By Mr. ROSTENKOWSKI (for himself, Mr. BURKE of Massachusetts, Mr. BRASCO, Mr. DELANEY, Mr. FASCELL, Mr. MOORHEAD of Pennsylvania, Mr. MOSS, Mr. MURPHY of Illinois, and Mr. ROE):

H.J. Res. 235. Joint resolution to authorize the emergency importation of oil into the United States; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois:

H. Con. Res. 91. Concurrent resolution expressing the sense of the Congress that the Joint Committee on Congressional Operations begin an immediate study of committee jurisdictions in the House of Representatives; to the Committee on Rules.

By Mr. GAYDOS:

H. Con. Res. 92. Concurrent resolution expressing the sense of Congress respecting Federal expenditures; to the Committee on Government Operations.

H. Con. Res. 93. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mr. PEPPER:

H. Con. Res. 94. Concurrent resolution expressing the sense of the Congress with respect to the diplomatic recognition of the Government of Cuba; to the Committee on Foreign Affairs.

By Mr. ANDERSON of Illinois:

H. Res. 153. Resolution to amend rule XI of the House of Representatives; to the Committee on Rules.

By Mr. BROWN of California (for himself, Mr. DANIELSON, and Mr. CORMAN):

H. Res. 154. Resolution authorizing each Member of the House to sue on behalf of the House with respect to funds illegally impounded by the President which would otherwise be available for programs and projects in that Member's district; to the Committee on the Judiciary.

By Mr. DINGELL:

H. Res. 155. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. ICHORD:

H. Res. 156. Resolution providing for additional copies of "The Federal Civilian Employee Loyalty Program," House Report No. 92-1637, 92d Congress, 2d session; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

15. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to import restrictions on oil; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 2756. A bill for the relief of Ester Dina Bursztyn; to the Committee on the Judiciary.

H.R. 2757. A bill for the relief of Anna Rosa, Luigi, and Amelia Guistino; to the Committee on the Judiciary.

H.R. 2758. A bill for the relief of Alfredo and Caterina Iannitelli and minor son, Ricardo Jose Iannitelli; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.R. 2759. A bill for the relief of Renato Arrighi; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 2760. A bill for the relief of Nicola Di Nallo; to the Committee on the Judiciary.

H.R. 2761. A bill for the relief of Ivo Falvo; to the Committee on the Judiciary.

H.R. 2762. A bill for the relief of Adele Romanelli; to the Committee on the Judiciary.

H.R. 2763. A bill for the relief of Santuzza Simonti; to the Committee on the Judiciary.

H.R. 2764. A bill for the relief of Lucia Tortorella; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 2765. A bill for the relief of Carl Harris; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 2766. A bill for the relief of Walter L. and Thelma M. Bossard; to the Committee on Interior and Insular Affairs.

H.R. 2767. A bill for the relief of Alfred Coleman; to the Committee on Interior and Insular Affairs.

H.R. 2768. A bill for the relief of Wah Fat Won (also known as Suey Hong Won); to the Committee on the Judiciary.

H.R. 2769. A bill for the relief of William R. Karsteter; to the Committee on the Judiciary.

By Mr. ROGERS (by request):

H.R. 2770. A bill for the relief of Charles P. Bailey; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 2771. A bill for the relief of Leonard Diamond; to the Committee on the Judiciary.

By Mr. TIERNAN:

H.R. 2772. A bill for the relief of Maria D'Arpino; to the Committee on the Judiciary.

By Mr. BAKER:

H. Res. 157. A resolution to refer the bill (H.R. 1690) entitled "A bill for the relief of Farmers Chemical Association, Inc." to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

SENATE—*Tuesday, January 23, 1973*

The Senate met at 12 o'clock meridian and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Eternal Father, in whom we live and move and have our being, quiet our hearts in grateful memory of Thy servant Lyndon Baines Johnson.

We give Thee thanks for his great and good life and for the enduring legacy of his leadership. We thank Thee for his legislative skills, his executive talents, and his enduring statesmanship in the affairs of the whole world. We thank Thee for his devotion to civil rights and human justice, his passion to help the poor, the undereducated, the ill, and those of limited opportunity.

We thank Thee too for his warm friendship, his outgoing good will, his love of the public arena, his ardor in the contest, his steadfastness in fulfilling this Nation's pledges to other nations, his dignity in victory, his quiet patience under criticism, his transcendent devotion to his country, and his abiding faith in Thee.

We beseech Thee, O Lord, to put within us the same high motives to lift the life of all the people to its highest and best and to carry forward the vision of a great society in the likeness of Thy promised kingdom.

Grant to those who mourn, the healing of Thy grace and the comfort of Thy Holy Spirit.

Through Jesus Christ, our Lord. Amen.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, January 20, 1973, be dispensed with.

The 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 authorized to meet during the session of the Senate today.

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

NO COMMITTEE MEETINGS TOMORROW

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, in view of the death of our late departed colleague and former President of the United States, Lyndon Baines Johnson, I ask unanimous consent that no committee meetings be held tomorrow.

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

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 12 meridian tomorrow.

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

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL FRIDAY, JANUARY 26, 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 12 o'clock noon on Friday next.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM FRIDAY UNTIL MONDAY, JANUARY 29, 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, it stand in adjournment until 12 o'clock noon on Monday next.

The VICE PRESIDENT. Without objection, it is so ordered.

PROGRAM FOR FRIDAY

Mr. MANSFIELD. Mr. President, on Friday there will be debate on various nominations and other matters which may be of moment. There will be no votes on Friday.

Mr. SCOTT of Pennsylvania. Mr. President, if the distinguished Senator will yield, I understand that any nomination now on the calendar, not disposed of today, will be debated Friday and disposed of on Monday.

Mr. MANSFIELD. The Senator is correct.

Mr. SCOTT of Pennsylvania. I thank the Senator.

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

Mr. MANSFIELD. I yield.

Mr. STENNIS. Mr. President, I am glad the Senator has made these arrangements, but we do have the Clements nomination and the Schlesinger nomination pending today. The leadership would expect, with the other formalities, to proceed with those nominations?

Mr. MANSFIELD. Yes, as soon as the special orders are taken care of we will take up those nominations.

Mr. STENNIS. I thank the Senator. I think those nominations are ready for presentation, with a good chance that there will be only brief debate.

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

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. The Committee on Banking, Housing and Urban Affairs has passed on the nomination of James T. Lynn to be Secretary of Housing and Urban Affairs. I have the report here. There are individual views, I understand. It will be necessary to get unanimous consent for them at this time. Is that in order?

Mr. MANSFIELD. To file them?

Mr. SPARKMAN. Yes.

Mr. MANSFIELD. The nomination will be held on the calendar and will not be taken up today.

Mr. SPARKMAN. No. I understand. But I do ask unanimous consent to file this report with individual views.

The VICE PRESIDENT. Without objection, it is so ordered.

PROGRAM FOR TOMORROW

Mr. MANSFIELD. Mr. President, for the information of the Senate, tomorrow only eulogies will be delivered for former President of the United States Lyndon Baines Johnson.

This is all tentative as yet, but it is my understanding that around 2:30 tomorrow the Senate will leave in a body and go to the rotunda of the Capitol.

The only business tomorrow will be the delivering of eulogies and the assembling of Senators to march to the rotunda in order to pay our respects, individually and collectively, to our late colleague, Lyndon Baines Johnson.

SENATE RESOLUTION 24—DEATH OF FORMER PRESIDENT LYNDON B. JOHNSON

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senators from Texas (Mr. TOWER and Mr. BENTSEN), and the joint leadership, the distinguished Senator from Pennsylvania (Mr. SCOTT) and the Senator from Montana, now speaking, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 24

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Honorable Lyndon B. Johnson, a former President of the United States, and a former Representative and former Senator from the State of Texas.

Resolved, That in recognition of his illustrious statesmanship, his leadership in national and world affairs, his distinguished public service to his State and his Nation, and as a mark of respect to one who has held such eminent public station in life, the Presiding Officer of the Senate appoint a committee to consist of all of the members of the Senate to attend the funeral of the former President.

Resolved, That the Senate hereby tender its deep sympathy to the members of the family of the former President in their sad bereavement.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the former President.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and unanimously agreed to.

Mr. MANSFIELD. Mr. President, I now yield to the distinguished senior Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I know that all of us today are deeply saddened and it is difficult for us to say what is on our hearts at this moment.

The 36th President of the United States was a Texan—and in every good sense of the word. He was a superb leader in the Congress of the United States. He was an able President. He confronted the critical and fast moving events of his day with the determination to make decisions that would serve the greatest good for the greatest number of people.

I spent a good part of my adult life as a political adversary of President Johnson, but it was characteristic of the man that he was able to maintain warmth and to extend the right hand of friendship even to those who opposed him.

He was a man who had a forgiving nature, who never carried a grudge—a man who never became dissolved in any sense of bitterness or frustration. I can say that he was my friend.

I had the opportunity to visit with him personally only a short time ago. There arrived at my desk yesterday morning a warm and friendly letter from him, inviting me to come and see him again.

I am profoundly sorry that he was taken from us at this time in his life when there was so much more in the way of good counsel and advice that he could have given to many of us, and so much more teaching that he could have done for our young people, in whom he had such a deep and abiding interest.

We shall sorely miss him. Those of us who are Texans can think better of ourselves because we come from a society that produced Lyndon Baines Johnson.

Mr. MANSFIELD. Mr. President, I now yield to the distinguished Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. President, I know of no President of the United States who cared more deeply for the people. I know of no President who worked harder for them. They have lost a great champion and I have lost a personal friend. I shall miss him.

Lyndon Baines Johnson was a leader among men. He was a man of great energy, a man of vigor, a man of courage, and a man of total commitment.

I only wish he could have had the longevity of President Truman so that he could have been viewed in the dispassionate eye of history apart from this bloody war and the passions it has aroused. I think, then, that the contribution this man has made to our society would have been better understood.

He was a man of great intellect, a man who could gasp problems and reduce them to their simplest terms, a man who, apart from great political rhetoric, could illustrate the individual problem so that a person would identify and relate to it and understand it.

I wish that personality could have extended over the television medium. Time and time again, I have seen the persuasive powers of this man exercised in small groups of people. When he got through telling the problems of the young black trying to make his way in life, and some of the obstacles he had to overcome, I have seen the tears come to the eyes of hardened, tough, cynical men as they better understood the problem, and they became proponents of what he was trying to accomplish.

He was a poor boy, who never forgot that once he was a poor boy, and he understood the problems of the poor. He was a man who was concerned for the sick and wanted to see that they had a chance for medical attention.

He was a man who believed that every man and boy in this country should have the full opportunity of education. He was interested and concerned in our youth.

He had a respect for this body and for the House. He understood Congress and the role it should play under our Constitution.

He had a respect for the Presidency. More than anything else, he wanted to discharge that responsibility in a way that did justice to that great Office. I know how much he appreciated the way President Nixon treated him after he was no longer President.

I think President Johnson also grew in stature, continued to grow, after he left the Presidency, for the manner in which he discharged his responsibilities as an ex-President. He could have been a carping antagonist for the Presidency, but he was not. He tried to contribute in every way he could to the enormous responsibility that Office holds and to its present incumbent.

