upon such an exemption.

Title XI of the Organized Crime Control Act was enacted 3 years ago to meet an intermediate, critical need to strengthen the Federal laws applicable to bomb explosions and bombing threats. The dangers posed by potential loss of life, destruction of property, intimidation, and the disruption of the daily activities of our people demanded strong, effective congressional action to curtail these bombings.

I enthusiastically supported the passage of that bill. Despite disagreement among us regarding certain provisions of that bill and despite the very strong position I have taken against what I feel are significant violations of the important guarantees of the Bill of Rights, I have nevertheless consistently maintained no American citizen has the right to use violent means to burn down a post office, an ROTC building, or to stick a bomb in a car as an expression of dissent.

However, I am sure that these efforts to deter criminals from misusing explosives were not intended to penalize our law-abiding sportsmen.

Furthermore, experience has shown that the restrictions on black powder have not been effective in curtailing bomb threats and bombing incidents. Studies conducted by the National Bomb Data Center have found that black powder is used in an insignificant number of bombings. During the period July 1970 through June 1971, 2,352 bombings were recorded by the center, of which only 96 contained black powder. Even more significant is the fact that a comparison of bombing reports for the 8-month period preceding the effective date of title XI—July 1970–February 1971 inclusive—and the 8-month period following that date—March 1971–October 1971 inclusive—reveals that the number of black powder bombs actually increased.

Thus, the restrictions placed on commercially manufactured black powder propellant have not had any demonstrable effect in reducing the incidence of black powder use for illegal purposes.

The center study on bombing, conducted by the International Association of Chiefs of Police, was based on newspaper reports and field reports from law enforcement agencies. Although no information was obtained on the type of black powder used in the small number of reported bombings, it is probable that a large percentage of the black powder incidents involved homemade black powder. Commercially manufactured black powder has been extremely difficult to obtain, even for legitimate purposes, since the effective date of title XI. As any schoolboy knows, black powder can easily be made from sulfur, saltpeter, and charcoal. However, as antique shooting sports enthusiasts know all too well, only the highest grade of propellant is suitable for muzzle-loading rifles and antique cannons.

The use of antique firearms and replicas of antique rifles and cannons is an integral part of the sporting, cultural, and recreational life of this country. Muzzle-loading rifles are used at meets throughout the Nation by organizations such as the National Muzzle Loading Rifle Association and the North-South Skirmish Association.

The organizations to which I referred a moment ago include both team and individual competitions using various types of Civil War weapons and other antique firearms. Antique or replica muzzle-loading cannons are also used nationwide by various civic, Boy Scout, and veteran groups in a variety of ceremonies, including flag-raising, centennial, sesquicentennial, and Fourth of July celebrations. Moreover, they are used by symphony orchestras in the performance of classical music, such as Tchaikovsky's "1812 Overture." In addition, replicas are manufactured for historical groups and associations for use on historical restorative projects throughout the country. In my own State of Indiana, organized competitions using antique muzzle-loading weapons are an important part of our recreational and sporting tradition.

Mr. President, the purpose of S. 1083 is relatively simple. First, it is designed to remove the rather significant burden which has been imposed on those sportsmen, on those symphony directors, on those community directors who are today utilizing black powder for wholesome recreational and cultural purposes. The second point I want to emphasize is that this bill is in no way designed to jeopardize law enforcement efforts to prevent illegal activity using any kind of explosive, and it is not designed to prevent punishing those terrible deeds which bring destruction, pain, suffering, and loss of life.

I yield the floor, Mr. President.

Mr. JAVITS. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator has 16 minutes.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

As usual, on such an important issue we argue to empty seats. I hope, however, that Members of the Senate will have read the details of the bill, and will at least have assistants around to report to them on what was said. Out of deference and respect to the Senate of the United States and the people of our country, the argument against the bill should be made.

Stripped naked, what the bill proposes to do is to repeal an important and effective limitation on the possession by individuals of black powder, which is an explosive, an extremely dangerous explosive. It would no longer retain the 5-pound limitation in present law. No argument has been made as to why 5 pounds is not enough. Five pounds can be pretty lethal. Nor can I follow the argument of the proponent of the bill, who stands us on our heads with the following argument: He denounces the use of black powder in pipe and other types of bomb devices, but, says he, make more black powder available. How that is going to abate the menace, even if it is not to end it, is beyond me.

We have heard a great deal in this Chamber about guns, criminal violence, and the need to back up our local police.

We have heard much about the death and injury resulting to innocent victims whose lives are shattered by the gunfire and bombs of criminals and terrorists. Who has become the No. 1 target of such people? In urban America, it is the policeman walking the beat.

This is but a part of a struggle which has been going on in the Congress and in the country for a long time. That struggle relates to whether we are to have rational and sane national policy dealing with explosive materials, guns and other implements of violence. It relates to the fact that we are unique from practically every other industrial country in the world, in the use and regulation of firearms. Those policies have presented a lethal reality to the people of the United States.

We have thousands and thousands of homicides in this country every year.

We have the worst homicide rate of any country of remotely comparable advance in terms of industry in the world. Yet we are soon to proliferate and add to this reality on the ground that we must once again help sportsmen.

One day the patience of the American people will snap. I have predicted this for a long time. The Congress has been good to sportsmen. We have responded to their legitimate needs. What has a sportsman to be afraid of, no matter what regulation we put on guns?

If he is a sportsman and comports himself with reasonable care, he is going to have a gun, and he is going to be able to shoot. No one has ever advocated taking it away. Nevertheless, the idea persists

that to be a man in the United States of America, one has to lend himself to these lethal practices. This bill is just a piece of that same psychology.

After working out a compromise in 1970 to try to accommodate the legitimate users of black powder, Congress wrote into the law a 5-pound limit on black powder. We have not been told today why the 5-pound limit is not enough for any sportsman. Now because some sportsman thinks he ought to have more, it is proposed to take the roof off altogether. What will be the result?

The hearings that the Senator from Indiana (Mr. BAYH) referred to lasted only 1 day. Who appeared at that hearing? The National Rifle Association, a long-time advocate of no restrictions at all; the Indiana Sportsmen Council; the National Muzzle-Loading Rifle Association, which I doubt represents an appreciable part of the people of the United States; and the North-South Skirmish Association, which I also doubt represents any appreciable part of the people of the United States. They testified. And the Federal law enforcement officials from the Treasury and Justice Departments testified. They testified against the bill, as it was their duty, indeed, to do.

So, in the absence of a record, of any record, from my local or State law enforcement official, I took it up with two of the most distinguished law enforcement officials in the country, Frank Hogan, the long-time district attorney of New York County, and I do not think there is any other individual better known in that field, and Donald F. Cawley, the new commissioner of police of the city of New York.

I should like to read their letters into the RECORD as the best answer to this bill. First I read from the letter of Mr. Frank Hogan, dated July 11, 1973:

JULY 11, 1973.

Hon. JACOB K. JAVITS,
*U.S. Senate, Committee on Foreign Relations, Washington, D.C.*

DEAR JACK: I have your letter of July 5, 1973 on the subject of Senate bill 1083, which would, if enacted, totally exempt black powder from the control provisions of Title XI of the Organized Crime Control Act.

Black powder as the destructive agent in terrorist bombings has not been as widely used in New York County as smoke powder and incendiary devices. It nonetheless has constituted, during the past two years, a serious menace in the hands of certain terrorists groups.

The most notorious incident, involving pipe bombs detonated by black powder components, occurred on January 24, 1972, when the Portuguese Airways Office at 601 Fifth Avenue was seriously damaged. This act was admitted by an organization identified with Pan-African nationalism, called the Black Revolutionary Army. The incident was the 44th in a series of bombings or attempted bombings of cultural missions, consular offices, airline and tourist agencies and other diplomatic or international organizations accredited in the city of New York. Black powder pipe bombs were utilized in almost all of these bombing incidents.

Bomb squad detectives have repeatedly advised us, in various investigations conducted by this office, and particularly in connection with our inquiries into the activities of the Jewish Defense League, that once a bomb has exploded it is often impossible to determine the precise nature of the detonating compound. Accordingly, I view with suspicion statistical assertions that assign to black powder a minor role in the illegal activities of political terrorists.

In any case, the potential damage to the public welfare, attendant upon the easy availability of black powder, warrants continued federal control as established in Title XI. We regret the existence of even the five pound exemption provided for in the current law. I wholeheartedly endorse your effort to resist deletion of the current Title XI black powder provisions.

With warmest regards,

Sincerely,

FRANK HOGAN,
*District Attorney, New York County.*

Now, the letter from Donald F. Cawley, a professional policeman, just recently made police commissioner. It reads:

JULY 12, 1973.

Hon. JACOB K. JAVITS,
*U.S. Senator,*
*Washington, D.C.*

DEAR SENATOR JAVITS: You have requested my views on Senate 1083, a bill to totally exempt commercially manufactured black powder from the provisions of Title XI of the Organized Crime Control Act (P.L. 91-452, 84 Stat. 958). As indicated in the Report of the Committee on the Judiciary, present federal law regulating the purchase, possession, storage and transportation of black powder in amounts larger than five pounds results in hardship and inconvenience to sportsmen, and other special interest groups. While I can understand the difficulties encountered by these groups, I cannot accept as a remedy a total repeal of the black powder provisions. In my view, when conflicting interests are sought to be adjusted, great weight must be accorded to the prevention of death or serious physical injuries to innocent citizens.

Black powder is, of course, an extremely dangerous and volatile explosive substance. In 1971, a five pound case of commercial black powder alleged to have been owned by an extremist group was discovered in a locker in the Port Authority Terminal. The possibility of an explosion, intentionally or accidentally, in such a crowded public area is cause for great governmental concern. Also in 1971 our Department recovered eight demonstration or dummy hand grenades which had been filled with black powder. In the year 1972, six pipe bomb devices filled with black powder were also discovered by our Department.

While black powder is not as widely used as other explosive substances, it is nevertheless still a factor. While it is only conjecture at this point, is it not possible that the relatively low incidence of black powder bombs is due, at least in part, to the very regulations now sought to be repealed?

I sincerely agree with your position, Senator, that the danger to citizens and police officers attendant to bombing incidents, requires that the most careful consideration be given to any legislation which would relax restrictions governing the availability of explosive materials. It is my position that in the interest of public safety, the black powder provision of Title XI should not be repealed.

I hope my views will be of some assistance to you.

Sincerely,

DONALD F. CAWLEY,
*Police Commissioner.*

Mr. President, the facts uttered by the Senator from Indiana with relation to the use of black powder bombs are themselves a growing reason why this particular piece of legislation should be rejected.

By records maintained by the Bureau of Alcohol, Tobacco, and Firearms of the Treasury Department, we can show that between July of 1971 and June of 1972, there were 542 explosive bombings in the United States. Black powder bombs were used in 18 percent or 100 of these cases. Subsequently, between July 1, 1972, and May 31, 1973, 409 explosive bombings were reported and 79 of these—or 18 percent—were caused by black powder bombs.

I respectfully submit on that argument alone that we show a material use of black powder bombs. Again, I say that we are being asked to stand on our heads and say that the danger will be less, because the people will be able to possess more lawfully.

I cannot understand the logic of this. It seems to me to be elemental that in the public interest 3 pounds is supply enough for any sportsman engaged in lawful sporting purposes, and to go beyond that would jeopardize the public safety. And if there is any reason, it cannot stand when compared with the public safety and the public interest involved.

Nevertheless, in fairness and because of the importance of this issue, I think that local law enforcement people in the country at the local level must be given an opportunity to have their say in respect of this proposed relaxation regarding black powder. There is no question and no argument that black powder can be used for bombs and that this bill, if it were to become law, would make the material more freely available. I am talking about commercially made black powder, and more of it would be made freely available. As a minimum, I think we owe that much to our local police officers.

Therefore, I deeply feel that the public safety and the public interest must be given more careful consideration in view of the high crime rate and the high bombing rate. We should determine that, at the very least, this bill should be returned to the Judiciary Committee so that it may take evidence from local law enforcement officers as to the balance of convenience which, I deeply feel, weighs heavily on the side of public safety on this issue.

At the appropriate time, on behalf of the Senator from Massachusetts and myself, I shall move that the bill be recommitted to the Judiciary Committee for further hearings.

Mr. BAYH. Mr. President, if the Senator would yield for a question or two regarding the correspondence he received—and I ask this only because I have not seen the correspondence. Mr. Hogan, who is certainly an outstanding public official, starts his letter by saying that he resents any 5-pound exemption at all. So we can see how much understanding he has for the legitimate need for commercially manufactured black powder. However, putting that consideration aside, in his letter, does he give the total number of bombs that he has studied? How many bombings did he have in New York City?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 5 minutes.

He gives in his letter a couple of in-

stances of the use of black powder in respect of bombing. He does not give a detailed figure for New York City. However, I respectfully submit that the very figures the Senator from Indiana used is no reason to dispute this. There is indictment enough in the very fact that black powder is a useful explosive for bombing and is actually used in a sufficient number of cases. He cites these figures himself.

Mr. BAYH. Mr. President, I was trying to find out more about the basis for the expert testimony. I was wondering whether he talked about the size of the bombs he referred to.

Did he talk about how much powder was contained in the explosive devices?

Mr. JAVITS. Mr. President, I suggest to the Senator from Indiana that I have read the letter and it is contained in the RECORD. I will read it again.

Mr. BAYH. Mr. President, I think the answer is that he did not.

Mr. JAVITS. Mr. President, if the Senator will forgive me, I am a pretty good cross-examiner myself. I would like to read what he said.

He said:

Black powder as the distructive agent in terrorist bombings has not been as widely used in New York County as smoke powder and incendiary devices. It nonetheless has constituted, during the past two years, a serious menace in the hands of certain terrorists groups.

The most notorious incident, involving pipe bombs detonated by black powder components, occurred on January 24, 1972, when the Portuguese Airways Office at 601 Fifth Avenue was seriously damaged. This act was admitted by an organization identified with Pan-African nationalism, called the Black Revolutionary Army. The incident was the 44th in a series of bombings or attempted bombings of cultural missions, consular offices, airline and tourist agencies and other diplomatic or international organizations accredited in the city of New York. Black powder pipe bombs were utilized in almost all of these bombing incidents.

That is his statement and I stand on that. If the Senator would like to join me in moving to recommit the bill to the Judiciary Committee, we can very easily have Frank Hogan come down to testify. I am sure that he will be very glad to do it.

Mr. BAYH. Mr. President, with all respect to Frank Hogan and my friend, the Senator from New York, I do not think we need further testimony. We have had the testimony of the experts in the Nation, those who have done more in studying bombs and bombing than anyone else in the country.

Mr. President, I did not mean to direct these questions to the Senator from New York in the form of cross examination. I was just trying to get the facts. The Senator from New York is one of the most outstanding men in the Senate.

I wish that he would look at some of the testimony from the people downtown, representing the Departments of Justice and Treasury, to see whether he would want to base his reputation on the kind of logic they presented.

One lawyer who came up here to represent the Justice Department and tried to present a case did not even realize that the committee bill distinguishes between commercially produced black powder and homemade black powder.

The fact is that most of these bombs are produced in the bathtub. Black powder can be made by any high school chemistry student. There is no way to get around that kind of thing happening. The reason I asked those questions was to see whether Chief Hogan knew how many pounds of powder were used, and the kind of powder that was used.

Mr. JAVITS. Mr. President, in the remainder of my time, may I point out that the letter of the chief of police of the city of New York deals specifically with commercial black powder.

Mr. BAYH. With all respect, if my friend will yield, I may be thinking about the wrong letter, but I think Chief Cawley—is that his name?

Mr. JAVITS. Police Commissioner Cawley.

Mr. BAYH. I think he said in his letter that based on his expertise, it was difficult to ascertain what kind of black powder was used.

Mr. JAVITS. Mr. President, I yield myself 2 minutes for this purpose: I think it is very important to just read again from Mr. Cawley's letter. He said:

Black powder is, of course, an extremely dangerous and volatile explosive substance. In 1971, a five pound case of commercial black powder alleged to have been owned by an extremist group was discovered in a locker in the Port Authority Terminal.

That was all I was referring to. But again, Mr. President, no argument has been made, and I doubt that one can be made, that to pass this law will improve our situation. It can only make it worse.

The reason for my opposition is that I deeply believe it will only make it worse, and that we are yielding to an influence which is insidious to the public security on the basis of private convenience. The relative merits and relative equities are so disparate that the issue should be decided in favor of the general public.

Mr. BAYH. Mr. President, I think the Senator from New York has raised one very good point that the Senator from Indiana had not detailed, but I shall be glad to do so.

I must say I think it is a bit of an exaggeration for him to start his statement by saying we are asking the Senate to stand on its head.

We are asking the Senate to consider once again an issue it has already favorably passed. No one here can say black powder does not explode; that is what it is all about. So does gasoline; so does ammonium nitrate fertilizer; so does smokeless powder.

I was up at the University of Wisconsin, at Madison. They blew out the whole front of the math research building out there. What were the contents of that bomb? Ammonium nitrate fertilizer and gasoline—both of which are exempt from the coverage of the explosives law.

I think the Senator from New York is right to inquire whether it is going to get any worse. I do not think so. I remind my friend from New York that the only firearms bill that has passed this body since the 1968 Gun Control Act, which was supported by the Senator from Indiana, was a Saturday night special bill of which I was the original sponsor.

The Senator from New York did not think it went far enough. I think it is self-evident that the Senator from Indiana is not seeking to aid bombers and burglars.

I would just like to answer a point raised, I think very legitimately, by my friend from New York, and that is, Why is it necessary to have black powder at all? Who is really concerned about the sportsmen? Are these regulations really an inconvenience?

A year ago, I could not have answered that question. I wish to say that I do not belong to any of these muzzle-loading sports organizations, although a number of them are in my constituency. In the last year, I have undertaken to find out if the black powder restrictions are unduly burdensome.

Last Saturday I was in Indianapolis, Ind., and participated in the State championship shoot of these muzzle-loaders. These antique weapons are not the kind of weapon you would use to hold up a liquor store or the corner grocery, or break into someone's house.