We have lost a great leader in this country, and the people have lost a champion.

Mr. MANSFIELD. Mr. President, before I yield to the distinguished Republican leader, on behalf of both of us I send to the desk a message which I ask to be read.

The VICE PRESIDENT. The Chair lays before the Senate the message from the President on the death of former President Lyndon B. Johnson, which will be read and laid on the table.

The assistant legislative clerk read as follows:

To the Congress of the United States:

It is my sad duty to inform you officially of the death of Lyndon Baines Johnson, the thirty-sixth President of the United States.

His loss is especially poignant for all of us who knew him and worked with him in the House and Senate. It was there that he first became a legend and there that he began to influence our destiny as a great Nation.

Yet Lyndon Johnson's legacy extends far beyond his years in the Congress. He was a man of fierce devotion and love. He was devoted to his family. He was devoted to the cause of freedom and equality for his fellow man. And as President, he was devoted in a very special way to the land he loved.

The whole story of the Johnson years in the White House remains to be told, and history has yet to make its judgment. But millions of Americans will always remember a bitter day in November, 1963, when so many of our people doubted the very future of this Republic, when so many were stunned at the very idea that an American Chief of State could be assassinated in this age, and so many abroad were fearful about the future course of the American democracy. And Lyndon Johnson rose above the doubt and the fear to hold this Nation on course until we rediscovered our faith in ourselves.

If he had done no more, his place in history would have been assured. But he did much more, and his role then was not a high-water mark but a hallmark. For it was his noble and difficult destiny to lead America through a long, dark night of necessity at home and abroad. He had the courage to do what many of his contemporaries condemned him for, but what will surely win warm praise in the history books of tomorrow.

RICHARD NIXON.

THE WHITE HOUSE, *January 23, 1973.*

Mr. SCOTT of Pennsylvania. Mr. President, I had the honor of knowing and being a friend of Lyndon Johnson for all of these past 32 years, and in that period I have enjoyed his kindness and often his confidence. I have seen him mount to heights of exultation, and I have seen him in the bitterness of despair.

During all this time, he walked among men, and he was with them and of them. His spirit soared on the wings of eagles to reach the goals to which he aspired. His voice roared aloud for the causes for which he believed. He fought for his convictions.

He was among the most persuasive of men. He was, above all, a friendly, human individual; and visits with him here and in the White House were always occasions for fond and happy memories.

I recall particularly when I was much beleaguered in 1964, and President Johnson appeared in Pittsburgh, where any word of disparagement on his part might have changed my entire future career. But, far from doing this, he was scrupulously considerate and extremely fair in his judgments. He did nothing of a political or partisan nature which would have worked to the disadvantage of one who had stood in opposition to him in some matters, who had stood in support of him in others.

I am glad that I rose, when he became President, to indicate my support of his foreign policies. I did it no matter how difficult it might have been at times, but I did it because I believe that a President is entitled to that kind of bipartisan support.

I know that he relied upon the confidence of the country in what he sought to do. When he thought at one bitter moment that the confidence of the country had veered and that people had turned their heads from him and hardened their hearts, he made the most difficult decision a man can make; He decided not to be a candidate for the Presidency. That was the act of a big man; it was the act of a great man; it was the act, above all, of a very strong man who loved his country and who had lived to see a return of that confidence and a continuance of that affection and a recognition that, indeed, his name will go into history—this 36th President of ours—as one who deserved well of the Republic.

We honor his memory, we mourn his passing, we express our warm and deep condolences to his beloved wife and to his family, and we hope, as is written in the Book of Common Prayer, that he will now have peace at the last.

Mr. MANSFIELD. Mr. President, death can, at times, be delayed but, in the end, cannot be avoided. Within the past month, two former Presidents of the United States, Harry S Truman and Lyndon Baines Johnson, have left their existence here on earth. Both were Senators of the United States. Both were Vice Presidents of the United States. Both, through the death of others, became Presidents of the United States and, then, in their own right, became Presidents again.

It was my privilege to work with these men but most closely with Lyndon Baines Johnson. I served with him for 4 years as the assistant majority leader when he was majority leader of the Senate. I succeeded him as majority leader when he became Vice President in 1961 and continued in that capacity throughout his Presidency.

We were in friendly and fairly close contact for those many years. As President, Lyndon Johnson was the head of the executive branch and, as the majority leader, I was the representative of the Senate. As might be expected, we did not always agree but at no time did our disagreements impair the civility of our relationship.

Lyndon Johnson came from humble origins but he was not a humble man. Rather, he was a man of great pride and his Presidency was a Presidency which bore the hallmark of this pride. We shall not see his like again, nor shall we see the kind of legislative program which was enacted in response to his determined leadership in the pursuit of equal opportunity for all Americans.

Insofar as proposing and enacting legislation in the field of domestic and social reform, Lyndon Johnson was, in my judgment, the greatest of Presidents. Historically, his record in that respect will emerge as superior to any other President or any combination of Presidents. He was in the tradition of Franklin D. Roosevelt, the man he so much admired, and his dream of a great society of free men will be his enduring monument in the history of this Republic.

Mrs. Mansfield, our daughter Anne, and I wish to extend our deepest condolences and sympathy to Lady Bird Johnson, one of the outstanding First Ladies of this Republic, to the Johnson daughters, Lynda and Luci, and to all their families in this hour of sorrow and bereavement. May his restless soul find peace.

Mr. MUSKIE. Mr. President, with all my colleagues I am deeply saddened by the sudden death of Lyndon Johnson. We have lost a statesman and a friend. Lyndon Johnson served with extraordinary ability in this body for 12 years, as a representative of his beloved State of Texas, and as majority leader.

He proved here that he was a master in the art of the possible, but he also demonstrated that he had dreams, and had the courage and talent to make many of those dreams reality.

After the tragedy in Dallas, Lyndon Johnson was thrust without warning into the Nation's highest office. He met the challenge with characteristic energy, vision, and remarkable strength of leadership. And, he presided with great personal dignity over the most tumultuous and troubling period in recent American history.

Lyndon Johnson was a man of great feeling for his fellow human beings. He saw Americans ringed into ghettos of difference, of prejudice, of ignorance, and he demanded a better quality of life for every American. Lyndon Johnson's dreams were large—we were to have not just a new society, but a great society. And, as the most politically experienced President and party leader in this Nation's history, Lyndon Johnson was able

to produce the most far-reaching social legislative program since the New Deal. He initiated manpower training for the unemployed, medicare for the elderly, and low-cost, fair housing for minorities. Declaring war on poverty, he mobilized forces of young and old to improve the lives of millions of Americans. With special determination, Lyndon Johnson announced, "We shall overcome"—and obtained the strongest civil rights bill in our Nation's history.

His tragedy, and ours, was the war which seems only now hopefully to be ending. But the war can never eclipse his solid achievements in strengthening the fabric of American life. I join America in mourning the loss of a statesman and a friend who was in so many ways larger than life, and will remain so in our memories.

Mr. ALLEN. Mr. President, the sudden death of President Lyndon Johnson shocked the Nation, and all the more so coming as it did so soon after President Truman's death. President Johnson fought hard to promote programs to bring a better life to all of our people but his accomplishments have been obscured by the tragedy of the Vietnam war which caused such a division among our people. It is regrettable and ironic that he did not live to see the end of the Vietnam war which now seems so near. After Vietnam has become only a tragic memory, history can make a more accurate assessment of his role in history.

DEATH OF FORMER PRESIDENT LYNDON B. JOHNSON

Mr. HUMPHREY. Mr. President, as we all know, yesterday our Nation was saddened and shocked by the news that the 36th President of the United States, Lyndon Baines Johnson, had passed away.

Mrs. Humphrey an I mourn the loss of a dear friend and the Nation mourns the loss of a remarkable man and leader who struggled to bring dignity and hope to all of the American people.

Lyndon Johnson's public life was filled with controversy because he was a man who cared, a man of action, and a man of decision.

He will be remembered most kindly not by the high and mighty, but rather by those whom society had forgotten or ignored.

He was a strong man, as we know, and yet he cared for the weak and the sick.

He was a country school teacher who in his public career dedicated his energies and *talents* to the cause of education for every American.

He was a man of compassion for the elderly and of concern for the young.

I believe no man gave more to the struggle for human rights, nor asked more of us in the battle against racism and discrimination, than President Johnson.

He was a President who saw America as the guardian of freedom throughout the world, and he acted accordingly.

Above all, Lyndon Johnson believed that our country could build a society of opportunity and justice. He believed that America could do whatever needed to be done.

He drew strength, understanding, and purpose from his dear and lovely wife, affectionately known to all of us as Lady Bird Johnson, and his devoted family. So to them today we convey, as a very personal message, our heartfelt sympathy, and with that family we share a very great loss.

Mr. President, I know that the Senate will take sufficient time to pay adequate tribute to President Johnson. My remarks today are brief and very personal, because it was my good fortune to know this man in all the facets of his life, both public and private.

He will be missed. He was an unusual man, and to share in his fellowship and work alongside him in public life was both an exciting and demanding experience. I consider that to serve with him in the Senate and to serve alongside him as Vice President could not be compared to a tranquil, soft Caribbean cruise, but rather to a storm-tossed voyage across the North Atlantic. But it was a journey worth making.

The reward of public life is the privilege to know great, unusual, remarkable, and gifted men and women. I have had many rewards based on that standard, but none was more generous, more meaningful, or more rich than the reward of being a companion, a colleague, an associate, a fellow Senator, a friend, and a Vice President with Lyndon Baines Johnson.

Mr. BROOKE. Mr. President, I am saddened by the death of Lyndon Johnson. He assumed the Presidency in the tragedy of Dallas and left in the turmoil of the Vietnam war. Tragedy and turmoil now cloud the triumphs that marked the Johnson years.

I believe that history shall record that President Johnson did more to redeem our Nation's promise of equal protection under law, than any other American in history. His legacy in law, the Civil Rights Act of 1964, the voting Rights Act of 1965, and the Civil Rights Act of 1968, are an inspiration for us to continue, in his words, to assure "freedom to the free."

On Memorial Day 1963, then Vice President Johnson spoke at Gettysburg. I shall always remember his words. I shall never forget that for 5 years he matched his brave words with forceful action. His words and his deeds will endure in the hearts and minds of millions of Americans who found new hope in his Presidency and new opportunity in his programs.

Mr. President, Lyndon Johnson's remarks at Gettysburg inspire us still, and I can think of no more appropriate tribute to him than to repeat today his words:

On this hallowed ground, heroic deeds were performed and eloquent words were spoken a century ago.

We, the living, have not forgotten—and the world will never forget—the deeds or the we join on this Memorial Day of 1963 in a prayer for permanent peace of the world and fulfillment of our hopes for universal freewords of Gettsyburg. We honor them now as dom and justice.

We are called to honor our own words of reverent prayer with resolution in the deeds we must perform to preserve peace and the hope of freedom.

We keep a vigil of peace around the world.

Until the world knows no aggressors, until the arms of tyranny have been laid down, until freedom has risen up in every land, we shall maintain our vigil to make sure our sons who died on foreign fields shall not have died in vain.