The basic problem facing these sportsmen is that the sport has reached a degree of sophistication where as many as four different kinds of shooting grade black powder are needed. Buying four different kinds of black powder in one 5-pound-lot limitation causes a serious inconvenience, if not a prohibition on those people, who really are not hurting anyone.

I have never shot an antique cannon in my life, but I am not about to say that there is not a place for antique cannons, particularly as we approach our 200th birthday. If someone is firing antique cannons, are we going to say, "Wait a minute, he is not performing a useful recreational or cultural purpose?" I am not about to say that. I think they are making a useful contribution.

And what about symphony conductors? I never thought they would come to me saying, "Senator BAYH, we are having problems complying with a 5-pound limitation on black powder." That is because the "1812 Overture" involves the firing of cannon. I have never conducted a symphony orchestra, and never will, but I am sympathetic with their problem. Plus one other point——

Mr. JAVITS. Mr. President, will the Senator yield so that I may ask for a rollcall?

Mr. BAYH. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that it may be in order to ask for the yeas and nays on the motion to recommit.

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

Mr. JAVITS. I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. BAYH. One last observation. I think one point raised by the Senator from New York was very legitimate; namely, the inconvenience involved.

Because of the restrictions and the resulting expense and inconvenience, the great majority of the dealers who

previously sold even 6 pounds of black powder have now been forced out of business. In some communities it is very difficult to get any black powder at all. This imposes not only a hardship and an inconvenience, but an outright prohibition on those who want to use this kind of powder in their sporting and cultural activities.

Mr. GOLDWATER. Will the Senator from New York yield to me?

Mr. JAVITS. I am happy to yield 3 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have a great interest in this legislation, but I am not certain as to what it would or would not do. Therefore, I shall support the motion to recommit the bill to the Judiciary Committee so that full and complete hearings can be held and a chance can be given to those who enjoy muzzle-loading shooting, hand shooting, and so forth, to be heard.

I happen to be one of those who enjoy muzzle-loading weapons. In fact, I am now in the process of building a 44-caliber muzzle-loading pistol. I have been building it for a long time and am enjoying doing so. There are literally tens of thousands of people in this country who find this a good form of recreation, not only to make the weapon but also to take it out and shoot it.

This is not the kind of weapon that someone would be able to hide under his belt and go out and hold up a liquor store with it. I have trouble holding one with my two hands. So far as the 5 pounds go, I can agree with the Senator from Indiana that 5 pounds is not going to last a muzzle loader a long time. There are four different grades, 1F to 4F, which are found to be necessary throughout the course of competition by one man, particularly if he has an assortment of rifles and pistols or even cannon.

I might add, the restrictions have been so tight that the big producer of this black powder for sporting purposes, Du Pont, no longer manufactures it. The powder we buy, and I use, is imported from England. I know there are black powder companies in the United States, but black powder is very difficult to buy.

I think I speak for the tens of thousands of people of all ages and all purposes and interests in life when I ask that further hearings be held on this bill, because I sense that we might wind up with further restrictions on the ownership and use of arms for sporting purposes.

Mr. BAYH. Mr. President, will the Senator from Arizona permit me to ask him a question, on my time?

Mr. GOLDWATER. I should be happy to do so.

Mr. BAYH. I have listened to the persuasive remarks just made by my friend from Arizona, and it sounds to me as though he is arguing on my side of the issue. This is an issue which is supported by the National Muzzle Loading Rifle Association and the North-South Skirmish Association. It is a measure which I think the Senator from Arizona supported in 1970 when the explosives bill passed the Senate by a unanimous vote.

Mr. GOLDWATER. That is exactly what I rose to find out, as to what the legislation was. It is difficult for me to understand, not having the whole bill before me, but I do want to see accomplished those things which we tried to accomplish before.

If the Senator from Indiana can convince me that is the case, I will be convinced to change my persuasion.

Mr. BAYH. I would not want to change the Senator from Arizona's mind unless he were convinced of the logic and merit of the proposal.

The amendment of the Senator from Indiana, the Senators from Kentucky, the Senator from Alaska, and the Senators from Texas, and North Carolina, would put commercially manufactured black powder in the same position now that smokeless powder is. Given the exemption, it would then be in the same position we tried to put it in in 1970 when it passed the Senate. The 5-pound limitation was in the House bill. This is no back-door effort to restrict antique firearms at all. It says on its face exactly what it does.

Mr. GOLDWATER. I thank the Senator from Indiana. I do not know exactly what the language was intended to do. I was trying to support the effort to have more hearings, but if this language does what the Senator says it does, that is precisely what I, as a muzzle loader, may find as something of a conflict of interest, to argue in my own behalf; but that is what I want.

I am told by my friend from Texas, who comes from a muzzle-loading State, that this is true. If that is the case, I will withdraw my support of the Javits proposal and support the proposal of the Senator from Indiana.

This convinces me that once in a while debate in the Senate does do some good. Senators do not have much time to study all these bills. When I see something that even sounds like black powder might be in trouble, it kind of discourages me. So I am happy to have the comments of the Senator from Indiana, and I am very glad that my friend from Texas came in at the time he did.

So now I will listen to what the Senator from New York has to say, and he will probably change my mind again. It rarely happens that I change my mind once in 1 day, or even in a year. I did not see the bill and was not able to read the language, but if that is the case, I am convinced that the Senator from Indiana is right and I will stand behind his proposal.

Mr. JAVITS. Mr. President, I yield myself 30 seconds to say to the Senator from Arizona that I did not yield the time to him under any illusions whatever, just strictly as a courtesy and as a friend.

Mr. STEVENS. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. How much time does the Senator want?

Mr. STEVENS. Not much.

Mr. BAYH. Mr. President, I appreciate the long-time interest of the Senator from Alaska in this subject, who has introduced a bill on a subject similar to that of the Senator from Indiana. I also appreciate particularly his cosponsorship of the bill.

Mr. STEVENS. Mr. President, I should like to ask the Senator from Indiana if he would add not only my name, but also the names of the Senator from Kentucky (Mr. COOK) and the Senator from Texas (Mr. TOWER) as cosponsors of his amendment.

Mr. BAYH. I would say to the Senator from Alaska that both Senators have been added as cosponsors earlier.

Mr. STEVENS. I thank the Senator.

Mr. President, S. 1083 will amend certain provisions of the Federal law relating to explosives to permit the use of commercially manufactured black powder "intended to be used solely for sporting, recreational, or cultural purposes in antique firearms" or replicas thereof.

I repeat this is only for sporting, recreation, or cultural purposes. It is only for commercially manufactured black powder. Homemade black powder is not included.

The Organized Crime Control Act of 1970 has placed severe and unreasonable restrictions upon many law-abiding American citizens. Several groups are adversely affected. These include muzzle loading enthusiasts, those who fire ceremonial cannons on the Fourth of July and other patriotic holidays, and cultural users, including musicians. For example, Tchaikovsky's 1812 Overture depicts the firing of a cannon. This is one part of the score. It is important for the overture to be performed correctly that not only an adequate supply, but a high quality of black powder be available. Such black powder cannot be manufactured at home—it requires commercial standardization and quality.

On March 20 of this year, I introduced S. 1304 on this subject, along with the distinguished Senator from Texas (Mr. TOWER) and the distinguished Senator from Kentucky (Mr. COOK). Of course, I was aware of the history of this legislation and the provision in S. 3650 of the 91st Congress which exempted black powder by excluding small arms ammunition and components intended for use therein.

As America approaches its bicentennial birthday, the Nation's thoughts are turning increasingly to the past for a preservation of the historical ideals upon which this Nation was founded. Yet few Americans actively practice any sport in a manner calculated to be as authentically historical as possible.

Among those who do are the muzzle loaders. These people simulate conditions similar to those during the Civil War and before. They gather several times yearly in various parts of the United States from the east coast to Alaska to shoot and discuss the fascinating details of their unique hobby. They manufacture authentic uniforms of the times. They shoot at targets under carefully supervised safety conditions with all the authentic pageantry possible.

One of their safety precautions precludes the use of modern smokeless powders. Modern smokeless powders cannot be used in their antique firearms for, unlike black powder, modern smokeless produces dangerously high levels of pressure. This pressure may explode the

weapons and could cause serious injury. Therefore, the only propellant they can use with any degree of safety is black powder.

Unfortunately, these legitimate sportsmen have been unable to obtain domestically manufactured black powder propellant. Only one domestic corporation produced black powder until 1971. This manufacturer then ceased production, until recently, when it resumed production of limited amounts to fulfill military contracts. However, this corporation has indicated that it does not intend to continue domestic production after March 1973 and will then attempt to sell its plant to the successful bidder on the new contracts.

Since June 1971, the only source of commercial black powder available for sportsmen in the United States has been in Scotland. All black powder available commercially for private individuals must be imported. Recently, this producer in Scotland was also temporarily out of production. No other plant is selling to muzzle loaders and other legitimate sportsmen because of the relatively small demand for black powder.

As I have indicated, this situation has also had other unintended side affects. For example, the Cincinnati Symphony Orchestra is now unable to perform the 1812 Overture Solennelle by Tchaikovsky because it closes with a cannon volley utilizing commercial black powder. Those of us who know and appreciate this particular composition will deeply feel its loss.

Mr. President, as you can see, importation and distribution of black powder has been severely restricted. Moreover, under title XI of the Organized Crime Control Act of 1970, no more than five pounds of black powder may be purchased at one time. This statute has severely curtailed legitimate muzzle loaders.

The theory behind the prohibition in title XI was that, because black powder was used in the making of pipe-bombs, it should be prohibited. Several facts were not realized at the time the bill was passed.

The first was that black powder devices have seldom been used in bomb devices. From July 1, 1970, to December 31, 1971, only 3.87 percent of all American bombings involved black powder devices.

Second, homemade black powder can be manufactured from ingredients easily purchased commercially. Homemade black powder is suitable for bombs, but it is useless as a shooting propellant, for quality and consistency are both vital. Fertilizer, propane, and cotton are a few readily available potential bomb components. These are all exempt under title XI. Even automobile gasoline can be utilized. Commercial black powder, expensive and hard to obtain, is not used by bombers.

The Treasury Department conducted experiments involving homemade bombs manufactured with common materials costing only $3. The principal ingredient was ammonium nitrate fertilizer, readily available in garden supply stores for approximately $4 per 80-pound bag or in bulk from farm suppliers for approximately $60 per ton. Such materials are not licensed or restricted on any level of government.

To produce the same level of explosion as that which resulted from the bomb made by the Treasury Department with $3 worth of common materials would require at least $1,000 to $2,000 worth of commercial handloaders propellant or almost as much commercial black powder and an initiating charge of some type of high explosive. It would also require a skillful explosives expert. The fact remains this is only a guess because smokeless powder has never been used for such a purpose in the Treasury Department experiments.

Mr. President, if black powder must be so regulated, a host of other materials should receive similar treatment. Playing cards, hand soap, sugar, and flour are but a few. Ammonium nitrate fertilizer, when mixed with fuel oil, creates a high explosive presently used for 70 percent of the commercial blasting formerly done with dynamite. Yet fertilizer is not regulated. In fact, ammonium nitrate fertilizer may be mixed with other materials in such a way as to be detonated by nothing more than a fire cracker, although the standard mix requires an explosive priming charge. The details of such a "high explosive" mixture are available in almost any public or college library.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I received on August 12, 1972, from the North-South Skirmish Association Inc.; the definition of antique firearms under the Gun Control Act of 1968; and a reprint from the Handholder magazine of November–December 1971.

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

NORTH-SOUTH SKIRMISH
ASSOCIATION, INC.,
*Fort Knox, Ky., August 12, 1972.*

Senator TED STEVENS,
*U.S. Senate,*
*Washington, D.C.*
Attention: Mr. Max Gruenberg

DEAR SENATOR STEVENS: I am a concerned member of the blackpowder shooting fraternity. Blackpowder shooting sports are threatened with possible extinction largely due to the unintended side effects of the restrictions imposed on blackpowder shooting propellant by Title XI of the Organized Crime Control Act of 1970—PL 91-452. This law makes no distinction between those materials commonly termed "blackpowder" but which are different in manufacture and designed purpose—blasting powder, home made blackpowder, and commercially manufactured blackpowder shooting propellant.

Information recently obtained from the Bomb Data Center of the International Association of Chiefs of Police reveals that the alleged role of blackpowder of all types as a bomb filler has been greatly exaggerated in the past when no accurate data were available. For the period of July 1, 1970 through December 31, 1971, there were a total of 3,841 bomb devices of all types employed in the United States. Only 149 (3.87%) of all devices used blackpowder as a filler; 3,692 (96.13%) employed materials other than blackpowder! See enclosed statistical summary.

With the proven infrequent use of blackpowder as a bomb filler by terrorist bombers and with the availability and use of many more powerful and efficient materials obtained by terrorist bombers through theft, underworld sources, chemistry laboratories, drug and grocery stores, the present federal regulations on the sale and transportation and storage of blackpowder propellant have little effect on the total number of criminal bombings, but are instead effectively strangling a legitimate form of shooting sport as old as this nation itself.

Recognizing the serious problems which threaten black-powder shooting sports, Congressman Lee H. Hamilton of Indiana and four of his fellow Representatives have introduced H.R. 12406, which will remedy the present unfortunate situation by granting commercially manufactured blackpowder propellant an exemption from the restrictions contained in PL 91-452.

Senator Stevens, you have repeatedly demonstrated that you are a champion of the firearms owners of America. I ask that you take up the cause of the blackpowder shooters of America and introduce in the Senate a bill similar to H.R. 12406 and champion its passage. I will be pleased to provide any additional information you may desire. I am also requesting LTC (Ret.) Vaughn K. Goodwin, President of the National Muzzle Loading Rifle Association to submit material about his organization and its activities, as well as blackpowder hunting.

I shall be looking forward to hearing from you.

Sincerely,

RICHARD L. CORRIGAN,
*President, North-South Skirmish Association.*

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ANTIQUE FIREARMS UNDER THE GUN CONTROL ACT OF 1968

Under Section 921(a)(16) of Title I of the Gun Control Act of 1968, the term "antique firearm" means, "(A) any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898; and (B) any replica, of any firearm described in subparagraph (A) if such replica—' (i) is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition, or (ii) uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade."

Under Section 5845(g) of Title II of the Gun Control Act of 1968 (known as the National Firearms Act), an "antique firearm" is defined as, "any firearm not designed or redesigned for using rimfire or conventional centerfire ignition with fixed ammunition and manufactured on or before 1898 (including any matchlock, flintlock, percussion cap, or similar type of ignition system or replica therefor, whether actually manufactured before or after the year 1898) and also any firearm using fixed ammunition manufactured in or before 1898, for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade."

For a weapon to qualify as an "antique firearms" under Title I of the Gun Control Act 1968 by virtue of its date of manufacture, it is necessary that the weapon actually was manufactured before January 1, 1899. A weapon manufactured on or after January 1, 1899, (even though it might have a model designation indicating an earlier year) would not qualify as an "antique firearm" unless it is a replica of a firearm manufactured in or before 1898, and such replica is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition, or uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade.

To illustrate the distinction between the

two separate definitions of an "antique firearm" as contained in Title I and Title II of the Gun Control Act of 1968, a rifle manufactured in or before 1898 would not come under the provisions of Title I of the Act even though it uses conventional ammunition. However, if the same rifle has a barrel less than 16 inches in length and uses conventional fixed ammunition which is available in the ordinary channels of commercial trade, it would be a "firearm" as defined in Section 5845(a) of Title II of the Act and, as such, subject to the full provisions of the National Firearms Act.

A weapon which comes within the classification of an "antique firearm" as defined in both Title I and Title II of the Gun Control Act of 1968, is exempt from all of the provisions and restrictions contained in that Act. Consequently, such an "antique firearm" may be bought, sold, transported, shipped, etc., without regard to the provisions of the Act and with exemption from the licensing and record keeping requirements of the Act. "Antique firearms" as defined may also be imported into the United States without an import permit from this office. There is no list of "antique firearms" published by the Internal Revenue Service, Alcohol, Tobacco and Firearms Division, since it would be impossible to establish and maintain an all inclusive list of this nature.

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THREE DOLLARS WORTH OF FERTILIZER

The awesome destructive power so vividly illustrated on these two pages was unleashed by Treasury Department agents in a demonstration for law enforcement officials at Vandenberg Air Force Base, California, in August 1971.

According to the officers conducting the demonstrations, the blast was created with a homemade bomb rigged with $3 worth of common materials. The principal ingredients was ammonium nitrate fertilizer—available at garden supply stores for about $4 per 80-pound bag, or in bulk from farm suppliers for around $60 per ton.

So what has this to do with handloading? A great deal.

As a result of a sharp increase in terrorist bombings by militant radicals in the past few years, there has been an almost constant stream of explosives control bills introduced by city, state and federal lawmakers.

These bills follow one general theme: requiring licenses of all "explosives" dealers, with permits for "explosives" users. "Explosives" is usually defined in these bills to include all commercial "high explosives," such as dynamite and TNT, but only two "low explosives"—the black powder and smokeless propellants used by handloaders and muzzle loaders.

Thanks to the assistance of the Nixon Administration, the federal explosives control law enacted last year exempted smokeless propellants and five-pound quantities of black powder. It is unfortunate that black powder was not exempted, for the five-pound limit is proving inadequate for many shooters, due to a shortage of local suppliers. Also, although black powder suitable for bombs can be made with a junior chemistry set, the high quality black powder used in firearms must be commercially manufactured.

Since the federal law was enacted, many other bills have been introduced in Congress and in state legislatures which would place additional, more stringent controls upon purchasers of "explosives," including smokeless propellant and black powder. Many are poorly drafted, and all would fail to meet their stated objective of reducing terrorist bombings.

The average lawmaker—like the average citizen—has a limited understanding of explosives—and is likely to legislate on the basis of this lack of knowledge, drafting his bill to include "gunpowder." This imprecise term is a holdover from the last century, when black powder similar to that used for guns was the principal blasting agent.

The misunderstanding concerning firearms propellants is furthered by television and movie portrayals of someone blasting his way out of peril with a bomb made with the powder from a half-dozen rifle or pistol cartridges. Like so much else in the movies, "it just don't work that way."