As we maintain the vigil of peace, we must remember that justice is a vigil, too—a vigil we must keep in our own streets and schools and among the lives of all our people—so that those who died here on their native soil shall not have died in vain.

One hundred years ago, the slave was freed.

One hundred years later, the Negro remains in bondage to the color of his skin.

The Negro today asks justice.

We do not answer him—we do not answer those who lie beneath this soil—when we reply to the Negro by asking, "Patience."

It is empty to plead that the solution to the dilemmas of the present rests on the hands of the clock. The solution is in our hands. Unless we are willing to yield up our destiny of greatness among the civilizations of history, Americans—white and Negro together—must be about the business of resolving the challenge which confronts us now.

Our nation found its soul in honor on these fields of Gettysburg 100 years ago. We must not lose that soul in dishonor now on the fields of hate.

To ask for patience from the Negro is to ask him to give more of what he has already given enough. But to fail to ask of him—and of all Americans—perseverance within the processes of a free and responsible society would be to fail to ask what the national interest requires of all its citizens.

The law cannot save those who deny it but neither can the law serve any who do not use it. The history of injustice and inequality is a history of disuse of the law. Law has not failed—and is not failing. We as a nation have failed ourselves by not trusting the law and by not using the law to gain sooner the ends of justice which law alone serves.

If the white overestimates what he has done for the Negro without the law, the Negro may underestimate what he is doing and can do for himself with the law.

If it is empty to ask Negro or white for patience, it is not empty—it is merely honest—to ask perseverance. Men may build barricades—and others may hurl themselves against those barricades—but what would happen at the barricades would yield no answers. The answers will only be wrought by our perseverance together. It is deceit to promise more as it would be cowardice to demand less.

In this hour, it is not our respective races which are at stake—it is our nation. Let those who care for their country come forward, North and South, white and Negro, to lead the way through this moment of challenge and decision. . . .

The Negro says, "Now." Others say, "Never." The voice of responsible Americans—the voice of those who died here and the great man who spoke here—their voices say, "Together." There is no other way.

Until justice is blind to color, until education is unaware of race, until opportunity is unconcerned with the color of men's skins, emancipation will be a proclamation of emancipation is not fulfilled in fact, to that extent we shall have fallen short of assuring freedom to the free.

PRESIDENT JOHNSON'S GREAT FIGHT FOR CIVIL RIGHTS

man since Abraham Lincoln did more to

Mr. PROXMIRE. Mr. President, no

overcome America's central problem of racial discrimination than Lyndon Johnson. As Senate majority leader he led the first successful assault on a U.S. Senate that had become the citadel of resistance to the achievement of equal rights for blacks. As President, he completed that fight by winning the enactment of laws that provided equal opportunity for all Americans for jobs, education, housing, and in all places of public accommodation.

He also made noble beginnings in challenging the poverty that has always plagued millions of Americans.

Like all of us he had his shortcomings, made his mistakes, suffered his failures. But he was a man of compassion, who was fiercely proud of this country and its people and did his best to help it become the Great Society of which he dreamed

LYNDON BAINES JOHNSON

Mr. ROBERT C. BYRD. Mr. President, Lyndon B. Johnson achieved the highest office to which an American can aspire. In his lifetime, he was the confidant and friend of men and women, from the highest to the lowest, in every corner of the globe. He was a man of immense strengths and of immense compassion.

Lyndon Johnson loved his country, and spent his life in its service. History will record his triumphs and his tragedies, but to those of us in this Chamber who know him as a colleague and as a friend, he will always remain a towering figure in his time.

Though he may be best remembered as a President, Lyndon Johnson, in his heart, was a man of the Senate. He had a deep and abiding faith in this body, and in its place in the past and future history of this Republic. His achievements as the majority leader are too well known to require elaboration; suffice it to say that it is quite possible that the years Lyndon Johnson spent in the Senate, might well have been the happiest and most satisfying of his life.

This historic Chamber has known great men in the past, and will see other great men in the future. Lyndon Baines Johnson has his place among them.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order the Senator from Maine is recognized for not to exceed 15 minutes.

TAX REFORM ACT OF 1973

Mr. MUSKIE. Mr. President, I rise today to discuss the Tax Reform Act of 1973, a bill I will introduce shortly to reform the Internal Revenue Code and to restore the basic premise of our system of taxation—that taxes be measured by ability to pay and that citizens with equal resources make equal contributions to the costs of government.

When the Declaration of Independence voiced the belief that all men are created equal nearly 200 years ago, the concept was revolutionary. We have built a nation on that revolutionary doctrine, struggling to put that basic faith into practice.

In many fields of law and government and custom we have done extraordinarily well. In others we have much progress to make. And in the area of taxation we have actually been moving away from the standard of equality.

The problems we have with the way we collect the income tax remind me of a bit of old doggerel:

> The rain, it raineth all around,
> Upon the just and unjust fellas,
> But more upon the just because
> The unjust have the just's umbrellas.

Our taxes, too, fall around, but they fall hard and heavy on the vast bulk of low- and middle-income Americans, on the men and women whose main source of income is their salaries and wages or the earnings of their small stores, workshops, and farms. Too often, the wealthy have umbrellas.

We started with the idea of collecting taxes in direct proportion to ability to pay them. We have strayed from that path, and it is now time to go back to that sound beginning.

But with the elections over, we already see an effort being made to forget the campaign promises of tax reform. President Nixon, last June 22, said he would send Congress his reform proposals before the end of 1972. We have not seen them yet.

Instead, we repeatedly hear administration spokesmen tell us that reform will not produce much new revenue, that the tax code needs little more than simplification, that the 1969 reforms cured the worst of our problems. Those statements are wrong, and the American people will not swallow them.

First of all, the bill I am proposing, while a series of moderate reforms, will, if enacted, generate almost $19 billion a year in new revenue by 1975. That is not a small sum by any standard. Indeed, it is almost three-fourths of the budget deficit for fiscal 1972.

More important than the added revenue is the need to restore fundamental fairness to our tax system. Americans' sense of justice can no longer be mocked by a tax structure which extracts large sums from the average working men and women while permitting many of our very wealthiest citizens to shelter themselves, largely or entirely from tax.

For example, a year after the 1969 Tax Reform Act was enacted, the Treasury Department acknowledged that 107 persons with earnings over $200,000 paid no 1970 income taxes, and a total of 394, whose incomes topped $100,000 that year, also avoided Federal income taxes altogether. Three of them were individuals with incomes of more than $1 million.

These nontaxpayers represent only the tip of an iceberg of unfairness.

In fact, there is good reason to believe that something over one-quarter of all Americans with incomes between half a million and a million dollars are taxed at effective rates of no more than 25 percent. A Brookings Institution study a year ago showed that effective rates on the highest income brackets—from $100,000 to over $1 million—actually were only about 30 percent. The Brookings study found that the effective tax rate on incomes of over $1 million was less than half the statutory 70 percent—only 32.1 percent, in fact.

Tax preferences—unexamined and increasingly unjust—have made it possible for a well-to-do minority to pay less than a fair share of the tax burden. Indeed, the weaknesses of the law have given birth to an array of institutionalized tax dodges, most of them technically legal and most of them repugnant to the foundation of our system—that a citizen's contribution to society match his ability to contribute.

One example has been detailed in a Washington Post article I will put in the RECORD at the close of these remarks. It is the Fat City Corp., a multipurpose enterprise built around cattle raising and the opportunities that activity offers for tax writeoffs. For absentee "farmers" whose incomes put them in the 50-percent tax bracket—six taxpayers out of every thousand—Fat City's new subsidiary, Steer-West Cattle Feeding Programs, has created a limited partnership arrangement that permits investors to put $10,000 or more into cattle they never see and take a 1-year tax writeoff that can equal as much as 140 percent of their investment. The idea is so attractive that a competing organization recently launched another partnership specifically designed to turn well-to-do doctors into vicarious ranchers—and successful tax dodgers.

Last summer, analyzing 14 such cattle-feeding partnership plans, the Agriculture Department computed that full subscription to the schemes would have permitted tax writeoffs of at least $150 million. Commenting on investments in beef-breeding herds, the Department last April issued an analysis which said:

> The loss to the Federal Government, in terms of revenues not received, will continue to far outweigh the monetary benefits to non-farmer investor. This implies, all else equal, substantial loss to society.

But special tax incentives for white-collar cowboys are only one aspect of the variety of preferences available to a tiny minority of American taxpayers. A whole new profession has come into being, composed of experts on tax shelters. They are marketing their wisdom wholesale—in slick brochures, in tape recorded lectures, in seminars for other tax advisers staged in such sanctuaries of serious endeavor as Miami and Las Vegas.

Next month, in fact, a prominent institute is presenting a 3-day workshop in New York entitled "Tax Shelters of High Income Clients." For $225 a lawyer can participate in what the brochure says is "a forum for lawyers whose clients face high levels of tax and who look for appropriate ways to alleviate these burdens." One morning session will be given over to discussing the following tax shelters: equipment leasing, cattle, motion pictures, vineyards and other agricultural investments.

Last year the same group promoted its seminar in three different cities with a circular that asked:

> Has your shelter sprung a leak? And if so, do you know how to fix it—swap it—sell it—or give it away?

For $39.50 a firm in New York City sells a 4-hour series of lectures on tape cassettes titled "Corporate and Executive Tax Shelters." The advertisement for this handy service says,

> You can actually hear the nation's most astute tax experts speaking candidly and in detail on effective ways to shelter income . . . The opportunities for tax sheltered investments do exist for the individual or company with a knowledge of where to look.

Then there is another New York organization whose cable address is "Tax Shelter." A 1972 prospectus from that firm claimed to present "the most unique offering ever made in the tax shelter field, inasmuch as it offers a combination of tax shelters in a balanced and truly diversified program." The company's offer it turns out, "is limited to those participants who represent that they anticipate having, during their current tax year, taxable income, a part of which, in absence of such investment, would be subject to taxation at a combined Federal, State and local income tax rate of not less than 50 percent."

Or, there is the outfit which offers its special handbook, "The Way Executives Cut Taxes," as a free attraction to subscribers to its weekly "Recommendations," a publication that costs $36 a year. The handbook is said to offer information on avoiding tax through real estate investments and notes,

> You have to know about tihs one to reap its sensational tax-free advantages. The tax rules say you must ask for it . . . it's not automatic. It allows investors in certain rental housing to sell their property and Pay no Tax on the Profits—no matter how large the profits are—when they continue re-investing and snowballing their earnings.

One brochure shows a family, called "Mr. and Mrs. Fortunate Participant," with taxable income of $64,000, saving $4,240 in taxes through a $10,000 investment in a diversified program of tax shelters. Another brochure, from a company specializing in oil and gas drilling, claims a family with $20,000 in income can save $2,560 in taxes on a $10,000 investment and says a family earning $100,000 can cut $6,000 from its tax bill with the same investment.

There was even one broker touting a device labeled the "Mexican vegetable roll-over." That is not a new diet fad for health food enthusiasts; it is another fancy tax shelter for the rich. Like all the shelters, it can be worth something to only 430,000 of America's 74 million taxpayers.