Smokeless propellants are "deflagrants," that is they burn at a high, but controlled rate, releasing gases which force a bullet out the barrel. A person with considerable knowledge could make a bomb with smokeless propellant, but it is unlikely that he could produce other than a "low order" detonation.

As a guess, based on a considerable amount of research into explosives, duplicating the $3 ammonium nitrate blast depicted on these pages would require at least $1,000 to $2,000 worth of handloader's smokeless propellant (almost as much black powder), an initiating charge of some type of high explosive, and a skilful explosives man. Even that might not do it; no one knows for sure because smokeless propellants simply aren't used that way.

Wouldn't the fact that smokeless can be made into bomb, justify its inclusion in anti-bombing laws? *Only if all other materials which can be made into bombs are similarly controlled.* And that's impossible!

In normal use, smokeless is not an explosive. The same is true of Nylon panties, gasoline, propane, hand soap, playing cards, sugar, flour, or ammonium nitrate fertilizer. But with a little knowledge, any of these items—and a long, long list of other materials—may be made into bombs as powerful, or many times more powerful, than any bomb made from either smokeless propellant or black powder.

None of the bills we have seen propose to regulate "low explosive" ammonium nitrate fertilizer, yet according to *The Wall Street Journal*, the same material—mixed with fuel oil—to make it a "high explosive"—is being used for 70 percent of the commercial blasting formerly done with dynamite. That standard mix requires an explosive priming charge to insure detonation, but ammonium nitrate fertilizer may be mixed with other materials in such a way as to be detonated by nothing more than a firecracker. The details of such "high explosive" mixtures are available in almost any public or college library.

Whatever laws are passed, such knowledge cannot be repealed; and it is being used by radicals. For instance, the devastating blast which destroyed the Mathematics Research Center at the University of Wisconsin last year, killing one and injuring several, was caused by a trailer loaded with 1,700 pounds of ammonium nitrate fertilizer mixed with gasoline.

Astonishingly, the Wisconsin tragedy has been cited as evidence of the "need" for new explosives laws regulating smokeless propellants—but such proposed laws do not include ammonium nitrate!

Even if ammonium nitrate were included in the laws, it would accomplish nothing, for how much control could be placed on the millions of tons used by farmers. And even if it could be regulated, all of the other potentially explosive materials would still be available—and the information would still be in the libraries.

The only sensible solution is to make explosive laws apply only to commercial high explosives, then outlaw the unauthorized possession of any substance prepared in such a way as to perform as a high explosive or destructive bomb. And that is precisely what the existing federal law does (though it needlessly includes black powder limitations).

When your lawmaker begins to think more laws are needed to control explosives, show him these photos and ask him how he proposes to control such homemade explosives.

He may ask, as Rep. Emanuel Celler asked at the explosives hearings last year, "What legislation can we enact to keep explosives out of the hands of bombers?" And you may answer, as both this editor and a demolition expert answered: "None. Explosives are too easy to make."—Neal Knox

Mr. JAVITS. Mr. President, I yield 10 minutes to the Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER (Mr. SCOTT of Virginia). The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, I shall join the Senator on the motion to send this legislation back to the committee, in the hope of permitting some of those charged with law enforcement in this country the opportunity to speak on this issue which I think is of great importance to all Americans.

A significant question of doubt has been raised in the minds of law enforcement officials in this country as to the impact of this legislation on the safety of American citizens. The figures that we have been able to assemble on the subject would indicate that close to 20 percent—exactly 18 percent—of the nonincendiary bombs exploded in this country during the past 2 years were caused by black powder devices.

What the Senate is being asked to do now is to make it easier for individuals in this country to be able to acquire black powder. The argument is made in opposition to it, "Well, the bombers can go out and make bombs from other substances so, therefore, why do we not put black powder on the market and make it easier for people to get black powder because we know that if we place restrictions on it, they may go out and build more bombs from other substances?

That is the most convoluted reasoning I have ever heard.

The kind of bill we should be considering today is one to establish regulations requiring those who want to buy up to 5 pounds of black powder to go through some kind of procedure, some kind of licensing procedure, in order to be able to purchase black powder. I do not think that would be an undue kind of hardship or an undue restriction on those interested in the particular hobbies or other legitimate interests in pursuit of sporting interests involving this dangerous substance.

We require all Americans who want to drive a vehicle to get a license and register their vehicle. When we are talking about a substance which has been used in approximately 20 percent of the bombings in this country and is an extremely dangerous substance, why should we not maintain at least some kind of procedure to provide adequate protection for the American people?

I think we all recall 1967 and 1968, when we had a rash of bombings all over this country. At that time, Senators were tripping all over themselves about what could be done to try to take either firearms or explosives away from irresponsible people in this Nation. Senator after Senator was introducing legislation in order to try to meet their objection.

Since then we have had a little peace, and during that period of time, five pres-

idential commissions have been established to try to advise us and guide us about what we ought to be doing about crime and violence in this country. One conclusion was to provide a restriction on the general usage of firearms, to provide some kind of licensing and registration of firearms, and we made some attempt in that direction in 1968. Since that time, we have seen a loosening, by amendment after amendment that has come up in the Senate, in an attempt to weaken even the provisions that were included in 1968.

Now we are back to a situation where we have a substance that involves making explosives and bombs. No one should kid himself that this is not a dangerous substance—it is—and though it may be used legitimately, by those who are interested in sporting purposes, such as those who fire muzzle loading rifles, it is important to keep in mind that black powder also can be used to kill law enforcement personnel in this country. A number of them have been killed over the period of the last year, and I ask unanimous consent to have printed in the RECORD a list of personnel who recently have been reported killed or had their arms taken off or their eyes blown out by black powder explosions. I want to make that list a part of the RECORD.

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

INJURIES AND DEATHS CAUSED BY BLACK POWDER BOMBS ACCORDING TO ALCOHOL, TOBACCO, AND FIREARMS BUREAU OF THE U.S. TREASURY

March 14, 1973—black powder pipe bomb—police sergeant lost one hand and three fingers.

November 11, 1972—Jasper, Tenn.—pipe bomb—five persons injured, three in serious condition.

January 10, 1973—15 year old boy hospitalized for black powder—muzzle loading rifle, explosion.

July 15, 1972—Melbourne Beach, Florida—black powder bomb detonated, blew out eye and skull, died in four hours.

November 9, 1972—Orange, California—black powder bomb—22 year old male—lost three fingers.

July 10, 1972—Dubuque, Iowa—black powder bomb—wounds received by 1 person.

May 30, 1973—New York City—black powder pipe bomb—death of female.

December 25, 1972—Houston, Texas—black powder pipe bomb mfr. injured perpetrator.

May 29, 1973—Upper Deerfield Township, N.J.—black powder bomb accidentally exploded in vehicle—serious injury to one, and injury to another.

April 28, 1972—Saginaw, Mich.—black powder detonated in glass bottle. Minor child in critical condition—heart and lung injury—older brother kept powder on hand for cap and ball pistol.

June 1, 1971—Moosic, Pa. plant—recovered pieces of human flesh from one person killed due to black powder explosion that shut down that plant for 2 years.

These figures based on actual ATF investigations conducted by their own special agents.

Mr. KENNEDY. It is interesting, Mr. President, as we meet on this particular subject, that we are not going to hear from the individuals who are charged with law-enforcement responsibility at the local level, such as the chief of police in Boston, who wants to come here and testify in opposition to this measure. He thinks it is a threat to the security, the peace, and the stability of the people of Boston. It is quite clear, with this record, that when we are going to consider this type of legislation we ought to listen to such men.

I, for one, would hope that we could listen to the personnel who are charged with local law-enforcement responsibility, whose job is difficult and trying at best, in keeping the streets of this country clear and clean from violence and disorder, who feel strongly about this kind of legislation. They are on the frontline of law enforcement, they are walking the beats, and are charged with disassembling bombs when they find them—if they are fortunate enough to find them—in public or private places. We ought to be willing to listen to them. That is the thrust and purpose of this motion. This measure as constructed is not reasonable. Yet, my move to recommit the bill is a sensible way to get at the heart of this issue; and it is something to which this body is fully entitled.

I would have hoped that we would have had a measure which would provide at least controls on weapons and materials that are used for explosives. And if there are other techniques which are used for developing explosives and other materials involved in explosives, we ought to be considering what we are going to be doing about those as well, rather than making it easier for people to acquire the quantities which can be devastating.

We know that a pretty sizable bomb can go off with 1 pound of black powder. According to existing law and regulations, an individual can acquire more than 5 pounds of black powder by a payment of $20.

As I understand it, the principal part of that $20 is to be used for the administration of that program. Yet, the point is made that that $20 serves as a hardship on individuals who want to buy more than 5 pounds. Why does not this Senate consider that this fee also provides some degree of security for the people of this country. The American people are paying about $250 million in order to make the airlines safe. Everyone who travels by air in the United States now has to go through some kind of search. The American people are paying $250 million for security, and we on the floor of the Senate are going to make it easy to blow up not only a plane but any public utility as well. We are balancing these forces off one against the other.

It seems to me that besides those who are interested in musketeers and other legitimate sport interests, we also ought to take into account the interest of he overall public. I, for one, fail to be convinced that those who are charged with the public interest, who are in the front lines of defense, the law enforcement personnel, the chiefs of police, have been adequately heard. They know what is in the interest of the public in this area. We should listen to them. They have not been entitled to do so.

The purpose of this motion to recommit is to give them the opportunity to be heard. I hope the motion will be agreed to by the Senate.

Mr. President, in 1970 Congress enacted title XI of the Organized Crime Control Act. The stated purpose of Congress in enacting title XI was to reduce the hazard to persons and property arising from misuse and unsafe or insecure storage of explosive materials. Exempt from title XI was the licensing, transportation, and storage of up to 5 pounds of black powder. This exemption was made in deference to the sporting users of black powder.

Earlier this month hearings were held on S. 1083, a bill to exempt black powder from the permit, licensing, and storage provision of title XI of the Organized Crime Control Act. It is my firm belief that the exemptions for black powder now in effect, under title XI are sufficient to adequately meet the needs of those persons who want to use black powder for legitimate sporting purposes.

I am aware of the efforts of groups like the National Muzzle Loading Rifle Association and the North-South Skirmish Association in holding reenactments of battles of the Revolutionary period and other historical and cultural programs. It is not my purpose in opposing S. 1083, to cause undue hardship or harassment to those who pursue their recreational or cultural endeavors in this manner. Indeed, that is not the intent of title XI. The intent of that law is to restrict the availability of large quantities of a very unreliable explosive.

It has been argued by some, who support this amendment, that since black powder is so unreliable as an explosive it is not sought after as a blasting agent by terrorists and bombers. This is not the case.

The Alcohol, Tobacco and Firearms Bureau of the Department of the Treasury maintains statistics about bombing incidents and the type of explosive used. According to the Department, between July 1, 1971 and June 30, 1972, there were a total of 542 explosive bombings in the United States. Black powder bombs were used in 18 percent or 100 of these cases. Subsequently, between July 1, 1972 and May 31, 1973, 409 explosive bombings were reported and 79 of these or 18 percent were caused by black powder bombs. These bombing incidents, both malicious and accidental, occurred in every type of community in our society, from explosions in high schools to the planned ambush of police officers answering a call for help, to the planned assassination of two men in a car and the accidental maiming of a 15-year-old boy. All of this destruction and suffering was caused by the so-called harmless black powder. How many more incidents could be added to the list if this dangerous explosive were once again exempted from licensing, storage, and transport regulation.

Another argument leveled at those who would like to see dangerous explosives strictly controlled, contends that 5 pounds of black powder is not a sufficient amount to meet the needs of some sportsmen. According to ATF's statistics a person shooting a medium bore firearm can get approximately 440 shots

from 5 pounds of black powder. Cannons require varying amounts depending on the model and size but there are approximately 20 shots per 5 pound canister.

I believe the 5 pound limit adequately meets the needs of the average recreational sportsman. There are, however some enthusiasts who shoot muzzle loading weapons in competition matches and other events that would require an excess of 5 pounds of black powder. When users desire to acquire or transport black powder in quantities exceeding 5 pounds, a user-limit permit may be obtained if the user fills out a proper application and meets the necessary qualifications. These qualifications prohibit the sale of black powder to persons under 21, fugitives under indictment for a crime and those who are mentally deranged or drug addicted.

The fee for the users license is not restrictive. If the user wants the permit for a single transaction the fee is $2. The user may also apply for a yearly permit which is $20 for the first year and $10 annually for each renewal.

Proponents of S. 1083 also complain about the regulations concerning the storage of black powder. As stated in title XI, there are no storage regulations placed on black powder in quantities of less than 5 pounds. The regulations concerning the storage of black powder in excess of 5 pounds are essential because of the instability of the explosive. This, of course, does not mean that less that 5 pounds of black powder is not extremely dangerous. According to ATF:

Black powder is a mass detonating explosive most of which can be expected to explode virtually instantaneously when a small portion is subjected to fire, to severe concussion or impact, to the impulse of an initiating agent, or to the effect of a considerable discharge of energy from without. Such an explosion will normally cause severe structural damage to adjacent objects or simultaneous detonation of other separated ammunition and explosive if stored sufficiently close to the initially exploding material. The untrustworthiness of black powder cannot be overemphasized.

For the safety of the persons directly associated with the use of black powder as well as the safety of the public in general, it is essential that we maintain at least the present regulations for storing large amounts of this dangerous explosive. Storage of black powder in excess of 5 pounds must meet Federal standards. Title XI requires that black powder in excess of 5 pounds may be stored in a building, a tunnel, a dugout, a box, a trailer or semitrailer or other mobile facility which is resistant to fire, weather, and theft. These regulations are based on mere commonsense and in no way can be construed as being overly restrictive. To exempt the storage of large amounts of this explosive from any regulations, as S. 1083 would have us do, would subject the public to unnecessary fear and anxiety for the safety of their lives and property.

The most common argument used by proponents of S. 1083 is that the enactment of title XI has severely reduced the production and availability of commercial black powder. While there has been a substantial reduction in the production of commercial black powder the reduction was well underway before enactment of title XI. After an explosion at the DuPont plant in Moosic, Pa., in 1971, the company decided to restore the facility only to fulfill a military contract.

The DuPont black powder plant has since been sold to the Gearhart-Owens Co. I contacted the plant manager and he assured me that the production of commercial black powder is underway and will be available to authorized persons beginning sometime in July 1973. The company expects to produce approximately 1 million pounds of black powder per year. This huge amount is more than adequate to supply the needs of sportsmen requiring commercially produced black powder. I was also told that the powder would be selling from between $1 and $2.50 a pound, depending on the quality. This would bring price of powder down to pre-1971 standards.

At a time when there is a public mandate to control the use of instruments of death and destruction, we should not repeal existing laws that protect the welfare of society.

Title XI is a necessary provision of the Organized Crime Control Act of 1970. If title XI prevents the maiming of one innocent child, it is well worth the slight inconvenience it may cause a few sportsmen. I firmly believe that title XI is in the best interest of the American people and must not be repealed.

Mr. PASTORE. Mr. President, will the Senator yield me 2 minutes?

Mr. JAVITS. I yield 2 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I quite agree with everything that has been said; but I think, in fairness to the distinguished Senator from Indiana, who has been an advocate of the limitation of firearms in the possession of people, there may be some substance and merit to the fact that this bill was reported. There may be some legitimate groups with respect to whom an exception should be made. But I think that, psychologically, this is the wrong time and the wrong place to be discussing this kind of legislation. I sincerely hope the Senator would take the initiative himself of seeing the matter go back to the committee, where we can hold further hearings.

Mr. BAYH. I yield myself such time as I may need.

Mr. President, I appreciate the thoughtful remarks of the Senator from Rhode Island. I listened with great interest to the very compelling presentation of the Senator from Massachusetts, and I know how strongly he feels about this matter.

I have to say that I think we get a little far afield if it is said that being in favor of this particular piece of legislation makes us favor blowing up airplanes or blowing off hands or heads or putting out the eyes of policemen. I do not think the Senator from Massachusetts would impute to me any less desire to serve the public interest than he has. I believe everybody in this body wants to do that. We just look at this issue a little differently.

We gave over a week's advance notice in the public record of our hearings. The reason why I cannot in good faith follow the usually wise advice of the Senator from Rhode Island is that this is not the first time this baby is crying. We have already had this measure before the Senate in 1970. People have been heard. Perhaps the Senator from Indiana was wrong in not sending out a special delivery letter to every police chief in America. Notice of these hearings, including the complete witness list, was in the RECORD as all other notices for hearings are in the RECORD. I thought I had fulfilled my responsibility by going to those Federal officials who know about the whole picture in America.

We got the Government people who live and breathe the whole business of firearm regulation and explosive control.

My friend from New York cites the New York City Chief of Police who found a 5-pound can and a few hand grenades in one instance that had black powder. But the chief said as far as his experts were concerned, most of the time they cannot tell what is in a bomb after it goes off. People who testified before our committee can tell in most instances what bomb fillers are used. I think we have ample evidence.

Mr. President, you either believe you should remove the restrictions or you do not. I must say with all respect to those who disagree that we could study this issue for another year and the same people on each side would be just as emotional.

I have not tried to lead anyone to believe that black powder does not explode. The key question is, Will the passage of this amendment increase lawlessness?

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

Mr. BAYH. I am glad to yield.

Mr. PASTORE. This is where I am surprised by the logic and the argument of the Senator from Indiana. He is the one who refused in very strong, emphatic terms, in clear and concise terms the arguments made at the time of the gun control bill by the people who said criminals were going to get them anyway. The Senator is more or less advancing the same argument this time.

Mr. BAYH. No, I am not, but go ahead.

Mr. PASTORE. Yes, the Senator is. He is saying that they will get this powder; if they do not get this powder one way, they will get it another way. The Senator is making the same argument that was made before.

My point is that the Senator has been a great exponent of restraint with respect to obtaining firearms. The argument the Senator has made from time to time is that some small segment of our population must be inconvenienced so that we could promote the public interest and make sure that these guns could not readily get into the hands of people who might want to commit crime.