This flourishing business of peddling expertise in tax avoidance mocks any argument that the tax code works fairly and needs no overhaul. Obviously, it is still full of the loopholes which enable some to duck the obligation to pay their fair share of the costs of our society. The advantages given to a few are deeply unjust. They require revision of the law.

The Treasury statistics now being used to cloud the need for reform are based only on what is called the adjusted gross incomes of these individuals. Adjusted gross income does not include tax-exempt income. It does not include earnings from interest on State and municipal bonds; and it shows a taxpayer's income only after subtraction of such special deductions as one-half of long-term capital gains, depletion allowances on oil and gas investments, and depreciation on real estate—all major tax shelter categories.

Mark Twain said that,

> There are lies, damned lies and statistics.

The Treasury Department statistics purporting to show that only a few hundred Americans actually manage to avoid their fair share of the Nation's tax load are really a smokescreen for the truth. The truth is that the progressive nature of the income tax breaks down in the higher income brackets, so that the 70-percent rate which is supposed to apply to income over $200,000 a year is rarely exacted.

Now that is the situation after the 1969 reforms, and it is the true measure of the fact that legislation has not yet caught up to the major inequities in the tax code. Let me give you a specific example.

Before the 1969 changes there was an American with an income of over $2.2 million. Two-thirds of his money came from oil and gas, and the rest from long-term capital gains and from dividends, interest, and other miscellaneous sources. He paid no tax at all on that income before 1969. Even now the effective rate on a similar income would be only 6.7 percent.

In contrast to the millionaire investor, consider the taxes paid by a workingman. With a wife and two children to support on a $10,000 salary, he pays Federal income taxes at a 9-percent rate.

The nontaxpayer with $2.2 million a year was a real person. Let us take instead a hypothetical American with earnings of $710,000 a year, $50,000 in salary and the rest in long-term capital gains, dividends and income from oil and gas production. He can tally against his earnings the following deductions:

A quarter of a million dollars in the intangible costs of drilling and developing oil and gas wells; $100,000 for the percentage of depletion of oil and gas resources; another $100,000 for real estate losses from speeded-up depreciation of his investments in luxury apartment buildings; and $50,000 of personal deductions, including charitable contributions.

In fact, his deductions total half a million dollars, but since $210,000 of his income is tax exempt to start with, he pays no regular Federal income tax at all, and only a minimum tax of $32,000—for an effective tax rate of only 4.5 percent.

A tax code which permits such blatant injustice invites the distrust of the average American and mandates the Congress to enact thoughtful reforms. The thrust of such reform should be the effort seriously and responsibly to review—and, where possible, remove or restrict—the preferential provisions in our tax structure which offer individuals and businesses with large resources unfair shelter from tax.

In many instances, these special arrangements crept into the tax code without conscious social or economic purpose. The special benefits for oil and gas exploration and development were not initially adopted to encourage drilling for fuels. That rationale has only grown up after the fact and requires reexamination now. The favored treatment for real estate investments was originally devised to encourage industrial growth and not as a means of inducing people to invest in apartment houses and office buildings. Now that the preferences are part of the law, those who wish to retain them have found arguments that were not heard or understood at the time of enactment.

In some cases we did consciously use the tax code to deal in a roundabout way with problems we were not willing to meet head on. We wanted to hurry up the rebuilding of city slums so we put rehabilitation costs into a special tax category. We wanted to promote exports so we devised the 1971 DISC legislation which benefits only those industries that sell abroad.

I am not saying that the ends we pursued were wrong. But the means we chose were often mistaken. We did things through the back door that should have been done in the open, and the result has been to put money into the wrong pockets, waste very large amounts of Federal revenue, and permit wealthy corporations and individuals to avoid paying their fair share of the costs of our Government.

The further result has been to twist an originally sound idea—the progressive income tax—so far out of shape that it encourages social and class division in America and breeds suspicion and growing contempt.

By allowing significant tax preferences to continue unexamined and unchecked, we nourish an injustice which sets class against class in America, wounds the Nation and jeopardizes citizens' faith in their Government. A system which knowingly rewards the wealthy and the expert at the expense of others is a system which invites distrust and risks destruction.

So we must, for a moment, scrutinize some of the most important tax preferences we continue to permit. We must count their costs and weigh the policy concerns which call for their reform.

First, we have to look honestly at the way we tax capital gains. If a man buys stock today for $100,000 and sells it 6 months and 1 day later for $150,000, only half his profit is counted as taxable income. Moreover, the first $50,000 of a taxpayer's capital gain in any 1 year cannot be taxed at more than a 25-percent rate. Above $50,000 the maximum rate is 36.5 percent.

Who benefits and who loses by a tax system that treats income from capital gains differently from other earnings? obviously, the working man who cannot invest any substantial amount of savings gets no benefit from the special treatment we give capital gains. It is the wealthy who can and do profit from this favoritism.

They also profit from the failure of our laws to tax unrealized gains on assets a man holds when he dies. Those gains are not taxed, at death, and his heirs, taking over the properties, figure their eventual capital gains on the assets not at the original cost of the prop-

erty, but at the value at the time of death or a year thereafter.

Favored treatment of long-term capital gains, like the provision that excludes the first $100 in dividend income from taxation, benefits those wealthy enough to invest their savings. Its direct impact, however, falls on the less fortunate—those who are denied essential government services—or the taxpayers who in 1971, had to make up the $6.2 billion in revenue lost to the Federal Government because of the present capital gains laws, the $300 million lost in dividend exclusions, and the $3 billion lost by failing to tax capital gains at death.

Second, we must examine the actual effect of our practice of encouraging State and local governments to issue tax-exempt bonds. In 1971, it has been estimated, the loss to the Federal treasury of income from interest payments on such bonds amounted to $2.6 billion. To whom did those savings go? Nearly $700 million in 1971 went to those individuals and corporations having large enough resources to invest in municipal bonds.

And the higher the income bracket, the higher the benefit. One bond yielding $5 in tax-exempt interest a year is the same, in terms of income before taxes, as a Federal subsidy payment of $11.67 to a taxpayer in the 70-percent bracket but only $1.25 to a taxpayer in the 20-percent bracket.

So the way we have chosen to help finance local government investments is the wrong way. It wastes many of the Federal dollars intended for that purpose in paying tax benefits to the wealthy.

Third comes percentage depletion. Within certain limits, it allows an individual with income from the sale of minerals to deduct percentages of that income ranging up to 22 percent for oil and gas. The deduction is unique in that it bears no relation to expenses or investment. Thus, when we tax a million-dollar investment in manufacturing plant equipment, we allow its owner to recover the cost of his investment—$1 million and no more. But someone who puts his million dollars into mineral-producing property can recover that million dollars many times over. On the average, in fact, oil and gas operators get back in depletion deductions at the expense of the general taxpayer many times more than they put into their properties.

The special treatment for oil and gas operators carriers over into the way we allow them to deduct upwards of three-quarters of their drilling costs the year they incur them. A man who builds a factory gets no such reward. He has to treat his investment as capital and depreciate it over the years.

Between deductions for percentage depletion and for intangible drilling and development costs, an investor in oil and gas can avoid paying Federal income tax indefinitely. As long as he spends on drilling and exploring what he makes from producing wells, subtracting 22 percent of that income for depletion, he can shove his proper tax burden on to someone else's back. The Federal revenue loss in 1971 from these two special provisions on mineral depletion and development costs was over $1.3 billion.

Our depreciation rules—the standards by which we apply the cost of an asset such as a building or a production line or a corporate executive jet against the income it brings in—have also generated significant tax windfalls. The 1971 asset depreciation range system, for example, set industrial depreciation guidelines far too low and cost the Treasury an estimated 1972 revenue loss of $1.7 billion.

Depreciation preferences for investment real-estate like luxury apartment buildings, as well as the even faster writeoffs for rehabilitation of low-income housing, have given developers and absentee landlords tax benefits out of all proportion to the social needs being served by the incentives. The estimated revenue loss in 1971 from all real estate tax preferences was $1 billion.

All of these discriminatory practices in the tax code demand review. Some require repeal now. For others, a prudent course of gradual modification will enable us, over the years, to assess the impact of change and, where necessary, enact programs to provide directly the wholesome stimulus we mistakenly put into the tax laws.

Briefly, but specifically, let me outline the reform proposals I am making along with the new revenues such changes would generate by 1975.

First, I would repeal the provision that limits the tax on the first $50,000 in capital gains to 25 percent, and I would phase in over 2 years a provision to tax 60 percent of capital gains rather than only half. During the same period, the corporate capital gains rate would be raised from 30 to 35 percent. By 1975, these changes would bring in $2.1 billion a year.

Second, I recommend that we phase in—over a 5-year period that will ease the impact of the change—a basic reform to require income taxation of the appreciation in assets transferred at death. Such income now escapes taxation entirely. This revision of the capital gains provisions will produce $2.4 billion in new revenues in 1975, the third year after enactment, and $4 billion once it is fully implemented.

Third, I propose letting State and municipal governments issue taxable bonds. To those that do, the Federal Government would pay a subsidy of half the amount of the taxable interest. This should encourage these local authorities to move entirely away from the tax-exempt bonds they now issue and, while representing a new Federal revenue cost of $300 million a year, it would end this diversion of Government funds to the wealthy and bring in, by 1975, an additional $900 million annually to State and local governments.

Fourth, I propose we cut all existing percentage depletion rates by one-fifth, a modest reduction which would still net the Treasury $300 million a year by 1975 and diminish the unfair advantage now enjoyed by the wealthy individuals and corporations who shelter their income in oil, gas, and other mineral operations.

Fifth, I advocate treating the costs of exploration and development of minerals the same as other investments, requiring that they be capitalized rather than deducted in full in the year in which such outlays are made. Such a change will bring $800 million more to the Treasury in 1975.

Sixth, I recommend modifying the asset depreciation range system to strike the provisions that permit businesses to calculate depreciation 20 percent faster than the industry average and that set future depreciation guidelines below the industry average. By tightening these depreciation rules, the Treasury would earn $4.2 billion in 1975.

Seventh, among several reforms in real estate taxation, I would go to straight-line depreciation of real estate, limiting depreciation to the owner's equity in his property, and capitalizing interest and taxes on undeveloped real estate and on buildings during construction. At the same time, the useful lives of buildings for depreciation purposes should be carefully reviewed to determine whether they should be shortened. Such reforms would produce an extra $1.1 billion in 1975.

Eighth, it is necessary to repeal the 5-year amortization permitted for the costs of rehabilitating run-down residential property and the other such 5-year amortization provisions added to the tax law in 1969 and thereafter. The reform would bring in some $100 million in 1975.

The adoption of these last two reforms does not free the Government from the obligation to foster the construction of decent low-income housing and provide appropriate means to meet America's overall housing needs. Indirect incentives have not served those goals properly. In their place, I will support direct programs of assistance that match our resources to our requirements without building tax shelters alongside housing units.

Ninth, in the field of foreign taxation, I propose retaining the foreign tax credit itself, but modifying it to eliminate features which permit more favorable treatment for investments abroad than for those at home. In addition, the Domestic International Sales Corporation provision that lets exporters defer half their taxes indefinitely should be repealed. So should the tax deferral on undistributed earnings of American-owned foreign corporations, the special treatment of businesses in U.S. possessions and Western Hemisphere Trade Corporations and the exemptions of income earned by Americans overseas.

In all, these changes would bring the Treasury nearly $1.3 billion in 1975.

Tenth, to protect real farmers but end the farming tax shelter enjoyed by wealthy nonfarmers, I urge limiting the deduction of farm losses against other income to $15,000 in any 1 year. The change will generate $100 million in added tax revenue in 1975.

Eleventh, I call for tightening the 1969 act restrictions on the deductibility of investment *interest in* two ways. The present $25,000 exemption should be cut to $10,000, and all of the interest in excess of the $10,000 exemption, the net income from investments and for the year's long term capital gains should be

required to be capitalized. Such a tightening of this special benefit for wealthy borrowers would bring in $300 million a year in new revenue in 1975.

Twelfth, I recommend repeal of the deduction for State gasoline taxes, a system which now results in shifting some highway costs from the user to the general taxpayer. We do not permit deductions of Federal gasoline taxes, and an extension of this principle to State levies will bring in $700 million in new Federal revenues in 1975.

Thirteenth, I propose a 2-year switchover in the way commercial banks, mutual savings banks and savings and loan associations are allowed to deduct their bad debt reserves to make the actual losses experienced by these banks the measure of the deduction instead of the present system, to be phased out by 1988, that allows them to compute a percentage of their loans as bad debts. The change would produce $200 million more in taxes in 1975.

Fourteenth, I advocate revising the investment tax credit to make its stimulus on the economy more efficient by basing the credit allowed on net increases in investment. Once full employment is achieved, the credit should be repealed entirely, but, for the present, its modification will produce increased Federal revenues of some $2.5 billion in 1975.

Fifteenth, to make the minimum tax enacted in 1969 a stronger tool, I call for cutting the $30,000 annual exemption to $2,000, imposing a progressive rate rising from 10 to 20 percent tax rate of the present flat 10-percent tax rate and eliminating the provision that permits taxes paid to be carried forward 7 years. The revised minimum tax would produce $300 million in revenues in 1975.

Finally, for the long overdue revision of the manner in which estates and gifts are taxed, an area the Congress has not touched in 25 years, I have four related proposals.

First, the law should provide for a unified tax on gifts and estates so that one rate schedule and a single exemption of $25,000, taken before or after death, applies against the estate itself and gifts made from it during life;

Second, we must cut off the escape from tax by what are known as generation-skipping transfers of wealth, now a device enabling the very wealthy to decrease the tax burden on their estates;

Third, to protect the right to transfer wealth needed to maintain the income of a surviving wife or husband, we should expand the marital deduction to exempt not just half the estate but an additional $100,000 as well, thus keeping taxes from bearing too heavily on modest estates.

Fourth, we should restructure the rate schedule to provide a more level rate of progression, with new rates from 20 to 80 percent, and impose the highest rate on estates with taxable value above $5 million.

These combined proposals in an area the Congress has permitted to remain a major source of tax loopholes would generate over $2.5 billion in added revenues in 1975.

Further details of these reforms are spelled out in a memorandum I wish to insert in the RECORD at the close of my remarks. The specific provisions are in a bill I will shortly introduce. But in these general remarks I have sought to direct congressional and public attention to one overwhelmingly clear conclusion: the way our taxes operate now constitutes an unfair sharing of the Nation's wealth, putting unjust burdens on the average American and awarding undeserved protection to the wealthy few.

The reforms I advocate today and spell out in legislation are moderate ones. They do not contemplate a wholesale purge of the tax code to eliminate all indirect subsidies. They permit us instead to revise the most inequitable of the tax preferences while allowing us to replace them, where necessary, with straightforward programs that more efficiently serve the same ends.

In approaching tax reform it does no good to cry for massive changes without some appreciation of the secondary dislocations those changes might produce. We cannot know the precise effects of reforming tax preferences any more than we knew the precise effects of writing the preferences in the first place. So we must act with the restraint appropriate to the limits of our foresight.

But the need for the reforms I propose is clear. The inequities I have documented demand prompt remedy.

Last year tax reform was a campaign issue. This year the administration apparently wants to forget the subject.

But in a time of spiraling Federal deficits, it is sanctimonious and deceptive in the extreme to call for responsible spending limits without acting simultaneously to tighten our leaky tax code. In this decade, the Treasury has estimated, we stand to lose over $33 billion in revenue if we leave the acronymic ADR and DISC provisions unchanged. Allowing the law's provisions on taxation of capital gains to stand as they are would cost close to $100 billion in the same 10-year period.

Moreover, the benefits of our myriad tax preferences cannot be said to be fairly shared when they go overwhelmingly to the most powerful corporations and the most affluent individuals. It has been reliably calculated, for example, that in 1970 and 1971, seven giant companies whose dividend payments ranged between $33 and $78 million paid no income taxes to the U.S. Government. Other computations show that the capital gains provisions in the code now are worth only an average of $7.44 in annual tax savings to Americans earning between $5,000 and $7,000, but are worth over $2,600 in tax savings, on the average, to those with incomes between $50,000 and $100,000.

The poor—even middle-income Americans whipsawed by rising prices and higher taxes—own no oil wells. They cannot depreciate real estate they do not possess. They cannot collect tax-free interest on bonds they are unable to buy. They cannot write off cattle feed when they have to limit the amount of beef they eat at home. And they cannot enjoy the untaxed increase in value of securities they will never inherit.

Theirs is the cause of tax reform now. Theirs is the appeal for a return to fiscal justice.

We cannot let it be said of America in the 20th century that it violated its most fundamental belief, the revolutionary inspiration of equality. To the extent that our tax code does damage to that faith, it requires immediate reform. We must stop using tax policy to promote social ends that can be better answered by other means. We must start again to use our tax system to strengthen our whole society and to redeem Americans' trust in the justness of their Government.

Mr. President, as part of my presentation on tax reform today, I ask unanimous consent that the following material be included in the RECORD at this point:

First. A memorandum explaining in detail the 24 specific changes I am proposing;

Second. An article from Newsweek magazine of January 1, 1973, on tax shelters by Adam Smith;

Third. An article from the Washington Post of January 14, 1973, about cattle feeding investments as tax shelters; and

Fourth. Two articles from the January issue of the Washington Monthly by James Fallows and Philip Stern on the inequities of our present tax system and the problems taxpayers have in actually discovering the way the laws operate.

I believe that interested Senators will find all this material worth studying as explanations of the problems we face and possible solutions to those problems.

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

SUMMARY AND EXPLANATION OF MUSKIE FEDERAL TAX REFORM PROPOSALS

A. INCOME TAX

1. Capital gains

a. *Issue*—Under present law, individuals who realize long-term capital gains are allowed a deduction of 50 percent of the total gains. Except for the minimum tax—a special 10 percent tax applicable in certain circumstances—the other half is tax-exempt.

Furthermore, a special maximum limitation of 25 percent is placed upon the tax rate applicable to the first $50,000 of an individual's capital gains. Because the alternative tax applies only where it produces a lower tax than the 50 percent capital gains deduction, the alternative tax is advantageous only for taxpayers whose tax bracket is above 50 percent—only, that is, taxpayers in the very highest brackets.

Corporate capital gains, are generally taxed at 30 percent, rather than the 48 percent applicable to most other corporate income.

The capital gains preferences for individuals permit those who have sufficient wealth to invest in capital assets to bear far less tax, for a given amount of income, than individuals whose economic circumstances prevent the accumulation of wealth and compel the realization of income in the form of wages, salaries, and the like. Similarly, the corporate capital gains preference, allows corporations and industries which can realize business profits in the form of capital gains to pay lower rates of tax than businesses with most other kinds of income.

b. *Proposal*—(1) Repeal of the provision permitting the first $50,000 of capital gains to be taxed at no more than 25 percent. (2) Requirement that individuals include 55 percent of capital gains in income in the first year and 60 percent of capital gains in in-

come thereafter, rather than 50 percent as permitted under present law. (3) Increase the rate on corporate capital gains from 30 to 35 percent.

c. *Revenue**—$2.1 billion.

2. Gains at death

a. *Issue*—The existing income tax structure fails to tax gains in assets held by a decedent at his death, while at the same time allowing a step-up in basis so that on a subsequent sale this portion of the gain is not taxable. Very large amounts of capital gains thus escape federal income taxation altogether under present law. For 1966, the figure was approximately $11 billion.

b. *Proposal*—A tax should be imposed on the appreciation in assets transferred at death, or by gift, with certain exemptions and exclusions. The proposal would close the massive loophole in present law by which large amounts of appreciation in the value of investments escape income tax entirely.

By permitting every taxpayer a minimum basis for all his assets, the effect of the tax could be limited to decedents with assets having substantial aggregate value. The reform should be phased in over a five-year period, permitting taxpayers dying in the first year after enactment to pay 20 percent of the tax due under the new rule, those in the second year, 40 percent, those in the third year, 60 percent, those in the fourth year, 80 percent, and those thereafter the full amount.

c. *Revenue*—$2.4 billion (In the fifth year after enactment the full implementation of the change would bring a revenue gain of $4 billion.)

3. Interest on State and municipal bonds

a. *Issue*—Unlike any other form of interest—including interest on obligations of the Federal Government—interest on State and municipal bonds is exempt from all Federal income tax. The exemption is defended as a means of helping State and local governments raise revenue at low cost because the exemption of the interest on such bonds results in their being marketable at substantially lower interest rates than comparable grades of taxable Federal and corporate bonds. However, the saving in interest costs to State and local governments is only about 70 percent of the revenue loss to the Federal Government, with 30 percent of the funds going to high income individuals who invest in tax exempt bonds. Because the tax advantage of the exemption is greatest for those with the highest incomes—and because low and moderate income taxpayers do not have the funds available for investment in such bonds—the exemption benefits upper-income taxpayers almost exclusively. A famous example was a Michigan widow whose annual $5-million income from such bond interest was entirely tax exempt.

b. *Proposal*—States and municipalities would be given the option of issuing taxable bonds. To those that do, the Federal Government would pay a subsidy equal to 50 percent of the interest rate of the taxable bonds. With the interest subsidy fixed at 50 percent, States and municipalities would be likely to move entirely to the issuance of taxable bonds.

c. *Revenue*—The proposal would cost the Federal Government $300 million a year in 1975, the subsidy payments to State and local governments being somewhat higher than the revenue realized by taxing the bond interest; but the proposal would generate an additional $1.3 billion for State and local governments annually.

4. Percentage depletion for mineral resources

a. *Issue*—For a whole range of minerals, the producer may deduct a flat percentage of the gross income from the sale of the minerals. In the case of oil and gas, for example, the percentage depletion allowance is 22 percent. This deduction is unique in the tax law because it does not require the taxpayer to expend or invest any funds. Every other business deduction provided by the Internal Revenue Code is limited either by the amount a taxpayer spends currently—as in the case of the deduction for ordinary business expenses—or the amount which the taxpayer previously invested—as in the case of the depreciation allowance for investment in a building or machinery.

b. *Proposal*—Uniform reduction of existing percentage depletion rates by 20 percent.

c. *Revenue*—$300 million.