The argument made here today is that we are going to sacrifice an opera or a symphony if we do not pass this legislation. I think it is a specious argument.

Mr. BAYH. That is not what I said.

Mr. PASTORE. The Senator said somehow they had to have more than 5 pounds for some opera. The Senator

named the opera. What was it, the Fifth, Sixth, or Seventh——

Mr. BAYH. I would be glad to re-read the record, but I think what I said is that those who have the responsibility for firing the antique black powder cannons used in the 1812 Overture feel that the present 5-pound limitation is a serious hindrance.

Mr. PASTORE. They could kick the drum a little harder. It would make the same noise.

Mr. BAYH. I do not think I said what the Senator from Rhode Island thinks I said. The Senator may have misinterpreted me, but I must say that I look at it differently. I think there is a difference when we literally have each year hundreds of thousands of armed robberies assaults, and murders with small cheap hand guns and we have 96 black powder bombings.

Mr. PASTORE. We should not have any.

Mr. BAYH. We should not have any.

Mr. PASTORE. That is the point.

Mr. BAYH. Since there is a recognized legitimate use for black powder, we have to ask ourselves to what extent does the 5-pound limitation or no limitation relate to the number of black powder bombs?

Most of the black powder bombs used less than the 5 pounds permitted under present law. A significant percentage was made of homemade black powder made by amateur chemists.

I do not think that the present 5-pound limitation really has any relevance to the number of bombings that have occurred. If I did, I would come out on the other side.

If we are to say that we must not take off the restrictions on black powder, then I think we ought to put a similar limitation on smokeless powder, which now is completely exempt. Somebody ought to introduce a bill which would put a limit on ammonium nitrate fertilizer. I do not think the Senator from Rhode Island was here when I spoke of it, but the biggest bomb blast I have ever heard of was the bomb blast at the University of Wisconsin, when the front of that math building was blown out.

Some people use black powder for purposes that are illegal, and they should be severely punished. The committee bill in no way affects any existing criminal penalties for the misuse of black powder or for making black powder bombs.

The current restrictions on commercially manufactured black powder impose substantial burdens on those who like to use antique rifles and shotguns, brass antique cannons, or who perform the "1812 Overture," or whatever the case might be. I must say that I have never fired an antique cannon. I certainly have never orchestrated the "1812 Overture." Nor until the last week have I ever fired a muzzle-loading rifle.

In my judgment, the bill will not assist those who want to wreak destruction on society, and who, as I have said, ought to be put in jail.

Mr. JAVITS. Mr. President, I will yield myself 2 minutes; then I shall yield back the remainder of my time.

To summarize our argument: first, as to the law enforcement officials who were not afforded an opportunity to testify. There was just a one-day hearing; the opinions of local law enforcement professionals were not invited. But the Department of Justice and the Treasury Department are against this particular measure and so testified, explicitly upon grounds that the present limit is effective in keeping these materials out of the hands of criminals and terrorists.

Second, and very important in the argument, is the point that the enactment of this bill will undermine effective law enforcement and deny to innocent citizens and patrolmen the protection which Federal and local law enforcement officials say they must have. Third, it is admitted that in an appreciable number of bombings, commercial—not homemade—black powder is used.

Fourth, I should like to join in the comment of the Senator from Rhode Island (Mr. PASTORE). I think it would be most instructive to send the bill back for hearings and to see the long line of symphony conductors and directors who would testify for the bill on the ground that the performance of one orchestra overture, the 1812 overture, requires the use of black powder for a few seconds once in the course of the piece. I have heard the overture 100 times, and black powder to fire off a cannon certainly is not needed in order to emphasize Tschaikovsky's point. I think Tschaikovsky would whirl in his grave if he heard that argument made in connection with the bill.

Mr. President, the increasing number of bombing incidents throughout the country and the attendant danger to both innocent citizens and public safety officers requires that the most careful consideration be given to any legislation which relaxes Federal restrictions governing availability of these materials.

I urge the Senate to support local law enforcement and allow them to be heard on this issue.

Be that as it may, I am prepared to yield back the remainder of my time, if the Senator from Massachusetts (Mr. KENNEDY) is, and to make the motion.

Mr. KENNEDY. Mr. President, I am glad to yield back the remainder of my time.

Mr. BAYH. Mr. President, I yield back my time.

Mr. JAVITS. I yield back my time.

Mr. President, I move, and send the motion to the desk, to recommit S. 1083 to the Committee on the Judiciary for further hearings. I make the motion on behalf of the Senator from Massachusetts and myself.

The PRESIDING OFFICER. There will be a half-hour debate on this motion, 15 minutes on each side.

Mr. JAVITS. Mr. President, I am prepared to yield back my time. I think we have debated this issue thoroughly.

Mr. BAYH. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. All time on the motion has been yielded back.

The question is on agreeing to the motion to recommit. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that 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) and the Senator from South Dakota (Mr. ABOUREZK) are absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) would each vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

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

The Senator from Ohio (Mr. TAFT) is necessarily absent; and if present and voting would vote "nay."

The result was announced—yeas 14, nays 76, as follows:

[No. 286 Leg.]

YEAS—14

| | | |
|---|---|---|
| Biden | Javits | Percy |
| Brooke | Kennedy | Ribicoff |
| Case | McIntyre | Stevenson |
| Clark | Pastore | Tunney |
| Fulbright | Pearson | |

NAYS—76

| | | |
|---|---|---|
| Aiken | Fannin | Mondale |
| Allen | Fong | Montoya |
| Baker | Goldwater | Moss |
| Bartlett | Gravel | Muskie |
| Bayh | Gurney | Nelson |
| Beall | Hansen | Nunn |
| Bellmon | Hart | Packwood |
| Bennett | Haskell | Pell |
| Bentsen | Hatfield | Proxmire |
| Bible | Hathaway | Randolph |
| Brock | Helms | Roth |
| Buckley | Hollings | Saxbe |
| Burdick | Hruska | Schweiker |
| Byrd, Robert C. | Huddleston | Scott, Pa. |
| Cannon | Hughes | Scott, Va. |
| Chiles | Humphrey | Stafford |
| Church | Inouye | Stevens |
| Cook | Jackson | Symington |
| Cranston | Johnston | Talmadge |
| Curtis | Long | Thurmond |
| Dole | Mansfield | Tower |
| Domenici | Mathias | Weicker |
| Dominick | McClellan | Williams |
| Eagleton | McClure | Young |
| Eastland | McGovern | |
| Ervin | Metcalf | |

NOT VOTING—10

| | | |
|---|---|---|
| Abourezk | Griffin | Sparkman |
| Byrd, Harry F., Jr. | Hartke | Stennis |
| Cotton | Magnuson | Taft |
| | McGee | |

So the motion to recommit was rejected.

Mr. SCHWEIKER. Mr. President, today, I rise to commend my distinguished colleague from Indiana, who has introduced S. 1083, which exempts black powder and certain igniters from the licensing, permit, transportation, and storage provisions of title XI of the Organized Crime Control Act of 1970. S. 1083 extends the black powder and igniter exemption to cover cultural and

recreational purposes, as well as sporting events. This legislation, however, does not affect in any way the criminal penalties for the misuse of black powder and igniters.

During the 91st Congress, I introduced legislation, cosponsored by 27 of my colleagues, which provided an exemption for black powder in amounts not to exceed 6 pounds for use in lawful, sporting purposes. At that time, I was very pleased when the Judiciary Committee went even further and reported a bill providing a complete exemption for black powder, which was adopted unanimously by the Senate by a vote of 68 to 0. Unfortunately, the House of Representatives passed its own version of this bill, containing the present 5-pound restriction, and this limitation was included in the final conference report.

Mr. President, S. 1083 is strongly supported by the National Muzzle Loading Rifle Association, the North-South Skirmish Association, the National Rifle Association, and many other groups dedicated to historical and recreational activities involving firearms. Black powder is a necessary component for muzzle loading rifles and cannons. A great many of these firearms were developed in the 1700's and the 1800's and require a low yield combustion type powder. Gun powders, such as smokeless powder, which have been developed since black powder, are too strong to be used in the antique muzzle loading rifle and cannon.

As we approach our bicentennial, muzzle loaders are becoming much more popular. The demand for simulated battle scenes from our early heritage is increasing. Numerous skirmishes are held every year, where these battle scenes are replayed, and the antique rifles and cannons are used without live ammunition. In my home State, battle scenes are reenacted at Gettysburg regularly, with great authenticity. This is what S. 1083 is all about—it is a bill that would make such activities legal and possible.

Mr. President, I would like to point out here that firing an unloaded muzzle loading rifle or cannon requires two to three times more black powder to reproduce the report which is normally heard when firing a projectile from the same firearm. In fact, one of my constituents owns a reproduction of the famous "Dahlgren" cannon, which was used on naval vessels from 1855 to 1870. I am informed that this cannon would require 2 pounds of black powder to fire a cannon ball, but needs nearly 6 pounds to produce the same sound without the ball.

This is an interesting point, since the present law restricts this person from purchasing enough black powder to fire his cannon once, unless he uses live ammunition.

Mr. President, I urge prompt passage by the Senate of this much needed legislation. The current law restricts our Nation's law-abiding sportsmen and antique gun collectors, while having no demonstrable effect on reducing the frequency of criminal activities. Today, we have an opportunity to aid the American sportsmen and history buffs, while retaining stiff criminal penalties for unlawful uses of black powder.

Mr. HUDDLESTON. Mr. President, as a cosponsor of S. 1083, I fully support this bill as reported by the Judiciary Committee.

Since the enactment of the Organized Crime Control Act of 1970, muzzle loading rifle organizations, civic groups, veterans groups, historical groups, Boy Scouts, and even symphony orchestras have been hampered and harassed by unfair and unnecessary restrictions on the licensing, permit, transportation, and storage of commercially manufactured black powder.

I am the first to agree that the use of black powder or any other explosive to kill, maim, injure, or damage property must not be facilitated in any way, and must be stopped and punished. But the bill we have before us today does not propose the removal of all restrictions on black powder and in no way affects the criminal penalties for criminal misuse of black powder. It merely recognizes the legitimate sporting, recreational and cultural uses of commercially manufactured black powder and removes the restrictions only on black powder to be used for these purposes. And there is precedence for this—readily available materials like gasoline and ammonium nitrate, which have a much higher incidence in criminal activities, are subject to user intent provisions under the Federal explosives laws.

Although I was not a member of the Senate when the Organized Crime Control Act of 1970 was passed, it is my understanding that despite the language of the explosives law as finally enacted, the Senate thoroughly considered the issue of exempting black powder for sporting purposes and acted favorably upon such an exemption. I strongly urge that we take this opportunity today to remove the restrictions which are inhibiting the use of black powder by thousands of law-abiding Americans in antique shooting sports and other related recreational and cultural activities.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BAYH. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. 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 committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Iowa (Mr. CLARK), the Senator from Indiana (Mr. HARTKE), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that 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), and the Senator from South Dakota (Mr. ABOUREZK) are 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 Iowa (Mr. HUGHES), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) would each vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Michigan (Mr. GRIFFIN) is absent on official business.

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

The Senator from New York (Mr. BUCKLEY), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

If present and voting, the Senator from Ohio (Mr. TAFT) and the Senator from TEXAS (Mr. TOWER) would each vote "yea."

The result was announced—yeas 78, nays 8, as follows:

[No. 287 Leg.]

YEAS—78

| | | |
|---|---|---|
| Aiken | Fannin | Metcalf |
| Allen | Fong | Mondale |
| Baker | Fulbright | Montoya |
| Bartlett | Goldwater | Moss |
| Bayh | Gravel | Muskie |
| Beall | Gurney | Nelson |
| Bellmon | Hansen | Nunn |
| Bennett | Hart | Packwood |
| Bentsen | Haskell | Pastore |
| Bible | Hatfield | Pearson |
| Biden | Hathaway | Pell |
| Brock | Helms | Proxmire |
| Burdick | Hollings | Randolph |
| Byrd, Robert C. | Hruska | Roth |
| Cannon | Huddleston | Saxbe |
| Chiles | Humphrey | Schweiker |
| Church | Inouye | Scott, Pa. |
| Cook | Jackson | Scott, Va. |
| Cranston | Johnston | Stafford |
| Curtis | Long | Stevens |
| Dole | Mansfield | Symington |
| Domenici | Mathias | Talmadge |
| Dominick | McClellan | Thurmond |
| Eagleton | McClure | Weicker |
| Eastland | McGovern | Williams |
| Ervin | McIntyre | Young |

NAYS—8

| | | |
|---|---|---|
| Brooke | Kennedy | Stevenson |
| Case | Percy | Tunney |
| Javits | Ribicoff | |

NOT VOTING—14

| | | |
|---|---|---|
| Abourezk | Cotton | McGee |
| Buckley | Griffin | Sparkman |
| Byrd, Harry F., Jr. | Hartke | Stennis |
| Clark | Hughes | Taft |
| | Magnuson | Tower |

So the bill (S. 1083) was passed.

Mr. BAYH. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GRAVEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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 PRESIDING OFFICER (Mr. SCOTT of Virginia). The Senate will resume consideration of amendment No. 226 of the Senator from Alaska (Mr. GRAVEL).

Mr. DOLE. Mr. President, will the Senator from Alaska yield to me for a brief unanimous-consent request?

Mr. GRAVEL. I am glad to yield to the Senator from Kansas and then to the Senator from Nebraska (Mr. CURTIS).

Mr. DOLE. Mr. President, I ask unanimous consent to be made a cosponsor of amendment No. 320 to S. 1081.

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

## THE STATE OF THE PRESIDENT'S HEALTH

Mr. SCOTT of Pennsylvania. Mr. President, I rise simply to state that the President is getting along very well at the hospital. Of course, the prayers of the whole country go with him. He is going to be there for a few days, but his illness is not such that it should be too incapacitating for a very long period of time.

I think we should note, however, that a President who has been burdened for 4½ years by the heaviest kind of problems surely has the sympathy of the Senate, of the other body, and of the people of this country, and we all wish for him a prompt recovery; and meanwhile, I hope that during his stay there the country will understand that he has the desire to continue with as much work as he possibly can, and I do not believe any of the critical problems of the country will be delayed by reason of this temporary incapacitation. We all wish him the very best and an early recovery.

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

Mr. SCOTT of Pennsylvania. I yield.

Mr. MANSFIELD. Mr. President, earlier today I expressed my regret and distress at the hospitalization of the President. I want to say I am fully in accord with the remarks of the Senator from Pennsylvania.

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

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PASTORE. Regardless of how we feel about individual issues, I wish to assure the majority leader that all of us wish the very best for the President and a speedy recovery.

Mr. BAYH. Mr. President, if the Senator will yield further, I would like to associate myself with the remarks of the majority leader, the minority leader, and the Senator from Rhode Island (Mr. PASTORE).

Mr. CURTIS. Mr. President, we were informed that the President of the United States, Richard Nixon, was taken to the hospital last night or this morning. I rise for the purpose of expressing not only my interest and concern but also, on behalf of the overwhelming majority of those people that I represent in part in the Senate, to express the wish that the President's stay in the hospital will give him the rest and the treatment he needs, and that it will be only a matter of a very few days until he will be feeling perfectly well again and can carry on his duties as we know that he would like to do.

President Nixon has the good wishes and the confidence of the vast majority of the people of this country. Of this I am convinced, judging from my mail and also the fact that I have been about the country quite a little in the past few weeks, making several speeches, and getting the opportunity to speak to the people.

The President is a man of unusual strength and endurance. We know that it will be just a matter of a few days before he will be back on he job; but in the meantime, I want the record to show that I speak for millions and millions of Americans in expressing their concern and their every good wish for his speedy and complete recovery.

## WATERGATE

Mr. CURTIS. Mr. President, I want to take this occasion to express my opinion concerning the Watergate investigation.

I believe that it should be discontinued. I do not think that it is serving any lawful purpose.

The purpose of congressional investigations must be legislative, to gather information for the enactment of laws. One very important additional function that a committee plays is in the uncovering of evidence that assists those who prosecute for crimes.

The investigation going on now is not contributing to either one of those purposes.

There is a special prosecutor. A number of people have already been arrested, tried, and convicted.

It is my hope that every guilty person will be brought to trial. I believe that will happen, whether the Senate investigation goes on. The Senate investigation is not necessary to bring that about. We have enough of the facts that would provide any legislative information that any committee might need.

The plain facts are that the purpose of carrying on the Watergate investigation, from here on at least, is not legislative. It is not for the purpose of getting information to legislate.

I have stated it before, and I say it again, the purpose is to attack the President of the United States.

Let me read from an article which was published in the Washington Evening Star last evening, written by William Safire. He begins his article in this way:

In President Nixon's first term, we moved from an era of confrontation to an era of negotiation; in his second term, Democrats are determined to move us into an era of investigation.

"What the President knew and when he knew it." That was the goal of the Senate's Watergate investigation, succinctly stated and widely accepted as the ultimate target of truth-seekers.

Mr. President, I ask unanimous consent to have the entire article printed in the RECORD.

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

INTO AN ERA OF INVESTIGATION

(By William Safire)

In President Nixon's first term, we moved from an era of confrontation to era of negotiation; in his second term, Democrats are determined to move us into an era of investigation.

"What the President knew and when he knew it." That was the goal of the Senate's Watergate investigation, succinctly stated and widely accepted as the ultimate target of truthseekers.

At least, that used to be the accepted goal back when a lot of people assumed evidence would be brought forth to prove that the President had knowledge of a crime. Now, however, it appears that all we will see is unsubstantiated charges and irate denials. No proof. No impeachment. No resignation.

Where will that leave us? Will the accusers and the Senate committee announce that because they have not been able to pin a crime on the President, the presumption of innocence prevails and he should be permitted to go back to the business of governing the country without harrassment?

Not, as Eliza Doolittle would put it, bloody likely. The Democratic campaign of 1972 is finally, if belatedly, under way.

The Democratic strategy is to proceed in the next four years to investigate the last four years. The Robespierres of retribution, reveling in each new revelation, have a wide range of investigations already under way in addition to the televised hearings.

Grand juries are burrowing into Watergate and related matters here, in New York, Houston, Orlando and Los Angeles. Senate Appropriations and Armed Services Committees are both looking into CIA and FBI involvement, and House Armed Services, Commerce, and Banking and Currency Committees will have their day on CIA, ITT, Mexican laundering, grain deals and you name it.

Four civil suits filed by Common Cause, Ralph Nader's Public Citizen, the Democratic National Committee and a former National Security Council staffer will, the litigants hope, generate publicity for years, as will SEC and FBI investigations, and the anticipated criminal trials that could turn Washington into Nuremberg.

Along with all that, the General Accounting Office will frequently be heard from. The GAO is a creature of the Congress, now controlled by Democrats, set up to investigate the executive branch, now controlled (if that is the right word) by Republicans. On efficiency audits, the GAO has been a useful and generally nonpartisan agency. On its new election assignment, however, the GAO monitors financial disclosures of presidential elections only; Congress will not let it near the elections of representatives and senators, but nobody complains about this double standard.

It's a full plate for lovers of investigatory democracy. About the only political campaign scandal that wil not be looked into is the misuse of the FBI to bug the telephones of Republican candidates and their supporters in the Nixon-Agnew campaign of 1968 (But that happened when Ramsey Clark was attorney general, so it could not have been an intrusion into civil liberties.)

The bipartisan revulsion at the Watergate scandal has given way to a campaign by partisans in nonpartisan clothing to retro-

actively "win" the 1972 election. Since they now know they cannot bring down the President, they intend to continually challenge his legitimacy—in effect, to wear him down.

The probephiliacs will not succeed. The eye of the storm has passed, and Nixon did not blink. We may be getting into the longest permanent floating investigation game the nation has ever seen, but even a properly chastened president is not the sort to let himself be tromped on much longer.

Mr. CURTIS. Mr. President, I am thoroughly convinced that what I am proposing today meets with the approval of the vast number of patriotic thinking Americans all over the country.

Let me read to the Senate what a couple wrote me from Omaha back on May 22 of this year:

DEAR SENATOR CURTIS: At this time of great concern for President Nixon because of Watergate, we would like you to show and demonstrate your confidence in him. We still have complete confidence in his ability to lead this country. If the news media and some Members of Congress would stop criticizing and start cooperating in the solving of the problems of this country instead of trying to play up false stories and hearsay as fact, President Nixon can continue his job effectively.

Mr. President, a letter from White Plains, N.Y., dated June 23:

DEAR SENATOR CURTIS: It was most reassuring for us to read in Thursday's Times the report of your speech in the Senate on the Watergate matter; and to note your support of President Nixon who is leading our nation with firm courage through these difficult times.

We pledge our sincere respect and support to the President, with unswerving faith in his honor and integrity, his loyal devotion to our country, and indeed his perceptive guidance of this nation in our public affairs.

He inspires our confidence and we find it difficult, really impossible to understand the motives for the verbal abuse being heaped on him in the news media, both in print and over the air, as a result of the Watergate matter.

My own view is that the Senate Watergate Committee is opening the floodgates of subversion, which threatens to disrupt and destroy our executive government. This should be obvious to all who retain a semblance of sober thought, and must be brought under responsible control if this nation (as Lincoln said) "can long endure."

My wife is a native of Nebraska, and attended school in Omaha and at the University in Lincoln. I was born in Iowa and raised in South Dakota, at one time a classmate of the late Senator Francis Case in school at Sturgis in the Black Hills.

Another letter I have received:

DEAR SENATOR CURTIS: It was like a breath of clean air to read an excerpt from your June 14 Senate speech in the June 29 copy of our "Detroit News".

My husband and I heartily endorse your statements and commend you for having the courage to stand up and be counted in President Nixon's defense. We too feel he is an honorable man and has and will continue to do great things for this country. We believe that the majority of our citizens have the same feeling and are not being deceived by the actions of a few who themselves could not afford to have their activities investigated. It is about time we were done with Watergate so we all can get back to work to keep our country great.

Our warmest congratulations to you as well as the State of Nebraska for having you in the Senate.

A letter from Toledo, Ohio, dated June 29:

DEAR SENATOR CURTIS: We are vacationing at the Straits of Mackinaw in northern Michigan and have read excerpts from your June 14th Senate speech printed in the Detroit News. Such welcome words following the sickening spectacle on T.V. this week! I am a high school Latin teacher in Ohio, and this week has been my first viewing of the Watergate hearings. You have said so well many of the things I have been thinking as I have been witnessing the sorry state of affairs being broadcasted.

Is it possible for someone in your office to mail to me your June 14 Senate speech? I would like very much to use parts of it—if I may—in my Cicero class next fall. What a parallel your remarks will make with those of Cicero in his defense of the Roman Republic! I know nothing about you, Senator Curtis, but your remarks certainly have the ring of a statesman!!

Thank you!

A letter from South Sioux City, Nebr., dated July 7:

DEAR SIR: In my opinion, the Press, T.V., Jealous Politicians, Congress, Polls, Nonthinkers, Sensation Lovers, Nixon Haters, etc., have pushed this Watergate affair out of all proportion to its value in any way one wants to take it. Every president for many years has had some sort of scandal tinged involvement, and wire tapping isn't new.

I do not condone dishonesty, and firmly believe President Nixon is far more honest and conscientious than most Public Officials.

If, instead of using his time and efforts to end the Vietnam War and get the POWs home, President Nixon had personally handled, as usual, his 1972 election campaign, can you imagine the howls from the other side and the public that the president was neglecting his duties. One might also remember that the McGovern campaign was not exactly "Lily White and Saintly pure."

President Nixon, as I see it, is the victim of men he trusted, who were unbelievingly deceitful and stupid; they all sound now like perfect liars and cowards.

The "Investigation Committee" is doing nothing but adding to the confusion, and spending the tax payer's money, and should be done away with, or at least retired behind closed doors.

I would like to see the harassment of President Nixon stopped and that he be given a full chance to serve in the office to which he was elected . . . by the people. I hope you agree with me . . if not, why not?

Mr. President, here is a letter from Lincoln, Nebr., dated June 6:

DEAR SENATOR CURTIS: I am writing my concern about the news that is coming out or Washington.

Do the American citizens have no opportunity for a rebuttal or must we "sit it out" while the hatred of the news media and the jealousy of the Democrats destroy our President and our country?

No doubt our founding fathers would be horrified by the present abuse of Freedom of the Press. I am sure they did not intend for the news media to use this power to pursue their own schemes to mold public opinion; harass individuals; and even attempt to overthrow the government, when they included such freedom in the first amendment to the Constitution. The media seems to have no concern for our reputation abroad; for our economy; or for the welfare of our citizens.

Surely the Senators have more constructive work to do than the present witch-hunt which is being aired and viewed in such minute detail. We, and a great many like us in Nebraska, are sick of hearing about Watergate and would like to forget it and get on with important matters of state.

It bothers me when some of the Republican Senators join the media in attacking the President and calling for his impeachment. Now is the time for *all* Republicans to be loyal to him. I hope that you and other members of the Nebraska delegation will lead out in this endeavor.

A letter from Sherman, Tex., dated June 26:

DEAR SENATOR CURTIS: Congratulations to you for standing up and telling it like it is re the Watergate Affair.

See enclosed editorial clipping.

Mr. President, I ask unanimous consent that the editorial published in the Sherman Democrat, Sherman, Tex., Sunday, June 24, be printed in the RECORD.

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

WATERGATE MOVIE OVER

The Gallup Poll, revealing that 44 per cent of the people feel that newspapers, radio and television have overdone the Watergate coverage, turned up a retired business executive who chose to speak for a majority of readers and listeners.

"The press and television somehow have not awakened to the fact that the Watergate movie is over," he said. "The lynching party has hanged the bad guys. All that remains is to cut them down, bury their bodies, and then tip off the sheriff's office."

In a similar vein, Senator Carl T. Curtis, Nebraska Republican, in a prepared speech told the Senate that publicity-seeking politicians are "out to get Nixon" in their pursuit of Watergate. Curtis added, "Nixon is totally innocent of wrongdoing—he didn't plot it; he didn't condone it; and the facts were withheld from him too long after it happened."

Further, Curtis said that Watergate had brought into being a determined and militant coalition whose object is not justice but rather to "get Nixon," the President's disclaimers of any prior knowledge.

As Curtis described it, the coalition is a small group of "Nixon haters, politico-sadists of the type who enjoyed their efforts to destroy Lyndon Johnson over the war issue. A small segment of newsmen who prefer political propaganda over objective reporting, a few extreme partisans whose sense of justice is numbered by their desire for political gain, and those politicians who are willing to exploit any issue for personal publicity." They have made themselves extremely unpopular with half of America's voters.

These views previously have been expressed during the Watergate affair, but seldom so plainly as either the Gallup retired businessman or Senator Curtis. The strong impression has grown that Watergate is getting stale and the country should get on with more important business.

Mr. CURTIS. Mr. President, here is a letter from Fremont, Nebr., dated May 21:

DEAR SENATOR CURTIS: I'm terribly disturbed over this so called Senate Investigating Committee and their hearings. They are doing nothing constructive. But they are destroying the Country, whether they realize it or not.

They of course, started out to try to destroy our good President and the Republican party, and its gone beyond that already. The whole country is at their mercy now.

Surely something can be done to stop it. Everyone I know is fed up and disgusted

with the whole mess. They don't need to have all these investigations Prosecutors, etc. The news media is as much to blame as the ones who committed the burglary.

I feel now is the time to stop it.

A letter from Charlotte, Vt., dated July 4:

DEAR SENATOR CURTIS: I am writing to congratulate you on your recent statements in the Senate appropos Bobby Baker and Billie Sol Estes as reported by syndicated columnist Kevin P. Phillips.

My husband and I and many of our friends are truly shocked at the campaign of the liberal media to undo the election of 1972 by "getting" President Nixon.

We think the present Senatorial inquiry is more like an inquisition violating standards of justice and fair play again and again. I do not think our country can survive the kind of "witch hunt" that is presently being conducted under the auspices of the Senate.

I am glad there are a few courageous, strong voices like yours still speaking up in our Senate.

From Red Cloud, Nebr., a letter dated June 11, 1973:

DEAR SENATOR CURTIS: We liked your statement regarding Watergate and President Nixon on this morning's radio. All of us are getting so tired of Watergate. Do people so quickly forget Nixon's good first four years?

Another letter dated June 14:

DEAR SENATOR CURTIS: We love you for standing by our good President Nixon who we feel has done nothing wrong. We hope this Watergate affair will be over soon—very soon. We have always admired you and pray for you as well as for our President. My husband and I are past 85 years and have seen many Presidents come an go—none finer than President Nixon.

Mr. President, here is another letter from Beatrice, Nebr., dated June 27, 1973:

JUNE 27, 1973.

Hon. CARL CURTIS,
*New Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR CURTIS: I'm sure that millions of Americans would agree with some, or most of the following random remarks regarding Watergate:

1. The Watergate affair is a rather serious moral crime, but not worth the attention it is receiving from the Senate.

2. As a crime, it should be handled by the Judicial Branch of the Government, leaving the Senate to handle its legislative duties.

3. The Watergate affair is not nearly as serious as the murders that occur every day that do not receive Senate attention.

4. If the Senate is interested in investigations that might be more beneficial to the national welfare, the following projects would seem much more worthy of Senate attention.

(a) Organized crime, such as the Mafia.
(b) The drug problem.
(c) Pollution.
(d) Growing power shortage.
(e) Slowing down inflation.
(f) Balancing the budget.

5. Has the Senate Commission considered the possible effect the investigation is having on the stock market, driving prices down at probably the most prosperous times in the history of our Nation?

6. Has the Senate Commission considered the possible effect the investigation has had on our dollar in foreign exchange? The low price of the dollar has some advantage to our foreign trade; however, the low price of the dollar combined with the low stock market prices lets Japan and other countries have bargain rates buying into U.S. industries, which may have far-reaching long range effects.

Is Watergate worth it?

Mr. President, those writers, broadcasters, and public officials who are continuing to publicize and thereby to exclude all other activity and news no longer contend that it serves the legislative purpose. Few objective minded people contend that it is not hurting the entire country, people of all political faith, color, and creed. It is hurting our future. I hope this matter can be closed. Let the courts and prosecutors go on. I, for one, hope every guilty person that had anything to do with any unlawful act which can be presented and proved in a court of law will be dealt with without fear or favor; but let us put a stop to this self-destruction of our country.

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

Mr. CURTIS. Mr. President, I ask the Senator if I may yield briefly to the Senator from Wyoming.

Mr. GRAVEL. Certainly.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I thank my distinguished colleague from Nebraska very much for yielding. I, too, welcome this opportunity to join with him in conveying the very warm, sincere, good wishes of most Americans for the very speedy recovery of our dearly beloved President Richard Nixon.

I need not remind anyone in America that the war in Southeast Asia for our country has ended. For the first time in several decades young men can now plan their lives without anticipating involuntary induction into the various branches of the military service.

The Union of Soviet Socialist Republics and the United States of America are cooperating on a variety of fronts. The SALT talks have gone forward in the last 3 years. Mr. Brezhnev was in this country and he and President Nixon sat down to bring about a diminution of the possibility or likelihood of atomic power being used in an aggressive, offensive, way. We have opened new trade frontiers. In space these two strongest nations are cooperating to explore outer space.

In the conquest of disease and pollution we are bringing about real progress.

I think most importantly of all is the fact that there is on a man-to-man basis, comparing the average typical American citizen with his counterpart in the Soviet Union, an exchange of ideas on the whole front that bodes well for the progress and future peace of all mankind.

We know further that for the first time in the lifetime of most living Americans, the citizens of our country today can go into the mainland of China, not as uninvited guests but rather as welcome friends.

These are some of the goals that I am sure many of us have in mind when we wish the best and hope the best for the U.N. The U.N. did not work out as well as many of us had hoped it would. It has not been as successful as we had hoped it might be.

The one man, the one catalyst who has made possible the progress that is so significant today in the context of the lives of some 3.5 billion human beings is Richard Nixon. It is he who has opened up the Iron Curtain. It is he who has spread apart the Bamboo Curtain. It is he who, by demonstrating his sincere conviction and doing everything he could for the future of mankind, has brought about this most important progress.

I am sure no one minimizes for a moment the wrongdoing that has occupied so much of the attention of the press in the last weeks and months with respect to Watergate, but I would hope we can keep in better perspective precisely what has been accomplished, and be equally aware of the opportunities remaining in the some 3½ years of Richard Nixon's term of office, as President of the strongest nation on the face of the earth, the opportunities that this country and we as a people have to move this great world of ours further down the road to a lasting peace, to better understanding, to improved health, and to an improved quality of life for all of our people.

I think that history, of course, will write what the facts were during the decade of the late 1960's and early 1970's, and I am sure that in time these things will fall into clearer and more objective perspective than is now possible.

I would hope that, as we await the verdict and the hand of history to record what has happened, we will exercise forbearance and tolerance today not to make judgments without fact, without evidence, or upon hearsay, upon innuendo, upon character assassination, or all that sort of thing. We have real reason to join with nearly all Americans in wishing the President of the United States a very speedy recovery.

The President does indeed have a tremendous opportunity for accomplishment in the remaining years of his term of office, and those are the years that can be most meaningful for this generation and for several generations to follow.

On behalf of the people of the State I have the honor to represent, the State of Wyoming, may I say, Mr. President, that President Nixon does have the support and the best wishes of an overwhelming majority of the people from the Equality State.

I thank my colleague from Nebraska for yielding.

Mr. CURTIS. I thank my distinguished colleague from Wyoming.

Mr. FANNIN. Mr. President, it was with deep concern that I received the word that President Nixon has entered Bethesda Naval Hospital for treatment of viral pneumonia. I was most relieved, however, to learn that there are no complications and that the President should not be hospitalized for more than a week.

We can be thankful that the President has kept himself in excellent physical condition, and his recovery should be rapid. It has been a source of pride to the President that during 4½ years he has never failed to carry out any of the duties of the Presidency because of illness.

Although he is hospitalized, it has been reported that President Nixon will be

active in the business of running our Federal Government. He will be keeping busy in the hospital.

I have sent the President a telegram expressing best wishes for a speedy recovery. In this telegram, I advised the President:

Please rest well so that you may recover both quickly and fully. Your good health is vital so that you may continue your strong leadership of America and the Free World.

My colleagues, I am sure, join with me in wishing the President a quick restoration of his usually perfect health.

Earlier this week it was my privilege to visit with the President at the White House. I now know that at that time he must have been suffering from the onset of viral pneumonia, but this did not deter him from a lively and thorough discussion of our energy problems. The President emphasized the need to get the Alaskan pipeline constructed so that we could relieve the fuel shortages that are plaguing our Nation.

Mr. Nixon has been a hard-working President. He has met challenges head on and he has provided the United States and the world with the dynamic leadership demanded by our times.

He has brought the war in Vietnam to a close with honor; he has advanced the cause of world peace by improving relations both with the Soviet Union and mainland China; he has maintained the balance of power to prevent war in the Mideast. His record in foreign relations is magnificent.

Within America he has acted strongly to curb inflation. Although none of us—including the President—is happy with the inflationary trend, our record in the United States is far superior to any other major nation in the world.

He has offered domestic programs that are at the same time innovative and sensible.

He was the architect of revenue sharing; he is the proponent of a sensible National Health Insurance program; he has instituted policies which have reduced unemployment. The list could go on and on, but I believe this makes my point.

In addition to carrying the awesome responsibilities of the Presidency, Mr. Nixon has had to contend with the so-called Watergate affair. The President has suffered because persons acting without his knowledge or approval carried out irresponsible and illegal activities.

It is a tragedy that these activities—which in no way involved the President—have obscured the great achievements of the Nixon administration.

Although the President's illness is not extremely serious, perhaps his hospitalization will cause all of us to pause a few minutes to reflect on his many great achievements.

It might be well that we call a truce in our political wars while the President recovers from pneumonia. My thought is that such a truce might not necessarily help the President recover, but it might help the Nation recover some of the perspective that we seem to have lost in the battle of Watergate.