5. Mineral drilling, exploration, and development costs

a. *Issue*—Most of the costs incurred in drilling oil and gas may be deducted in full in the year incurred. Similar deductions apply to the costs of developing other minerals. In contrast, the cost of plant equipment and other business assets must be capitalized and can be recovered only through depreciation over what may be extended periods of years. Using the combination of percentage depletion and intangible drilling and development deductions, an investor in oil and gas can avoid Federal income tax indefinitely. The investor first spends enough on drilling and development for oil and gas to offset his current income. When the wells reach production, the income from them is partially offset by percentage depletion, and the remaining portion can be offset by additional expenditures for intangibles.

b. *Proposal*—Require capitalization of intangible drilling and development and mine exploration and development costs, and adopt a recapture provision, similar to that now provided for machinery, operative when mineral properties are sold.

c. *Revenue*—$800 million.

6. Asset depreciation range system

a. *Issue*—The ADR system which the Revenue Act of 1971 adopted for business plant and equipment permits businesses to enlarge their depreciation allowances by employing depreciation periods 20 percent shorter than the industry averages which, under prior law, were used as guidelines—even though the prior guidelines were themselves quite liberal. Moreover, ADR increases depreciation deductions still further by requiring future guideline lives to be determined by calculating overall industry replacement experience and then utilizing the future representing the experience of businesses at the 30th—not the 50th—percentile.

The overall effect of ADR is to grant a major tax windfall to businesses which utilize depreciable assets.

b. *Proposal*—Modify the ADR system to repeal the 20 percent leeway rule and require establishment of future depreciable lives at the 50th percentile of industry experience, rather than the 30th percentile.

c. *Revenue*—$4.2 billion.

7. Tax treatment of real estate

a. *Issue*—The present highly favorable tax rules for investors in real estate (such as apartment buildings) have made investments in such property one of the most broadly used tax shelter devices. Although depreciation in general is a means of recovering the capital costs of an asset as it is consumed in use, accelerated depreciation on real estate results in most of the property's cost being recovered in the early years of its life, while it is still in productive use and, in many instances, while it is increasing in value. Furthermore, depreciation is computed on the full cost of the property, not the owner's equity interest. Frequently an investor has a very small equity in a property; he is computing his depreciation on the total cost of the property, including the mortgage; and his depreciation deductions quickly outstrip his own investment in the property. The result is that, with a large mortgage loan, accelerated depreciation permits the owner to recover not only his own cost but also the lender's—and to do so much faster than he is obligated to repay the lender.

In addition to the depreciation advantage, investment in real estate allows the deduction of interest and taxes incurred during the construction of a building, or while undeveloped real estate is held.

These provisions allow the current deduction of items that are essentially capital in nature as a tax shelter for income from other sources during a period when no income is being produced from the building. Also, after the completion of construction, real properties are sometimes mortgaged in refinancing operations for amounts which exceed their depreciated costs. While the investor generally has no personal liability for the debt, under current law he is not taxed on the excess of the mortgage proceeds over his depreciated cost in the property.

b. *Proposal*—(1) Depreciation on investment buildings should be restricted to the owner's actual equity and limited to the straight line method; (2) Interest and taxes incurred on holdings of undeveloped real estate and during the construction phase of buildings should be required to be capitalized; (3) A full recapture provision should be applied to the sale of investment buildings; (4) The excess of mortgage proceeds above an investor's depreciated cost in investment real estate should be includable in the investor's income to the extent of depreciation previously taken, and (5) the useful lives for buildings should be reviewed to determine whether reduction is appropriate.

c. *Revenue*—$1.1 billion*

8. Special five year amortization provisions

a. *Issue*—A special provision added by the Tax Reform Act permits the expenses of rehabilitating low-income rental housing to be deducted over a five-year period, which is substantially shorter than the expected useful life of the rehabilitated property. As in the case of accelerated depreciation for residential real estate, if the rehabilitated property is held for 16 years and 8 months, there is no recapture of the amortization deductions as ordinary income upon sale of the property. The tax characteristics which make residential real estate an attractive investment are considerably accentuated by the allowance of the special, abbreviated write-off period. Although the provision was adopted to encourage the rehabilitation of rundown residential property for use by the poor, its tax features seem likely to encourage investors to do as little as possible to maintain the property after their initial investment, while they await the expiration of the recapture phaseout, and the property deteriorates.

The 1969 and 1971 Acts added other special 5-year amortization provisions, including ones for railroad rolling stock and certified pollution control facilities. The effect of these provisions is to create additional tax shelter opportunities for those with high incomes, dissipating the revenue intended for social or economic objectives in large tax savings for upper-bracket taxpayers. Where necessary, the policy objectives of these provisions should be the subject of direct government assistance programs, rather than tax preferences which allow wealthy persons to avoid paying taxes.

b. *Proposal*—Repeal the rapid amortization provisions introduced by the Tax Reform Act of 1969 and the Revenue Act of 1971.

c. *Revenue*—$100 million.

9–14. Special Treatment of Foreign Items

The revenue to be gained from the six changes outlined below would amount to $1.3 billion.

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*Revenue estimates are at 1975 income levels. Except as otherwise indicated, all figures represent revenue increases.

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* Unadjusted for possible cost of low-income housing program.

9. Domestic International Sales Corporation

a. *Issue*—The DISC provision enacted in 1971 permits the indefinite deferral of taxation of 50 percent of the income of a corporation engaged in selling goods for export, regardless of whether the export sales represent an increase over prior years' sales. In fact, the tax deferral is the rough equivalent of a tax exemption because tax is not payable as long as the DISC complies with certain requirements, and the untaxed profits can be used in the business of the parent-supplier by means of loans from the DISC. The stated purpose of the provision is to encourage expansion of U.S. exports; but there is no factual evidence that the provision expands exports, and the view of most economists is that it does not.

b. *Proposal*—Repeal of the DISC provisions.

10. Foreign tax credit

a. *Issue*—Subject to certain limitations, present federal law permits U.S. taxpayers who pay income taxes to foreign governments (or taxes in lieu of income taxes) to credit those tax payments against their U.S. income tax liability. In general, the foreign tax credit is a sound device for preventing double taxation of income earned abroad. However, various features of the existing law governing the computation of the credit permit use of the credit to achieve more favorable tax treatment for investments abroad than for those in the United States.

b. *Proposal*—The "overall" limitation on the foreign tax credit should be repealed. Taxpayers should be required to compute their allowable foreign tax credit subject to the "per country" limitation. Other structural revisions should be made in the foreign tax credit to ensure that it operates only as a device for achieving tax neutrality, and does not afford preferential treatment for business operations abroad.

11. Income of controlled foreign corporations

a. *Issue*—By operating abroad through subsidiaries, U.S. corporations are able to obtain deferral of U.S. taxation of income which is retained abroad in low-tax countries. In certain tax haven situations, Subpart F of the Internal Revenue Code taxes the undistributed profits of the foreign subsidiary to the U.S. shareholders; but even this tax can often be avoided. Consequently, under present law U.S. businesses operating abroad through controlled foreign subsidiaries enjoy a major tax advantage which is unavailable to businesses operating only within the United States.

b. *Proposal*—Eliminate the tax deferral available to United States shareholders of controlled foreign corporations by extending the present provisions which tax U.S. shareholders on their pro-rata share of certain classes of earnings of such corporations to encompass the full yearly profits of those entities.

12. Income earned in U.S. possessions

a. *Issue*—Income of U.S. citizens or corporations from sources in possessions of the United States is exempt from Federal income taxation if such income equals at least 80 percent of the taxpayer's gross income from all sources over a three-year period and at least 50 percent of the taxpayer's gross income over the same period was earned in a trade or business carried on in a U.S. possession. The exemption extends to its beneficiaries an advantage unavailable to domestic taxpayers; that advantage is most valuable to those with high incomes and least valuable to those with low incomes; and the provision is unsupported by any factual demonstration of its utility to the economies of U.S. possessions.

b. *Proposal*—Termination of the preferential treatment presently afforded income derived from United States possessions.

13. Western hemisphere trade corporations

a. *Issue*—Corporations which receive 95 percent of their income over a three-year period from business carried on in the Western Hemisphere are taxed at approximately 34 percent, rather than the normal 48 percent corporate rate. The defects pointed out above with respect to the exemption for possessions income apply to this provision also.

b. *Proposal*—Repeal of the 14 percent point tax preference presently afforded Western Hemisphere Trade Corporations.

14. Exemption for income earned abroad

a. *Issue*—Individual U.S. citizens who either are bona fide residents of a foreign country or live abroad for at least 17 out of 18 months can exclude from their U.S. taxable income up to $25,000 or $20,000, respectively of income earned abroad during such period. Since the foreign tax credit is available to prevent double taxation of such income, there is no sound reason for these provisions; and they benefit primarily those with high incomes.

b. *Proposal*—Termination of the exclusions allowed citizens who lived abroad.

15. Tax shelter farm losses

a. *Issue*—Congress, in 1969, adopted a provision requiring persons with nonfarm adjusted gross income in excess of $50,000 for a year, and a farm loss in excess of $25,000 for that year, to set up an Excess Deductions Account (EDA), in which all farm losses in excess of $25,000 per year are recorded. When farm property is sold, any income from the sale which would otherwise be treated as capital gain is taxed as ordinary income to the extent of the balance then existing in the taxpayer's EDA.

The 1969 provision has proved insufficient to prevent broad use of farming investments as tax shelters for non-farmers. Individuals whose adjusted gross incomes are below $50,000—including those who have large real income, but low adjusted gross income because of depreciation deductions, intangible drilling and development expenditures, and other such devices—are unaffected by the EDA provision. Even those with higher adjusted gross incomes are permitted an annual $25,000 deduction which is free of recapture, and even where recapture applies, the current farming deductions make possible extended postponements of tax.

b. *Proposal*—Deduction of farm losses against non-farm income should be limited to $15,000 in any year, with appropriate provision for carryover of excess losses for use against farming income in future years.

c. *Revenue*—$120 million.

16. Investment interest

a. *Issue*—Prior to the 1969 Tax Reform Act many taxpayers borrowed money to invest in securities or other property which produced little or no current income but had good growth potential. The interest paid on the borrowings could be deducted from the taxpayer's other income, and when the property was sold the gain on the sale was taxed at the low capital gains rates—effectively both deferring tax and ultimately converting ordinary income into capital gains. The Tax Reform Act limited this device somewhat by disallowing, as a deduction, half of the amount by which an individual's "investment interest" for the year exceeds the total of (1) $25,000; (2) his net investment income; and (3) his long term capital gains for the year.

However, the 1969 restriction is insufficient to eliminate the abuse at which it was aimed. Both the annual $25,000 allowance and the deductibility of half of any excess investment interest can still be used to shelter other income. Moreover, in most cases interest paid on borrowings to invest in oil and gas or real estate—two of the classic tax shelters—is not treated as "investment interest" for purposes of the provision and, therefore, is not subject to the 1969 Act's limitations.

b. *Proposal*—(1) The existing $25,000 exemption should be reduced to $10,000; (2) All investment interest in excess of the exemption level should be made subject to the limitation—not merely one-half as provided in the present statute; (3) The definition of the term "investment interest" should be expanded generally to include interest paid on passive oil and gas and real estate investments.

c. *Revenue*—$300 million.