Mr. HELMS. Mr. President, like my colleagues I was distressed last evening when the news came that President Nixon had been hospitalized as a result of a seige of viral pneumonia. And of course I join countless millions of Americans who wish for him a speedy recovery.

Having known Mr. Nixon for more than two decades, I have been aware of how hard he works, and how blessed he has been with good health. I cannot remember an instance, if there was one, when he previously missed a day's work due to illness. He has always been a tireless worker, and he has never permitted physical discomfort to deter him from his responsibilities. So when I heard last evening that he had consented to go to the hospital, I was concerned because this man does not give up easily.

Needless to say, I am comforted by his physicians' assurances that he will be out of the hospital in about a week. Mrs. Helms and I wish him a speedy recovery.

Incidentally, Mr. President, one of my colleagues mentioned to me a few minutes ago that a reporter for one of the television networks had today implied that the President is not really ill, and that the President's illness perhaps was not—if the television reporter was quoted accurately—"legitimate."

I do hope that the information reaching me was not accurate, and that the television network reporter is not really willing to go that far with outrageous innuendo and implication.

But it is becoming increasingly apparent, Mr. President, that some of the major news media in America are out to "get" Richard Nixon, and to convict him in the minds of the public of any and every wrongdoing that can be contrived.

I have spent most of my life in the news business, Mr. President. I have done a great deal of editorializing in my time. But all of my editorials have been labeled as such. I abhor and resent the use of news columns in the newspapers, and news broadcasts on radio and television, for vicious editorial comment being fed to the people on the pretense that it is "news."

I have not always agreed with Richard Nixon, Mr. President. I have many times this year voted contrary to his wishes on this Senate floor. But I have never doubted his sincerity and dedication. The President's enemies in the political arena and in the major news media are constantly poised for the attack. They aim always for the jugular. Every Member of this body is bound to know of the repeated distortions and misrepresentations directed at Richard Nixon.

There is nothing new about this, Mr. President. Mr. Nixon has been mocked and ridiculed by certain elements of the major news media since he exposed Alger Hiss. He has been a constant target for attack since that time.

It has been nothing short of miraculous that he has withstood all of this for so long. A lesser man would have crumbled and retreated. Indeed, there have been men who have thrown in the towel, who have abandoned public life, because of the carping, cutting, and disgusting misrepresentations of some elements of the media. They could not take it. But Richard Nixon has taken it, endured it, lived with it.

I was at the White House Wednesday evening, Mr. President, for a visit with Mr. Nixon. I was in the company of several other Senators who also are his friends. We were there for something over an hour. It was no big thing—just a reassurance of friendship, and a reminder that he can expect our support on issues vital to the survival of this Republic.

I will not quote the President. That would be improper. But I will say that he was in a jovial mood. He was relaxed. And he certainly satisfied me that he will continue to pursue vital and fundamental economic principles which are imperative if this Nation is to survive. He made clear his support for the Alaska pipeline. And he left not a shred of doubt about his position on criminal violence, drug abuse, and other matters which, just a few years ago, were threatening the very destruction of this Republic.

I need not mention, Mr. President, that Richard Nixon is never given credit for what he has accomplished. Nobody mentions that last year there was not one reported instance of campus violence. No cities were burned. Our troops, some 500,000 of them, were brought home from Vietnam. Our POW's are home.

But who credits Mr. Nixon for these accomplishments? The television networks have no time to spare for this sort of report. The major newspapers have no space to spare to remind the American people that this man in the White House has worked, and has achieved much in the way of correcting the mistakes and the failures of his predecessors.

Let me reiterate, Mr. President, that I have not myself always agreed with Richard Nixon. No doubt in the future we will differ again. That is not the point. The point is that President Nixon deserves a better break than he has received from those who have missed no opportunity to mock, ridicule and revile him for the better part of 25 years. His family—his wife and lovely daughters—are a credit to this Nation. Mr. Nixon himself has worked with dedication and courage in defending the principles in which he believes.

Insofar as the current investigation is concerned, a member of the investigating committee—a Democrat, I might add—expressed a concern privately to me yesterday that he was fearful that the "investigation" is moving away from investigating, and that it may be moving toward prosecution.

If that is true, then it is a sad day for America. For I would think that the President of the United States is entitled to the same right accorded all other Americans, the right of presumption of innocence until proved guilty.

And I predict, Mr. President, that Mr. Nixon—when the last television light is cut off in the hearing room—will be proved innocent. The tragedy, however, is that in the process, he may wrongfully have been proved guilty in the minds of many Americans who have been misled.

I am not here to proclaim any virtues

of my own. But I am loyal to my friends when I feel that they have been mistreated. And I feel that Mr. Nixon has indeed been mistreated. But he will survive, and with far more basis for a clear conscience than his carping critics.

I reiterate my best wishes to him for a speedy recovery.

## RELEASE OF DR. LEONID TARASSUK FROM SOVIET UNION

Mr. JACKSON. Mr. President, I am extremely pleased to be able to report that Dr. Leonid Tarassuk, the internationally renowned Soviet museum authority whose year-long struggle to gain permission to emigrate drew worldwide attention and sympathy, has arrived in Vienna with his family.

I know that my colleagues, many of whom have expressed concern over the fate of the Tarassuks, join me in welcoming these brave people to the free world.

It is my hope that the Soviet Government will correctly assess the determination of the American people and the U.S. Congress on the issue of individual liberty, and that as the days go by we will be able to welcome to the free world many, many more individuals who have dared demand their fundamental human right to emigrate.

Dr. Tarassuk was the former curator of European-American arms and armor at the famed Hermitage Museum in Leningrad. He and his wife, a conservator of decorative arts, were dismissed from the Hermitage after applying to emigrate and were subsequently denied visas as well. The Tarassuks have two small children. Dr. Tarassuk's mother, who had been granted a visa, was unable to leave without her son because she is too old and too ill to travel alone.

Despite his own terrible ordeal, and at great personal risk, Dr. Tarassuk courageously lent encouragement and support to many other Soviet citizens who are harassed and intimidated by the Soviet Government as a consequence of applying to emigrate.

Mr. President, given the especially compelling circumstances of the situation of Dr. Tarassuk and his family, I appealed directly to General Secretary Leonid Brezhnev in their behalf on April 11 of this year. In my letter I said:

> It is difficult to believe that the Soviet government would choose to extinguish rather than share with the international community the talents of these and other individuals who have won and would surely continue to win international admiration not only for themselves but for their nation of origin. Such an attitude could not fail to cast a pall over the expanded East-West cultural exchanges that so many of us, in both our country and yours, have looked forward to for so long.

I urged Mr. Brezhnev to "recognize their right to accept the invitations which have been extended to them by other countries which will allow us all the opportunity to appreciate their outstanding work."

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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.

Mr. MANSFIELD. Mr. President, will the Senator yield to me?

Mr. GRAVEL. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the Hart amendment (No. 332), which is at the desk and which will be modified shortly and which will be considered this afternoon; that the yeas and nays on the Hart amendment follow immediately the Bartlett amendment tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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

The yeas and nays were ordered.

Mr. MANSFIELD. I thank thet Senator from Alaska and the Senator from Washington.

### STRIPPER WELL CRUDE OIL PRODUCTION

Mr. DOLE. Mr. President, I wish to take this opportunity to associate myself with the efforts of the Senator from Oklahoma (Mr. BARTLETT) in seeking to preserve a vital segment of U.S. domestic petroleum production.

When we speak of oil wells perhaps the first thing to come to mind is the gusher spilling out more oil than is possible to contain. However, approximately 353,000 of the producing oil wells in the United States today are of the so-called "stripper" variety which produce less than 10 barrels a day. These small wells historically have supplied nearly 10 percent of all domestic production and currently produce approximately one-eighth of the present U.S. supply.

These wells operate on the very edge of efficiency. They just barely produce enough oil to make their operation worthwhile. In recent years, rising costs, coupled with a reduced depletion allowance and other squeezes on the return of these wells, have led to the abandonment of ever-increasing numbers of them.

I am highly concerned that possible economic policy actions taken to meet a broader range of problems might have the inadvertent impact of forcing great numbers of these wells to be shut in or capped.

A single well which produces only 10 barrels per day might seem insignificant, but these thousands of stripper wells producing individually small amounts of crude oil may very well spell the difference between chaotic fuel shortages and adequate supplies in the years ahead. Many other aspects of the energy crisis and wise resource conservation policies are involved in this question. However, I believe it is extremely important that this step proposed by the Senator from Oklahoma be taken and that these stripper wells not only be preserved but that their continued production be assured and stimulated. Their exemption from allocation or price restraint policy is both desirable and necessary.

I regret that previous commitments in the State of Kansas will prevent my participation in the consideration of this amendment tomorrow. However, I have joined with Senator BARTLETT in sponsoring this measure, and it has my utmost support. I urge my colleagues to consider the importance of these issues and would hope that the amendment can be approved.

As a matter of information, I ask unanimous consent to have printed in the RECORD at this point a memorandum from George H. Bruce, president of the Aladdin Petroleum Corp. Mr. Bruce very clearly and in some detail discusses the importance of stripper wells to overall domestic petroleum production.

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

ALADDIN PETROLEUM CORP.,
*Wichita, Kans.*

MEMORANDUM

Every oil well eventually becomes a stripper oil well. The oil production and oil reserves of these 353,000 small stripper oil wells in the U.S. must be maintained.

If not, the U.S.A. domestic oil producing industry and the independent oil producers in the U.S.A. will be destroyed and the economy in every county in every state of the 27 states where these 353,000 small oil wells are located will suffer a serious blow to their economy by reduction in taxes, labor, supplies and services.

In the years 1968–1971 there has been a steady decline due to abandonment in the number of these small wells from 367,205 stripper oil wells to 353,696 stripper oil wells.

There has also been a steady decline in the production from these small stripper wells from 485 + million bbls. to 423 + million bbls. This is a decline of about 62 million barrels in this 4 year period.

The 1971 production of 423 million bbls. of oil from these 353,000 small oil wells in the U.S.A. represents approximately ⅛th of the total U.S.A. supply of domestic crude oil.

Historically, the stripper oil wells have supplied from 10% to 12% of the total domestic oil supply all going to U.S.A. domestic refiners. If destroyed, it is the one sure way to destroy the domestic oil producing industry and the independent oil producers in the U.S.A. and many of the domestic refineries.

This oil is the safe dependable supply connected to presently operating domestic refineries with secure efficient pipelines. Last year's decline of approximately 18 million bbls. of oil from the stripper wells would require some 180 tank loads of 100,000 bbl. capacity each, to make up the loss of oil in this one year, supplied from the stripper oil wells.

Destroy the stripper oil wells by compelling them to be prematurely plugged and abandoned, and you destroy about ⅓th of the total recoverable reserves of domestic crude oil, or nearly 5 billion bbls. of domestic developed producing oil is lost. This is the safest, most dependable regular supply of oil in our nation.

The present price is totally inadequate to pay the labor costs, utility costs, taxes, supplies, services, and other costs to maintain these wells and show any return over operating costs to the owners of these small oil wells.

The price of this oil must be increased to $6.00 per bbl. to make sure these wells will be maintained and operated and stop their being abandoned. An increase of 40% from the present posted price for this oil production should be put into effect immediately. An increase of 4¢ per gallon on domestic produced crude oil would be the most con-

structive solution to the oil shortage this nation faces.

We are rushing headlong into depending on foreign imported oil into the U.S.A. for 30% to 50% of our total requirements. Every authority in industry, government and finance agrees it will require from $15 to $30 billion every year to purchase this foreign imported oil.

It is the catastrophe of this century for the U.S.A. to become dependent on foreign oil to such a staggering extent when we have vast resources of undiscovered oil in this nation which can and will be found and developed with an adequate price. This recurring cost every year of $15 to $30 million presents the most serious challenge our country faces in maintaining a favorable trade balance.

The domestic oil and gas industry must be saved and put to work with all the energy which can be commanded in finding and developing the vast resources of our nation to overcome this oil deficit.

GEO. H. BRUCE, *President.*

Mr. JACKSON. Mr. President, I ask unanimous consent that I may be permitted to call up my amendment No. 328.

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

The clerk will report the amendment.

The legislative clerk read as follows:

On page 24, line 23, delete the period following the word "purposes" and insert the following: "which, in the case of any right-of-way to transport Alaska North Slope oil or gas, shall include liability on the part of the permittee to any Alaska Native or Native organization for damages in connection with or resulting from use of such right-of-way, without regard to whether such damages were due to negligence on the part of the permittee.".

Mr. JACKSON. Mr. President, my amendment No. 328 would require the Secretary of the Interior to include in any permit for rights-of-way for Alaska North Slope oil or gas a stipulation making the permittee liable to any Alaska Native or Native organization for damages in connection with or resulting from the use of the right-of-way without regard to whether the acts of the permittee causing the damage were negligent.

Without such a stipulation, Alaska Natives, who have a unique dependence upon the subsistence resources of the area that would be traversed by any pipeline to transport North Slope oil or gas will have no means of recovering damages in the event of destruction or injury to such subsistence resources or their means of livelihood by reason of such a pipeline. The Senate Interior and Insular Affairs Committee regards a requirement that the permittee be liable to Alaska Natives for such damage without regard to any questions of negligence as essential. The committee included in S. 1081 a provision which it considers as requiring the Secretary of the Interior to include such a provision in any permit for a right-of-way for North Slope oil or gas. This matter is fully covered at page 43 of the committee's report.

Notwithstanding the provision which the committee has included in the bill and the statement in the Senate committee report, the Department of the Interior has informed me that they will not include the necessary stipulation in the permit. This is a direct and arrogant disregard of congressional intent. Apparently the Department will refuse to do justice to Alaska Natives unless the Congress forces them to. I regret the necessity of having to take such action but the Department's refusal permits the Congress no other choice.

The Department of the Interior in letters delivered to me on July 11 and July 12, in response to a letter I wrote the Secretary on July 10, relates to certain provisions which in their essence have long been included in the draft permit heretofore prepared in the Department as adequate to protect the Alaska Natives. These provisions require the permittee, without regard to negligence, to abate conditions causing damage and to repair, replace or rehabilitate damaged property or natural resources. Even a casual examination of these provisions reveals that they are simply a rehash of similar provisions included in the Department's February 1972 draft of stipulations for the trans-Alaska pipeline.

That the Department should consider such provisions as giving adequate protection for the human needs of Alaska Natives demonstrates how completely the Department fails to understand the real nature of the problem.

The Department's proposals do nothing to alleviate the damage and suffering that can occur while the conditions causing damage are being abated. The Department's proposals do nothing to meet the needs of the Natives while damaged property or natural resources are being replaced.

The Department's proposals do nothing to compensate the Natives for economic loss.

For these reasons, the Department's present provisions cannot be deemed adequate protection for the Alaska Natives. That is why I have introduced amendment No. 328. The Department's present provisions cannot and do not provide the liability for damages which amendment No. 328 requires.

The purpose of my amendment No. 328 is to require the inclusion in the North Slope permit of stipulations incorporating the substance of the stipulations endorsed by the Senate Interior and Insular Affairs Committee in its report. Such provisions comply with my amendment No. 328. The Department's proposals, which offer nothing new, do not.

I ask unanimous consent to include in the RECORD my exchange of correspondence with the Department of the Interior and a letter of March 30, 1972, from the then president of the Alaska Federation of Natives, Inc., to me, and a letter of March 28, 1972, from him to the Secretary of the Interior, which explain the deficiency in the Department's proposal.

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

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C.*

DEAR SENATOR JACKSON: This is in further response to your letter of July 10, 1973, concerning the pending legislation dealing with the proposed trans-Alaska pipeline.

In our reply to your inquiry, we addressed only the precise questions which you posed. We think it would be helpful to you, however, if we elaborate somewhat on our answers.

The Department is presently preparing a right-of-way permit for issuance to the applicant oil companies when and if legislation is enacted to make issuance of such a permit possible. Because the terms of the permit will necessarily depend on the provisions of the legislation that is enacted, we are unable to finalize the permit at this time. We can, however, indicate to you in general terms what we intend to put into the permit. For some years, as you know, we have been developing stipulations which will be a part of the permit. In addition, we have been working on other provisions which will be additional to the stipulations.

We are opposed to including in the permit the provision which you referred to in the first question of your July 10 letter. Our reasons for taking that position are spelled out in our letter of September 1, 1972, which is an enclosure to our letter to you of July 11, 1973. We are sympathetic to the needs and desires of the Natives of Alaska. But we are firmly of the view that the proposal of the Alaska Federation of Natives is both unnecessary and over-reaching.

At the same time, we are determined to prevent the pipeline from causing harm to any person or to any person's property in Alaska. We are equally determined to prevent harm to the environment of Alaska, including its land and water and its vegetation and wildlife. Should any harm nonetheless occur, we want to insure that the harm will be cured so far as is possible. We intend to impose these obligations on the pipeline owners and those who work for them, and we have drafted proposed permit provisions to this end.

Specifically, one provision would provide as follows:

DUTY OF PERMITTEES TO ABATE

Permittees shall abate promptly any condition existing at any time with respect to the construction, operation, maintenance or termination of all or any part of the Pipeline System, if the condition causes or threatens to cause personal injury or loss of life to any person or serious and irreparable harm or damage to the environment, any property (real, personal or mixed), or any natural resource (including, but not limited to, areas of vegetation or timber, fish or other wildlife or their habitats).

This provision is intended to prevent harm to anyone, including Natives, and to prevent damage to any property. It would also protect the Natives' subsistence sources.

Another provision would require the oil companies to repair any property or resource damaged in connection with the construction or operation of the pipeline. Note that the liability which this provision would impose is quite severe.

DUTY OF PERMITTEE TO REPAIR, REPLACE, RECONSTRUCT AND REHABILITATE

To the written satisfaction of the Authorized Officer, permittees shall repair, replace, or rehabilitate all property (real, personal or mixed) regardless of ownership, and shall rehabilitate any natural resource (including, but not limited to, areas of vegetation, timber, fish or other wildlife populations or their habitats) that shall be seriously damaged or destroyed, if the damage or destruction is caused by or results from any act (including acts of God) or omission arising out of or connected in any way with the construction, operation, maintenance or termination of all or any part of the Pipeline System; Provided, however, that Permittees shall not be obligated so to repair, replace, reconstruct or rehabilitate any property or natural resource that shall be damaged or destroyed solely by reason of: (1) an act of war, or (2) the negligence of the United States.