17. Deducations for State gasoline taxes

a. *Issue*—Although the Federal gasoline tax has not been deductible in computing Federal income tax liability for many years, the comparable State gasoline taxes are deductible. Like the Federal tax, the State gasoline taxes are essentially user charges to finance streets and highways. Their deductibility for Federal income tax purposes has the effect of shifting part of highway costs from the highway user to the general taxpayer. Elimination of the deduction would place that cost upon the persons who ought to bear it.

b. *Proposal*—Repeal of the present deduction for State gasoline taxes.

c. *Revenue*—$700 million.

18. Excess bad debt- reserves

a. *Issue*—Commercial banks are permitted to deduct an amount equal to a flat percentage of their eligible loans outstanding as a bad debt reserve—regardless of their actual bad debt loss experience. Although the percentage method is being phased out gradually, banks are still permitted a flat deduction of 1.8 percent of loans until 1976, 1.2 percent until 1982, and 0.6 percent until 1988. These percentages are very substantially in excess of banks' historical loss experience. In addition, mutual savings banks and savings and loan associations are allowed even more generous deduction rules for bad debt reserves in excess of their actual loss experience.

b. *Proposal*—Commercial banks, mutual savings banks, and savings and loan associations should all be allowed additions to bad debt reserves based solely upon their actual loss experience. The transition from their present reserves, which are considerably in excess of actual loss experience, to the proposed rule should be accomplished over a short period of time—perhaps two years.

c. *Revenue*—$200 million.

19. Investment tax credit

a. *Issue*—Reenacted in 1971, the investment tax credit gives corporations and individuals investing in machinery and equipment a credit against their Federal income tax of seven percent of the cost of the machinery or equipment. While the investment credit has proved to be an effective tool for stimulating investment under certain economic conditions, it could be restructured to make its stimulative impact more efficient. Some of the substantial revenues which the Federal Government is now granting businesses through the investment credit could be made available for use elsewhere, while the revised credit is retained to encourage needed productive expansion.

b. *Proposal*—Restrict the allowable credit to net increases in investment.

c. *Revenue*—$2.5 billion.

20. Minimum tax

a. *Issue*—The 1969 Tax Reform Act adopted a 10 percent minimum tax on certain items of "tax preference." The minimum tax has several significant weaknesses; (a) it is imposed at a flat rate, rather than a progressive one; (b) the rate is fixed at only 10 percent; (c) taxpayers are allowed a $30,000 exemption per year; and (d) a 1970 amendment permits taxes paid to be carried forward for

seven years to offset tax preferences otherwise subject to the minimum tax in those years.

b. *Proposal*—(1) The existing $30,000 exemption should be reduced to $2000. (2) The rates of tax should be graduated: as preference income escalates, so should the proportion of tax paid. A rate structure beginning at 10 percent and rising to 20 percent, in lieu of the present flat 10 percent rate, is proposed. (3) The tax carry forward should be eliminated.

c. *Revenue*—$300 million.

B. ESTATE AND GIFT TAXES

21. Integration of estate and gift taxes

a. *Issue*—Under present law, estates and gifts are taxed separately so that an individual may transfer portions of his wealth by gift during his lifetime, pay whatever gift taxes are due, and then have his remaining estate taxed without regard to the fact that a portion of his wealth has been transferred. The effect is to divide the individual's wealth and tax each part on a separate rate schedule with separate exemptions. Moreover, gift tax rates are lower than estate tax rates, and the gift tax itself is excluded from the estate. These features create substantial tax savings, particularly to the very wealthy, and the potential for savings through lifetime giving increases as the donor's wealth increases.

b. *Proposal*—The establishment of a unified gift and estate tax, making lifetime gifts and transfers at death subject to tax under one rate schedule with one exemption, which could be utilized during life or at death.

22. Generation-skipping

a. *Issue*—The very wealthy are in a position to give property either outright or in trusts to distant heirs—grandchildren and beyond—so that the family's wealth is taxed only once every several generations, rather than once each generation as is more commonly the case for less affluent decedents. These arrangements substantially lessen the impact of estate taxes on the very wealthy and take a good deal of progressivity out of the estate tax system.

b. *Proposal*—A special tax imposed on generation-skipping transfers, approximating the tax which would have been paid by the skipped generation.

23. Marital deduction

a. *Issue*—Under existing law a deduction is allowed for property transferred to a spouse, but the deduction is limited to one-half of a decedents adjusted gross estate. For small or moderate sized estates, the estate tax can seriously deplete the funds upon which the surviving spouse must rely for her support.

b. *Proposal*—The marital deduction should be increased. A deduction should be allowed equal to one-half of the estate, plus an additional specified amount, such as $100,000. This approach will avoid completely the imposition of taxes on estates below the minimum amount, where funds are needed for the surviving spouse's maintenance.

24. Exemptions and rates

a. *Issue*—The present estate tax rates start at 3 percent on estates which, after all exemptions and deductions, do not exceed $5,000. The rates rise to 77 percent on taxable estates in excess of $10 million. These rate schedules should be restructured to increase rates and provide for a more level rate of progression.

b. *Proposal*—A unified exemption of $25,000. While this is less than the present combined estate and gift tax exemptions, the liberalization of the marital deduction proposed above increases the exemption where it is needed most. New rates would range from 20 percent to 80 percent. The upper marginal rate would apply to estates which, after deductions and exemptions, exceed $5 million.

Combined Revenue (proposals 21–24)—$2.5 billion.

[From Newsweek, Jan. 1, 1973]

MY TURN: "GIMME SHELTER"

(By Adam Smith)

If you have an apartment project that is somewhat doubtful, an oil lease that needs some optimists, or some lean, red-eyed and hungry calves, this is a great time of year to bring in doctors, dentists and salesmen as partners. For this is the time of year when the people who are not on regular salaries count all the $20 bills in their cookie jars and realize they are going to have to pay more taxes than they thought, unless they do something quickly.

"Sidney," they say to their brokers, or their accountants, "I just looked in my bank account, it's been a good year, I don't want to pay the taxes on it, find me a tax shelter."

Sidney says gee, it's a bit late, there was an apartment deal that was floating through the office last week but it's all sold, there was a fella in with some oil leases who is supposed to have a good track record but he's gone, let me see what I can do.

And the classified pages of various business journals blossom with the heading, tax shelter.

GOOD THINGS

What is a tax shelter? A tax shelter, for the general public, is a business somebody else is in. Somebody who has a good lobby in Washington. Congress writes the tax laws, and Congress in its wisdom and its collective desire to be re-elected has decided that some areas of endeavor are socially more noble than others, they are Good Things, and should be helped along. So, if you are a dentist, you take your dentistry income, not a Good Thing Congresswise, and put it into building an apartment house or drilling an oil well, two Good Things relatively easy to understand, and then you don't have to pay any taxes this year. The income is offset by the accounting charges from the Good Things. Some other year, when the Good Thing is sold, you might have to pay a capital-gains tax, but that rate is lower than on earned income and maybe you can find another shelter that year.

Of course, if you are a dentist, you ought to ask yourself: would an apartment builder who has a good project really want a dentist like me as a partner? Why? Would a driller who thinks he has found a major oil field go right past Mobile, Exxon, Gulf and Union to little old me? Good questions, because, as they say in the oil business, the easy oil has been found, and some similar aphorism applies to every other kind of tax shelter. So tax shelters are for the marginal efforts. They do get you the write-off. The problem is that they don't necessarily get you your money back. For the promoter takes a hefty cut for having brought all the parties together. The lawyers and accountants add on their fees for making sure the deal is legal and accounted for. If a Wall Street broker is selling the deal, he will tack on a fat commission for selling it. (Wall Street firms like to sell tax shelters, because their profits on securities have been dampened by commission cuts and the commissions on tax shelters are much higher.)

Patents and Christmas trees and unharvested pecans are Good Things, nice capital-gain things, and I and about 200 million other people are not in the club. If you want some genuine funny bedtime reading, try The U.S. Master Tax Guide. Having decided what was a Good Thing, Congress then had to decide what was Fair, relative to those Good Things. When does an unharvested pecan tree (capital gain) become harvested and not a capital gain, and what if different people own the pecans and the tree? It becomes like those old algebra problems. John is on a train that left Washington at 4:02 and has eaten six oranges and Mary is on another train that is going 42 miles an hour and she has five apples. What time is it?

A LITTLE DAYLIGHT

The Tax Reform Act of 1969 is said to have closed some of the old loopholes. I think it did. The Tax Reform Act of 1969 was also called—jocularly, mind you—the Lawyers' and Accountants' Relief Bill. Meaning that as long as the tax laws are as complicated as they are, the unemployment figures should include zero lawyers and accountants. I have been in some of the great law firms, with portraits of various dudes in muttonchop whiskers staring down at the pile carpets. Inside the legal factory, people are just as cynical about the tax laws as outside, except that they are professionals, and what the hell, professionals have a job to do. "That's Walt," they say, pointing to a character studying the tax code the way good souls used to study the Bible. Walt is looking for nuances, interpretations, in the code, and is spoken of like a prized running back: "Give him a little daylight and he can go all the way."

During the election past, some of the candidates sensed that tax reform, or tax *something*, might be an issue. So Senator McGovern got a hand when he told a blue-collar crowd that their baloney sandwich wasn't deductible, but a three-Martini lunch was. I could see the change coming up in the tax code:

Reg. 1.166–34–6b (a) *Martini, lunch.* Cost of the Martini deductible to the taxpayer, shall be the cost less any olive entitled previously to an agricultural exemption, or the greater of one-half the combined price of the gin and the vermouth . . . (b) *Sandwich, baloney.* The cost of toasting is disallowed since toasting does not add an approved commodity to the total . . .

Now I am not about to get in a wrangle on what is a loophole and what isn't. We need oil—energy crisis and all that—and apartments—housing crisis and all that—and pecans–pecan crisis?–and all the other Good Things with lobbies and public-relations men. We really do. We might even need some things not classified as Good. But the way to go is not to get them a lobby and get them into the Good group.

WANTED: A NEW TAX LAW

Because what we need, quite desperately at this point, is a tax law that people believe is fair. The tax law is too complex to inspire the belief that it is fair. A simpler tax law might have some temporary inequities, but the erosion of confidence in the laws is far more dangerous. People do not understand the laws; what they do know is that nobody pays the top rates, and that people who can afford Walt—and the other run-to-daylight lawyers—can find ways to pay very little.

The Administration and the Congress think the tax laws are basically fair, so that the Tax Reform Act of 1973 will have few substantial changes. The laws are abstract and complex; the dissatisfaction with them is really *felt* rather than *known*. Nobody is out hauling the livingroom furniture into the street for a barricade, and nobody is boarding ships to throw the tea into the harbor, and there isn't another election for a while. If things are going to stay as they are, I am going to cultivate a lawyer like Walt, who can find daylight in the code, who has moves you wouldn't believe, and who can go all the way if he gets the tiniest break.