The terms and provisions of this Section shall not supersede or limit, or be deemed to supersede or limit, any other obligations of Permittees under this agreement or under any law or regulation.

Another proposed provision would require the companies to post a bond or other security, for the purpose of ensuring the observance and performance of each of the obligations imposed by the permit, and would also ensure the payment of final judgments recovered against the companies for any loss or damage to property of the United States or of others, or for personal injuries to, or the death of any person arising out of or connected in any way with any occurrence related in any way to the Pipeline System or any part thereof.

The above provisions impose requirements over and above any that are imposed by State or Federal law. Failure of the companies to comply with them may result in shutting-down the operation of the pipeline. In addition, the United States may, at the companies' expense, perform the abatement and repair requirements imposed by the first two provisions set out above.

Coupled with the other provisions that we intend to place in the permit, and with the requirements of the State and Federal environmental and other laws, these provisions in our opinion will adequately protect the Natives and other inhabitants of Alaska.

Sincerely yours,

JOHN WHITAKER, *Under Secretary.*

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ALASKA FEDERATION OF NATIVES,
*Anchorage, Alaska, March 30, 1972.*

Hon. HENRY M. JACKSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR JACKSON: I enclose a copy of my letter of March 28 to the Secretary of the Interior regarding the necessity for the Secretary to include in any permit issued for the trans-Alaska pipeline, should a permit issue, a stipulation requiring the permittee to provide for the subsistence needs and other damages of Natives of Alaska growing out of the destruction or impairment of subsistence resources pending restoration. With my letter is included a legal opinion by counsel for the Alaska Federation of Natives which establishes beyond doubt that it is within the authority of the Secretary of the Interior to include such a stipulation.

Our request should not be misunderstood as an attack on the need for a trans-Alaska pipeline. That matter is before the Secretary and will be determined upon the basis of his evaluation of the environmental impact statement and other relevant factors. We are mindful of the necessity for some system of delivery if the people of Alaska, including the Alaska Natives, are to realize the benefits that can come from the development of North Slope oil and gas resources.

As matters now stand, the stipulations drafted within the Interior Department would require the permittee to clean up and restore damaged or destroyed habitat and other resources. However, no provision is made for providing for subsistence needs of Native peoples dependent thereon pending clean up and restoration. These would be left to local law, a totally inadequate remedy.

If this state of affairs is allowed to remain, Alaska Natives, through no fault of their own, will be left to bear the crushing burden of loss of subsistence, dependent wholly upon charity or emergency governmental assistance. The Alaska Natives have a right to better treatment. They have a right to protection by the Secretary of the Interior. They have a right not to be left to the vagaries of litigation, at once expensive time-consuming and unpredictable. They have a right to protection by the Secretary of the Interior without being relegated to seeking State legislation which itself may present difficult questions on legislative policy and constitutionality on the State level.

In the conference report on the Alaska Native Claims Settlement Act, the Congress made it clear that it expected the Secretary of the Interior to protect the Natives' subsistence needs. One of the most effective ways in which the Secretary can carry out that mandate is to require Alyeska, in the event a permit is granted, to assume responsibility for Native subsistence needs impaired by pipeline operations.

In a conference on March 29 with Under Secretary Pecora, the Under Secretary indicated a willingness to reconsider the position taken in his letter of March 10 in the light of my letter of March 28 and its attached legal opinion. The Department is to advise us in about two weeks whether it is agreeable to our request. If it is, we will be most happy to work with the Department in ironing out the details.

The Natives of Alaska are hopeful that you will agree that it would be in the public interest for the Secretary of the Interior to afford the necessary protection to the Alaska Natives through the inclusion of a stipulation as they have requested. May we respectfully request that you advise the Secretary of your interest and support of the Natives' request.

Sincerely yours,

DONALD R. WRIGHT, *President.*

Enclosure.

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ALASKA FEDERATION OF NATIVES,
*Anchorage, Alaska, March 28, 1972.*

Hon. ROGERS C. B. MORTON,
*Secretary, Department of the Interior,*
*Washington, D.C.*

DEAR MR. SECRETARY: The Alaska Federation of Natives continues to be surprised and disappointed at the Department's unwillingness up to now to include in the proposed stipulations for the Trans-Alaska pipeline a stipulation that is absolutely essential to the vital interests of those Alaska Natives whose livelihood depends upon the continued existence of subsistence resources.

As I have said in earlier letters to you, I cannot believe that you would personally countenance a situation under which a relative handful of Alaska Natives will be forced to bear the hardship resulting from impairment of the subsistence resources upon which their very life depends should a pipeline permit be issued and subsistence resources be destroyed or severely reduced. It is simply outrageously unjust for Alyeska to escape responsibility for providing for subsistence needs of Alaska Natives while destroyed or impaired habitat is being restored.

I last wrote you regarding this matter on March 15. Several days after that letter was sent I received a letter dated March 10 from Under Secretary Pecora, writing as Acting Secretary, which rejected our request for the inclusion in the proposed pipeline stipulations of the condition I have repeatedly urged beginning with the public hearing held by the Bureau of Land Management in February of 1971. In discussions by our counsel with Dr. Pecora and with counsel for the Department and from an earlier letter from Jack Horton, it appears that doubts that you have the legal authority to require the kind of stipulation we have requested may underly the present unwillingness of the departmental officials who have been considering this matter to afford us the protection we need.

Our counsel has carefully reviewed the legal question. He is satisfied that there are no legal impediments. A copy of his memorandum is enclosed.

Mr. Secretary, this matter is of the utmost importance to us not only practically but symbolically. I, therefore, repeat my request to discuss this matter with you personally.

Sincerely yours,

DONALD R. WRIGHT, *President.*

Mr. JACKSON. Mr. President, I do not believe there is any objection to the amendment.

Mr. FANNIN. Mr. President, we have no objection to the amendment.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Washington [putting the question].

The amendment was agreed to.

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## QUORUM CALL

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be taken out of the time allotted to either side.

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

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## UNANIMOUS-CONSENT AGREEMENT ON S. 440

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader and I have cleared the following request, we think, with a considerable number of Senators who are interested therein:

I ask unanimous consent that at such time as S. 440, a bill to make rules governing the use of military forces of the United States in the absence of a declaration of war by Congress, is called up and made the pending business of the Senate, there be a time limitation of 6 hours on the bill, to be equally divided between and controlled by the distinguished majority leader and the distinguished minority leader or their designees;

That time on any amendment in the first degree be limited to 1 hour, with the exception of an amendment by Mr. EAGLETON, on which there be a time limitation of 2 hours;

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.

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

Mr. JAVITS. Mr. President, reserving the right to object, I did not hear the provision for amendments that the Senator made.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from New York that the request provided for 1 hour on any amendment, with the exception of an amendment by Mr. EAGLETON, on which there would be 2 hours; and it provided ½ hour on any amendment to an amendment.

Mr. JAVITS. I thought that we should

have an hour on amendments to amendments also, and a half hour, equally divided, on motions and appeals.

Mr. ROBERT C. BYRD. Very well. I revise my request accordingly, Mr. President.

Mr. JAVITS. Mr. President, one other thing which I would like to agree on with the leadership, is that, as I cannot return to the Senate floor until late Monday afternoon, I would like to have the understanding that the bill would not be called up until Monday afternoon, say after 3 o'clock, and to protect me against plane failures, et cetera, that no amendments would be considered, or at least brought to a vote, on Monday afternoon.

Mr. MANSFIELD. The Senator has that assurance, because we will still be on the Alaska pipeline bill, and I would say it is highly doubtful that we would even get to this measure.

Mr. JAVITS. That is very kind, and I appreciate the accommodation.

The PRESIDING OFFICER. Is there objection to the several requests of the Senator from West Virginia?

Mr. MANSFIELD. If the Senator from New York returns, we would want that option, but my impression is that it is highly unlikely at the present time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. JAVITS. It is in the usual form, Mr. President?

The PRESIDING OFFICER. It is in the usual form. The Chair hears no objection, and it is so ordered.

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, the time not to be taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT of Virginia). Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I yield to the distinguished Senator from Michigan (Mr. HART).

Mr. HART. Mr. President, I ask unanimous consent that Mr. O'Leary and Mr. Nash of my staff be permitted access to the floor at this time.

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

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be taken out of either side.

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. 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.

## UNANIMOUS-CONSENT AGREEMENT OF AMENDMENTS AND ON S. 1191

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, upon the disposition of amendment No. 332 by Mr. HART to the Alaska pipeline bill, the Senator from Alaska (Mr. STEVENS) be recognized for the purpose of calling up an amendment by Mr. MAGNUSON.

I ask unanimeus consent that the vote on the Magnuson amendment occur no later than 1 hour after the disposition of amendment No. 332 by Mr. HART; that upon the disposition of the Magnuson amendment, Mr. JACKSON be recognized to call up an amendment; that upon the disposition of the Jackson amendment, the Senate proceed to the consideration of S. 1191, the National Center on Child Abuse bill; that upon the disposition of that bill, the Senate then return to the consideration of the amendment by Mr. GRAVEL.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from West Virginia? The Chair hears none, and 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 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.

## AUTHORIZATION OF APPROPRIATIONS FOR ACTIVITIES OF NATIONAL SCIENCE FOUNDATION

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8510.

The PRESIDING OFFICER 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. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a 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 Presiding Officer (Mr. SCOTT of Virginia) appointed Mr. KENNEDY, Mr. PELL, Mr. EAGLETON, Mr. CRANSTON, Mr. MONDALE, Mr. DOMINICK, and Mr. STAFFORD conferees on the part of the Senate.

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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.

Mr. GRAVEL. Mr. President, in the closing hours this afternoon I wish to bring up a few points on matters that may take place tomorrow and Monday.

There are many facets to the energy crisis and the problems plaguing us today. But there is one area where there is no argument, and unfortunately there is not much of a solution provided in that area, and that is the fact that every day it is necessary to consume more and more oil. We are not kidding anyone. We know this oil can be had from the Middle East and other areas of the world by putting out money and going in to buy it. We will be facing a dilemma that can destroy the financial viability of this country. As we buy more and more oil abroad, there are three possible courses of action to mitigate against the effect of those purchases. The first thing is that this country would become more and more aggressive in its commercial activities abroad as we export more. If we spend $1 abroad to buy oil we have to turn around and sell a product abroad, so that country will turn around and spend that dollar in the United States.

So, as we spend more and more money to buy oil abroad, the way to compensate ourselves is to sell more and more abroad so that those dollars can be repatriated through commercial purchases in the United States.

It seems very simple on the surface. Number one, it means this Nation, which has not become an export nation in the world, must become an export nation. What are the steps to be taken? It means we must disrupt the economic balance that has been built up over the years in Europe and the economic balance that exists in the Asian part of the world. So what we would have to do is increase our commercial activity in both Europe and Japan. I submit this could be very disruptive, and may not be to the best long-term interests of this country, but we would have to do some of it because of the expanding amount of purchases at home and abroad.

The second thing we would have to do is turn around and take this money that has been sent overseas and try to find ways where they can reinvest the money back in this country. This works only with countries that do not have very much consumptive ability. This does not work with countries that have very much consumptive ability. The case of the Soviet Union is the best example of that.

But that does not offer very much of a solution. The only real solution is that we mitigate the number of purchases abroad, that we cut down the number of purchases abroad. There is only one way to do it, and that is to produce oil domestically underneath the American flag.

The largest place in the world that has reserves that could supply us in that way is Alaska.

At the rear of the Chamber, I have a chart that depicts various methods by which we could supply the south 48, and I have the production levels that should be arrived at, in order to arrive at some significant solution with respect to the balance of payments.

The chart in question involves the Alaskan pipeline, which would provide oil at the rate of 2 million barrels a day when that is fully operative, and the Canadian line, which would also produce 2 million barrels a day. The other way would be the Northwest Passage, which could be expanded, depending on the situation, to go from 1 million to 2 million to 3 million to 4 million barrels a day. The amount of oil that would be brought out of Alaska from the different routes would depend on the amount in reserve.

At Prudhoe Bay we estimate we have 10 billion barrels in reserve, going up to 40 billion barrels. If we took a conservative estimate and cut it down the middle, we would have 20 billion barrels of reserve.

Just recently the Federal Government, through the Navy, released an amount of reserves just adjacent to Prudhoe Bay. There we have an additional 20 billion barrels, conservatively. So that makes an additional 20 billion barrels, or 40 billion.

So we take on the production of 20 billion barrels between now and 1990.

On the chart I have here we would start in 1977 with the Alaskan pipeline, and by 1980 would have 8.6 billion barrels.

With the Northwest Passage, we would have an addition of 2.6 billion barrels. With the Trans-Canadian pipeline, starting in 1982, we would have 4.9 billion barrels.

Then with the Canadian gas line, we would have 3.5 billion. With the Alaskan gas line we would have the barrel equivalent of 1 billion barrels.

This, translated over the years until 1980, would give us a dollar aggregate amount of over $100 billion that would not have to be repatriated or would not go abroad and would remain here in the domestic United States.

To give a sense of feeling to this, between the Second World War and today we have sent abroad $80 billion. What I am saying is that from the period of 1977 until 1990, we would save from going abroad sums of money that would be equal to what we have done in the 30-year period since the end of the Second World War. I think we all appreciate the significance of the $100 billion-plus to this Nation represented by the saving of this money going abroad. If this is not done, it would trigger a panic on the dollar, it would trigger a depression, and then it would trigger a world depression.

Those are the stakes that are involved in the decision to be made by the Senate Tuesday next when my amendment is brought up for a vote at 11 o'clock.

I hope that my colleagues will study this chart, which I will leave in the Chamber over the weekend, and realize the importance of taking steps for the immediate construction of the Alaska pipeline.

Mr. President, I yield the floor at this point in time, and will be prepared to take up the debate when other amendments are being handled.

I would like to yield the floor to the distinguished majority whip.

Mr. ROBERT C. BYRD. I thank the Senator.

## ORDER FOR ADJOURNMENT FROM SATURDAY TO MONDAY AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 10 o'clock Monday morning next.

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

## ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR. AND BUCKLEY ON THURSDAY, JULY 19, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on next Thursday, after the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) be recognized for not to exceed 15 minutes, and that he be followed by the distinguished Senator from New York (Mr. BUCKLEY) for not to exceed 15 minutes.

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

## ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF UNFINISHED BUSINESS ON MONDAY, JULY 16, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 3 minutes, at the conclusion of which the Senate return to the consideration of the unfinished business.

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

## CLARIFICATION OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, under the agreement, what would be the pending question at the time the Senate resumes the consideration of the unfinished business on Monday next?

The PRESIDING OFFICER. The amendment of the Senator from Alaska (Mr. GRAVEL).

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, just to be sure the RECORD is clear, has provision been made for temporarily laying aside the amendment by Mr. GRAVEL to the Alaska pipeline bill on tomorrow in order to provide for the consideration of the other amendments which I just a few minutes ago enumerated, together with the child abuse bill?

The PRESIDING OFFICER. It will be laid aside until the conclusion of S. 1191.

Mr. ROBERT C. BYRD. Or until the close of business tomorrow, whichever is the earlier?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

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. HART. 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. HART. Mr. President, I yield to the Senator from Oklahoma.

### AMENDMENT NO. 320

Mr. BARTLETT. Mr. President, I thank the Senator from Michigan.

Mr. President, I call up my amendment No. 320.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

At the end of the bill add a new section as follows:

Those oil leases whose daily average production per well does not exceed that of a stripper well of not more than ten barrels per day shall be exempt from any allocation or price restraints established by any act of law.

Mr. BARTLETT. Mr. President, I ask unanimous consent that my amendment be laid aside at the close of business today.

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

Mr. HART. Mr. President, yesterday I offered an amendment which now bears No. 332. Earlier today the majority leader obtained an order for the yeas and nays on an amendment which he indicated I was to offer later today.

Mr. President, it is now in order, and I would like to make a very brief explanation and have the amendment printed in order that we have an opportunity overnight to develop an understanding of it in anticipation of a vote tomorrow.

The amendment I offered yesterday would have insured that the Federal Trade Commission not require approval from the Office of Management and Budget before it could develop and obtain answers to questionnaires from business firms. These questionnaires would have to do with the discharge of its regular activities under section 6(b) of the Federal Trade Commission Act. The logic of the new amendment, I think, may make the support more broad.

Under existing law, title 44, section 3509 United States Code, Federal agencies, regulatory or not, are prohibited from sending out questionnaires if they are directed to 10 or more persons, unless the Office of Management and Budget approves. That enactment in the early stages of World War II was to serve a very useful purpose. It was to prevent multitudes of repetitious forms and inquiries descending on businesses and indivduals across the country, emanating from scores of Federal offices in Washington, with no effort to establish necessity or to indicate any showing of effort made to determine whether the information was already available in some other agency. I think all of us continue to support that concept.

But it becomes apparent that it is not a limitation that Congress should continue to apply to its own independent Federal regulatory agencies. The independent regulatory agencies should be free to obtain the information necessary to insure the proper performance of their regulatory functions without leave of the Office of Management and Budget. That is the purpose of the amendment. It is to withdraw the independent Federal agencies from the limitations imposed by the coordination of Federal Reporting Services Act of 1942.

Mr. President, I ask unanimous consent that the amendment be printed. I am grateful that the able Senator from Washington (Mr. JACKSON), the manager of the bill, joins in sponsoring the amendment.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. JACKSON. Mr. President, I am very pleased to join with the distinguished Senator from Michigan in cosponsoring this amendment. I think it is a sensible amendment. It recognizes that the Federal quasi-judicial agencies are indeed independent and should not have to go through the Office of Management and Budget in order to initiate questionnaires to the private sector matters that have nothing to do with the budget, but do relate directly to the discharge of their statutory and other responsibilities as independent agencies.

I shall support the amendment and hope that it will be adopted when the Senate votes tomorrow.

I commend the distinguished Senator from Michigan. He is the chairman of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary and has followed this matter very closely.

Mr. HART. Mr. President, as I indicated in offering the first amendment, No. 332, this amendment really follows the successful effort of the Senator from Washington, in his amendment No. 306, which provides the Federal Trade Commission with the power necessary to carry out responsibilities in many areas heretofore denied them.

We believe that freedom from veto by the Office of Management and Budget and other regulatory agencies is an additional strengthening act.

Mr. JACKSON. Mr. President, I reserve the remainder of my time.

I am glad to yield to the distinguished Senator from Rhode Island.

## THE REJECTION OF THE GODLEY NOMINATION

Mr. PELL. Mr. President, I am profoundly shocked at the reaction of the President and the Secretary of State to the decision by the Senate Foreign Relations Committee on the nomination of Ambassador Godley to be Assistant Secretary of State for East Asian and Pacific Affairs.

The President and the Secretary in their statements issued yesterday have characterized the rejection of Ambassador Godley's nomination as a punitive act of retribution and as an attack on the career Foreign Service.

The action of the Foreign Relations Committee was in fact neither. In rejecting the nomination, the Committee, in my view, was calling for the appointment to this policymaking position, in the new and sensitive stage now reached in Indochina, of an individual with the temperament and perspective to seek all possible alternatives to the use of force or aggressive action in handling the multiplicity of problems, many of a new nature, that are bound to arise in this geographical area in the coming year.

The committee action, and certainly my own vote in the committee, was not determined by the fact that Ambassador Godley is a career Foreign Service Officer. It was not prompted by a spirit of retribution, nor does it establish a precedent of recrimination. This is shown, too, by the fact that other Foreign Service Officers identified with our Vietnam war policies have been and will be confirmed to equally important and sensitive posts. The action came instead from concern for future U.S. policy in Southeast Asia, and a concern that a sensitive policymaking position be filled with the most appropriate and able appointment from the viewpoint of our national interests.

I speak as a former Foreign Service Officer, a vigilant defender of the career principle, and as a Senator who has sought to strengthen and help the career Foreign Service in every way that I could from my present position as a member of the Foreign Relations Committee.

The Constitution of the United States gives to the Senate the responsibility to advise and consent to appointments at this level. The confirming process embodied in our Constitution does not mean that the Senate is to be a rubber stamp for all appointments submitted by the executive branch. Nor does the Constitution or any law provide an exemption from the confirmation process for persons from the career Foreign Service.

If the administration really objects to the exercise by the Senate of its judgment in fulfilling its constitutional responsibility, then I believe the administration should send to the Congress legislation, or a constitutional amendment, exempting career officials from Senate confirmation when nominated for positions normally requiring confirmation.

I deeply regret that the administration, which was informed well in advance of the problem involved in this nomination, sought to press ahead with it rather than accepting the advice it was given. The Foreign Service was not well served by this obstinacy on the part of the administration.

What the administration did was to nominate a very fine man, Ambassador Godley, to the wrong job. What the Foreign Relations Committee did was to refuse to rubber stamp this mistake in judgment by the administration.

Ambassador Godley is a man of exceptional character, integrity, and decency. There are many equally important posts in the Foreign Service in which these qualities together with his aggressiveness, tenacity, and faithfulness would be valuable assets. The fact that Ambassador Godley was not confirmed for the post to which he was nominated had nothing to do with the fact that he is a career Foreign Service Officer, and I believe the members of the career service know this very well. In fact, the vote against this nomination would have been by a larger majority if Ambassador Godley had not been a Foreign Service Officer, since the Foreign Relations Committee is predisposed to approve career Foreign Service nominations.

The Foreign Relations Committee, and the Senate, have almost always confirmed career officers in policymaking posts, including officers who have dutifully implemented policies with which the committee or the Senate disagrees. It will do so in the future, but the Senate in each case has the responsibility to exercise its judgment on the basis of the national interest.

## THE INTERCEPTION OF THE "DONG BANG 71"

Mr. STEVENS. Mr. President, I call the attention of the Senate to the fact that a Coast Guard helicopter has sighted another Korean fishing vessel, the *Dong Bang 71*, 10½ miles off Cape Cross in the Gulf of Alaska fishing illegally. The vessel was instructed to heave to and wait for rendezvous with a surface vessel. Instead they made a run for it and the copter initiated hot pursuit and provided air coverage throughout the night. Early this morning the Coast Guard cutter *Clover* intercepted the violator, 80 miles northwest of Sitka and seized the vessel. The CGC *Sweetbriar* is proceeding to the area to relieve the *Clover* and escort the *Dong Bang* to Juneau.

I am informed that the U.S. attorney has indicated he will accept this case for appropriate prosecution, and I am urging the Department of Justice to see to it that this vessel's prosecution is proceeded with swiftly, because this is the third violation, and there are some 660 foreign vessels off the shores of Alaska fishing for our fishery resources at the present time. I think only stringent enforcement will save this vast resource that we have for our Nation.

## FEDERAL LANDS RIGHT-OF-WAY ACT OF 1973

The Senate continued with the consideration of the 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.

Mr. STEVENS. Mr. President, it is obvious, even to the most uninformed, that there is an energy crisis in this Nation and that to meet this crisis effectively we must meet it now.

The Alaska pipeline amendment provides the way for this Nation to meet this challenge with an effective answer—not 3 months, 6 months, or a year from now—but it provides the United States with a solution to help begin meeting the energy crisis now.

By giving the immediate go ahead for the trans-Alaska pipeline now the Congress would provide the vehicle to get to the business of solving our energy crisis at the point where time is of the essence. We have an immediate problem—it is only reasonable that we solve that problem with an immediate answer but with an answer that has been thoroughly studied and analyzed, an answer that we know will work. That answer is the immediate construction of the trans-Alaska pipeline.

Immediate construction of the trans-Alaska pipeline would not be just an expeditious and effective answer to help in solving our energy problem, but it would also help solve the many other problems which we are now confronting and which are acutely related to the energy crisis. Specifically, immediate construction of the trans-Alaska pipeline would be of urgent importance in both aiding our economy and protecting and improving our national interest.

If we act forthrightly and directly, construction of the trans-Alaska pipeline could reduce our first round balance of trade outflows by at least $7 billion to $12 billion annually. As production rates increase from Alaska—and Mr. President, we know that they will—America will be able to greatly strengthen our bargaining position with the Middle Eastern oil producing nations and simultaneously allow us to meet any supply disruptions with minimum economic consequences.

Because we have been forced to rely on Middle Eastern oil we have been forced to comply with the prices that these nations choose to impose. This costs billions of dollars—dollars that are going to the Middle Eastern nations which is inflicting further damage on our balance of payments position and eats away at the strength of the dollar—this is the price we must continue to pay if we do not embark on construction of the pipeline now. A $10 billion yearly drain is the price we will have to pay if we do not reverse this damaging trend. But if we build the trans-Alaska pipeline now we will be able to keep those billions of dollars in the United States. I want to stress this important point—a trans-Alaska pipeline will reduce by more than one-third the amount of oil that we have to import. That is more dollars in the pockets of Americans instead of the pockets of Arab sheiks.

By building a trans-Alaska pipeline now, we will help restore the confidence in our currency; confidence I might add that has been desperately lacking throughout the world as of late.

I want to stress the importance of what the immediate construction of the trans-Alaska pipeline means to our economy here at home—it is impressive.

Completion of the trans-Alaska pipeline should yield a net benefit to the economy beginning at $1 billion a year and increase to $2.4 billion a year later. But I must emphasize, we cannot complete the pipeline before we begin to build the pipeline. We must begin to build the pipeline now so America can begin to reap the fruits of the pipeline in the future.

What is also of great importance to the Nation at a time when we are fighting unemployment is the fact that thousands of new workers will find employment through the construction of the pipeline—not just in Alaska, but an Alaska pipeline means jobs throughout the Nation—in the East, Midwest, the North, the South and West. The trans-Alaska pipeline will have a positive, healthy and enduring impact on the economy. Both management and labor agree that we must begin immediate construction of the trans-Alaska pipeline. The AFL–CIO and other unions realize that a pipeline means jobs for Americans—jobs that are needed now. The faster we begin construction on the trans-Alaska pipeline the quicker we can get more people employed and reduce America's joblessness. Numerous sectors of the economy will directly benefit. But they will not benefit until we get on with this important task—the Alaska pipeline amendment allows us to do that.

As the trans-Alaska pipeline is essential to the American economy—America's economy is essential to our nation's national security.

The trans-Alaska pipeline will give us the energy to reduce our reliance on foreign energy and thus insure our ability to chart an independent foreign policy—a foreign policy free of stipulation, concession, and excessive compromise.

We will not be faced with the severe threat from the oil producing states in the Middle East who threaten to, and indeed upon occasion have, cut off our oil. The leader of Libya said recently that Middle East oil should be used as a "slap in the face of America." Mr. President, the sooner we are able to utilize our North Slope oil, then the sooner we will be able to take the threat of a slap in the face—and it would be much more severe than just a slap—away from the handful of Arab nations.

Construction of the trans-Alaska pipeline is essential, it is mandatory that we respond to a crisis where time is of the essence with a timely solution—construction of the trans-Alaska pipeline now. I ask my colleagues to consider the urgency of our energy crisis and our ability to move now and begin to solve this question now—we can, and our amendment is the catalyst to action.

I think we should meet the problem of the energy crisis with action, and not with further delay, and I am quite hopeful that on Tuesday the Senate will start the first positive move toward the construction of the Alaska pipeline by adopting the amendment we have offered to this bill.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I shall state the program for tomorrow and beyond.

The Senate will convene tomorrow at 10 a.m.

A yea-and-nay vote, which has already been ordered thereon, will occur on the amendment by Mr. BARTLETT to the Alaska pipeline bill at the hour of 11 a.m.

When the amendment by Mr. BARTLETT is disposed of, there will be a yea-and-nay vote on the amendment by Mr. HART to the Alaska pipeline bill.

Upon the disposition of the Hart amendment, Senator STEVENS will be recognized to call up an amendment by Mr. MAGNUSON. No later than 1 hour after the disposition of the Hart amendment, a vote will occur on the Magnuson amendment. That vote may very well be a voice vote, depending on the wishes of Senators at that time.

Upon disposition of the Magnuson amendment, the distinguished manager of the bill, the Senator from Washington (Mr. JACKSON) will be recognized to call up an amendment. There may very well be a rollcall vote on that amendment, but that, again, will be determined at that time.

Upon the disposition of the Jackson amendment, the Senate will take up S. 1191, the National Center on Child Abuse bill. A yea-and-nay vote already has been ordered on that bill.

Upon the disposition of S. 1191, other Senators may have amendments to the Alaska pipeline bill. If they wish to offer them, they may do so, but at any rate the Senate will return to the consideration of the Alaska pipeline bill. The question will be on the adoption of the amendment of the Senator from Alaska (Mr. GRAVEL). Debate will resume on the Gravel amendment. The amendment may be set aside, but only by unanimous consent to take up other business on which yea-and-nay votes could occur.

On Monday the Senate will convene at 10 o'clock a.m. Following any special orders for the recognition of Senators which may have been entered prior to Monday, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes. There may very well be a first track item, but in any event on Monday the Senate will resume consideration of the Gravel amendment to the Alaska pipeline bill.

At 1:30 p.m. on Monday the Senate will proceed to the consideration of the amendment (No. 309) by Mr. BUCKLEY to the Alaska pipeline bill. A yea-and-nay vote will occur on the Buckley amendment. The yeas and nays have been ordered on amendment 309 at 2:30 p.m. Other yea-and-nay votes may occur during the day.

On Tuesday, July 17, the Senate will convene at 9 a.m., or earlier, if necessary, to accommodate Senators who may wish to secure special orders prior to Tuesday. At no later than 10 o'clock a.m. there will be a vote on the Haskell

amendment to the Alaska pipeline bill, provided that amendment has not been disposed of on an earlier date.

At 11 o'clock a yea-and-nay vote will occur on the amendment by Mr. GRAVEL, cosponsored by Mr. STEVENS.

At not later than 12 o'clock on Tuesday the vote will occur on final passage of the Alaska pipeline bill.

Other yea-and-nay votes may occur during the afternoon on Tuesday.

Under the order already entered, upon the disposition of the Alaska pipeline bill the Senate will turn to the consideration of the minimum wage bill, S. 1861. Yea-and-nay votes could occur thereon.

The leadership may from time to time seek to alter the program for Monday and/or Tuesday, with consent, of course, in order to utilize the time to the fullest, and may call up other measures for consideration if they have been cleared for action.

Mr. President, that is as far as I would care to attempt to predict at this time, my political prophecy not being strong enough to attempt to prognosticate beyond Tuesday. But suffice it to say there will be yea-and-nay votes daily from here on throughout the remaining weeks of July. Saturday sessions throughout July preceding the August recess will be almost unavoidable.

A look at the calendar will justify this. For example, the following bills are among—and I repeat "among"—those measures which must be disposed of before the August recess, but the bills which I shall enumerate are not necessarily listed in the order in which they will be taken up, and I emphasize that the list is not necessarily complete by any means. They are as follows:

H.R. 8760—Transportation appropriation bill.

H.R. 8658—District of Columbia appropriation bill.

H.R. 6691—Legislative appropriation bill.

H.R. 8917—Interior appropriation bill.

H.R. 8947—Public works appropriation bill.

S. 440—War powers.

H.J. Res. 512—HUD.

S. 426—Premarket testing of new chemical substances.

S. 2101—Truth in lending.

S. 1861—Minimum wage.

S. 356—Consumer product warranties.

S. 782—Antitrust.

S. 372—Equal time provision, Communications Act.

S. 1559—Manpower training.

S. 1560—Public service employment.

S. 4—Pension reform.

S. 1033—Export of timber.

S. 1149—Railroad rolling stock.

S. 1983—Protection of fish and wildlife.

Foreign aid authorization.

Campaign spending.

Numerous conference reports.

S.J. Res. 110—Nonpartisan Commission on Election Reform.

In addition, Mr. President, there are various energy bills. There are numerous conference reports. So, Mr. President, I read it and I weep.

I would suggest and I know the distinguished majority leader joins me in stating that I cannot read that list of bills and conceive of how we can avoid Saturday sessions for the remainder of July, especially when we will be going into an August recess of better than 4 weeks. I know Senators will want to fasten their seat belts and prepare for extreme turbulence ahead.

## ADJOURNMENT UNTIL 10 A.M.

Mr. JACKSON. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 10 a.m. tomorrow.

The motion was agreed to; and at 4:56 p.m. the Senate adjourned until tomorrow, Saturday, July 14, 1973, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate July 13, 1973:

DEPARTMENT OF JUSTICE

Donald J. Stohr, of Missouri, to be U.S. attorney for the term of 4 years, vice Daniel Bartlett, Jr., resigned.

NATIONAL CREDIT UNION BOARD

William E. Young, of Washington, to be a member of the National Credit Union Board for the remainder of the term expiring December 31, 1973, vice DuBois McGee, deceased.

IN THE NAVY

Timothy K. Murphy (Naval Reserve Officers Training Corps candidate) to be a permanent ensign in the line or staff corps of the Navy, subject to the qualification therefor as provided by law.

The following-named EX-USN officers to be permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law:

George F. Humbert

James W. Smith

Waring B. Haselton to be reappointed from the temporary disability retired list as a permanent commander in the Navy, limited duty (Hull) subject to the qualification therefor as provided by law.

John P. Cook, U.S. Navy officer, to be a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefore as provided by law.

Michael B. Sanborn (midshipman, Naval Academy) to be a permanent ensign in the line or staff corps of the Navy, subject to the qualification therefor as provided by law.

## CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1973:

THE JUDICIARY

Thomas G. Gee, of Texas, to be a U.S. circuit judge, fifth circuit.

William H. Webster, of Missouri, to be a U.S. circuit judge, eighth circuit.

Harlington Wood, Jr., of Illinois, to be a U.S. district judge for the southern district of Illinois.

John F. Nangle, of Missouri, to be a U.S. district judge for the eastern district of Missouri.

Prentice H. Marshall, of Illinois, to be a U.S. district judge for the northern district of Illinois.

# EXTENSIONS OF REMARKS

## RAIL CRISIS

## HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 12, 1973*

Mr. SHOUP. Mr. Speaker, on June 30, 1973, I introduced H.R. 9142 which relates to the impending rail crisis in the Northeast region. This bill is similar in some respects to other proposals, some of which have also been introduced, but H.R. 9142 has unique characteristics which I feel merit the serious attention of Congress.

H.R. 9142 mandates consolidation of the bankrupt railroads, has extensive and full protection for labor, keeps Government expenditures at a minimum level and vests control of the proposed new system in a private corporation. Nothing in the bill in any way compromises further work on the overall transportation problems facing the Nation, yet the bill is so constructed that it has attributes which constitute a sound basis for further attention to rail problems. For the information and reference of all those concerned with the Northeast rail situation I am submitting the following section-by-section explication of H.R. 9142:

SECTION-BY-SECTION EXPLICATION OF H.R. 9142

This is a bill to create a system to restore, maintain and operate a system of essential rail service in the Northeast Region.

SUBCHAPTER I

Section 101. Congress finds that certain carriers are in bankruptcy, that continuation of service is threatened; that public interest requires rail service; that federal financial assistance is needed to facilitate the reorganization and continuation of railroads in the Northeast.

Section 102. Definitions:

*FNRA*—Federal National Railway Association—the planning entity.

*Bankrupt railroad* is a line which is in reorganization and judged by a court not to have a reasonable likelihood of successful reorganization.

*Commission*—Interstate Commerce Commission.

*Corporation*—Northeast Rail Corporation—the operating entity,

*Fair and equitable value* (1) for bankrupt lines acquired by the corporation and to be abandoned this is the best market price (over a reasonable period of time) less costs of holding and maintaining and less a discount for delay and receipt of proceeds, (2) for rail property of railroads and reorganization to be acquired and operated—the greater of fair liquidation value. (1) above, or going concern value which is the capitalized value of earning power giving consideration to cost of implementing the regional plan and giving a reasonable rate of return.

*Nonbankrupt railroad*—any railroad in reorganization judged by a court to have a reasonable likelihood of successful reorganization on an income basis.