[From the Washington Post, Jan. 14, 1973]

COWBOY ARITHMETIC

(By James Rowen)

They don't raise beef cattle the way they used to. No, sir, Now, from the Kansas plains

to the Southern California desert, they've got big, automated feed yards, almost all of them built since 1960. You rarely set eyes nowadays on cattle grazing peacefully on the range for a couple of years, waiting for a trail boss and some cowpokes to drive them to Missouri. Mostly you see these automated lots where they make the cattle overeat all the time with antibiotics, hormones and piles of feed. Sometimes they even play music for the cattle to keep them happy. All this cuts down a steer's fattening time for the normal three to four years to just 12 to 18 months.

That's not the strangest thing, though. The strangest thing is these people who call themselves "farmers"—at least on their income tax returns—and who put up money for the big feed lots. To keep the yards jammed, which often means 25,000 to 50,000 head at a time, beef-producing outfits set up investment companies to take care of the raising, feeding and slaughtering of herds for the "farmers" you never see farming. These people may be shoe manufacturers or doctors or New York lawyers who have never been further West than Westchester. But at tax time, they're farmers.

Some call this whole process "cowboy arithmetic." What happens is that a cattle investment outfit sells "subscriptions," or shares, in cattle-feeding partnerships. The investment outfit acts as general and managing partner, while the investor, for as small a grubstake as $3,000 or $5,000, becomes a limited partner. That's how each investor becomes a "farmer," allowed to list his investment—which usually is used to buy cattle feed—as a "farm expense," and to deduct his "farm expense" from his non-farm income, which he may get as a dentist or an actor or whatever else he really is. That way he pays less federal income taxes than he otherwise would, which is the purpose of "cowboy arithmetic."

NO DRY HOLES

But that's not all there is to it. "Cowboy arithmetic" also lets these "farmers" write off for tax purposes more money than they put in. And they also can postpone getting any cash from their investments for three to six years, so they can take their profits in a year when it most helps them hold down their tax bills. If this income delay sounds like one of the advertised tax breaks of putting money in oil, that's because the benefit is in fact similar—only, as one cattle management outfit says, "Unlike oil, you never get a dry hole."

It's not everyone who can be a farmer who doesn't farm so he can feed cattle he never sees in order to write off more money than he invests and to collect profits he doesn't want for up to six years. You have to be rich to play "cowboy arithmetic." Specifically, because of some state laws covering partnerships, investment outfits managing cattle restrict the players to those either in the 50 per cent tax bracket or swearing to a net worth of $100,000 to $200,000. Only six-tenths of 1 per cent of American taxpayers are in the 50 per cent bracket, according to the Internal Revenue Service's 1969 tax survey.

"Cowboy arithmetic," of course, also helps the beef-producing companies that own cattle investment outfits, or else they wouldn't be organizing the game. Promises of an oversized writeoff and up to six years' income deferral attract a good number of takers for partnership shares bringing in cash that saves the parent company a trip to the bank. Bank loans are costly; partnerships are not only interest-free but they produce income. And the investment outfits take their profits off the top, which means they make money even if, for some unlikely reason, a partnership fails.

ADVENTURES IN FAT CITY

That's why outfits like Fat City Corporation in Monterey, Calif., are getting in on the action. Fat City and its affiliates—Bareback Cattle Co., Lucky Stiff Livestock Insurance Associates, Maverick Land & Cattle Co. and others—buy and sell cattle and grain, insure livestock, sell manure, truck cattle and market carloads (40,000 pounds) of live cattle on the Chicago Mercantile Exchange.

Privately owned, big Fat City is run by Jim Marks, former manager of a meat packing company, who holds nearly 60 per cent of Fat City stock. Two of his sidekicks—Robert Swanston, scion of a pioneer cattle-raising family, and Eldon R. Hugie, an attorney and accountant—own almost all the rest, giving the three together 98 per cent of the stock.

After operating relatively small feed lots in Muleshoe, Tex., and Chowchilla, Calif., Fat City opened a massive yard. California's largest, in the Salinas Valley. Each Fat City lot, where 70,000 steers stand in narrow, 8-foot-deep concrete pens, get their feed in a trough filled by truck and, according to Fat City's receptionist, are soothed by music piped across the acres of feeding pens. "Their favorite," she says, "is Frank Sinatra," and "they like the kind of music kids listen to on the radio."

It was in 1971 that Fat City decided to get into the "cowboy arithmetic" game. It created a subsidiary, the Steer-West Cattle Feeding Programs, to take care of cattle for absentee, "farmers," making clear that this partnership plan would dominate the entire Fat City spread. "Most of Fat City's time and efforts will be expended on matters relating to partnership business," said the prospectus, and 80 per cent of its feed yard space will be used for partnership cattle. If fully subscribed, Steer-West will corral $19 million and take care of 315,000 head of cattle. To date, $5.8 million has been raised.

A 140 PERCENT WRITE-OFF

Of this money, a good chunk is cut off the top by Fat City and its affiliates. Each steer bought for the partnership, for example, brings a $3.50 "fixed fee"; for 315,000 head, this fee alone would come to more than $1 million. In addition, there is a buying commission that amounts to $20 for each 500-pound calf. Feed eaten by the partnership cattle is marked up a minimum of 25 per cent over Fat City's cost. And on top of numerous other daily yardage fees, financing fees, insurance premiums and trucking charges, 10 per cent of the profits—if the partnership brings in a return of more than 7 per cent—goes to the general partners, who are Steer-West and Fat City director Robert Swanston.

Meanwhile, the investor-"farmers," who must plow in at least $10,000 to become limited partners, are rewarded with "at least" a 140 per cent tax write-off for the year they put in their cash. They can do this because the partnership goes into debt by borrowing more money to buy more cattle. The limited partners are allowed to report as their tax write-off a share of the borrowed money, which is certainly "Fat City" to a high-bracket "farmer" looking for an inflated tax loss.

F. Michael Stone, a Fat City director and vice president of Steer-West, defends the write-offs for catle feeding, preferring to call them "tax-incentive investments." "Someone will have to subsidize" public needs, according to Stone, and having the government directly pay the costs of programs like oil and gas exploration, housing development and cattle feeding would bring on the "superimposition of a bureaucracy."

His position is to let the government subsidize the rich cattle investor: "Who's best able to take that risk—individuals or the guy with the big dough? Let the guy who can afford to be burned—but you gotta give him an incentive."

Stone believes that the write-off provisions of cattle feeding "make good sense in entrepreneurial and capitalistic America," but he concedes that "we suffer from a bad press. . . . I think in the infinite scheme of things, a rational person will see he's really getting a break, because someone else is taking the risk."

THE DISAPPEARING LOTS

Small feed lot operators, though, don't think they're getting any break. While the tax law lets big operators gain from loophole cattle feeding, small lots happen to be going out of business. Specifically, more than 15,000 feed lots with a capacity of 1,000 head or less—often small farmers trying to supplement their income—disappeared from the Agriculture Department's rural surveys in 1971. At the same time, big feed yards with a capacity of more than 16,000 head increased by 11. A number of farm groups, including the National Farmers Organization, have protested the big boys' tax-based advantage, but to little avail.

Nor do all parts of government think taxpayers are getting such a break. A July, 1972, Agriculture Department study estimated that if all 14 publicly offered cattle-feeding partnership plans were completely subscribed in 1970, $150 million would have been raised by the cattle-managing outfits. That would mean write-offs of at least $150 million for the well-heeled. The total write-off would have to be higher, though, since many partnerships are offered privately, with public disclosure not required.

Last April, moreover, the Agriculture Department issued an analysis of beef-breeding herd investments, an area of tax-loss activity related to cattle feeding, and concluded: "The loss to the federal government, in terms of revenues not received, will continue to far outweigh the monetary benefits to non-farmer investors. This implies, all else equal, substantial loss to society."

And it is questionable, to say the least, whether consumers think they are getting any break. Not only are housewives paying some big fat prices for beef nowadays, but they are subsidizing the big cattle yard operators with tax dollars to boot.

The only ones who are without a doubt getting a break are the non-farming "farmers" investing in big feed lots and the lot operators who are in on the action.

WESTERN BEEF'S WAY

The first outfit to offer a cattle management partnership plan was Western Beef, Inc., based in Amarillo, Tex. Though only four years old, Western Beef is the nation's second largest publicly held cattle feeding corporation, having fed more than 17,000 head in 1971 alone. Its empire includes:

The Clifton Cattle Co., one of the five largest U.S. cattle purchasing outfits.

Nine feed lots in Texas, New Mexico and California.

Five grain storage elevators.

Two meat packing plants in the Texas panhandle.

CNT Financial Corp., 66 per cent owned by Western Beef, Inc., and its directors.

In 1968 Western beef also set up the Western Beef Cattle Fund, Inc., as a subsidiary to take care of partnership cattle. The fund is currently offering a $6 million partnership program in six $1 million phases. Each subscription costs a minimum of $3,000, with additional shares available at $1,000 each.

Western Beef certainly makes good use of the partnership to make sure that its lots are stocked with cattle and that it and its affiliates stay financially healthy.

As the partnership manager, Western Beef Cattle Fund takes an "initial 2 per cent management fee" and a 3 per cent charge from each subscription to cover the cost of the offering. In addition, the Fund takes a $1 commission from the partnership's money for each head of fattened cattle it sells to a packer (often Western's own subsidiary), and 10 per cent of whatever cumulative profits the partnership generates.

The Fund borrows from CNT, controlled by Western and its directors, with profits made on the interest charges. Then there are cattle to be bought: The parent's Clifton Cattle Co. is available for business. In fact, the Fund's most recently organized partnership bought 5,000 head from Clifton.

Partnership cattle also must be well fed: Western Beef has its nine feed lots and five grain storage elevators waiting to supply the grain to feed to the cattle. Fattened cattle must be slaughtered: Western has its two packing plants.

The investing "farmers" in this case are promised a 150 per cent first-year tax write-off because of the additional sum they can claim as their share of the Fund's debt to Western-controlled CNT Financial.

PRESCRIPTION FOR PROFIT

Just how remote from farming can the new "farmers" get? Consider the Beef Builders Feeding Programs, a new cattle partnership operation set up primarily for the American doctor. It is a joint outfit run by two separate companies, Dallas Factors, Inc., of Dallas, Texas, and Physicians Equity Services, Inc., of New York City. When you untangle a network of subsidiaries and partnerships and company owners, you find Dallas Factors owned by O. Jan Tyler, a Texas lawyer, accountant, ranch owner, cattle manager, and, until 1967, a Justice Department trial attorney in the tax division.

"I was raised on a ranch and showed livestock when I was growing up," Tyler says. "Cattle is in my blood. Its like they say—you can take a boy out of the country but you can't take the country out of the boy."

Tyler sees nothing wrong with moving from Justice Department tax prosecutions to managing tax-shelter investments. "I don't think it's a valid criticism. No one ever raised the possibility to me that it was a detriment. When I finished law school I went to the tax division of the Department of Justice. I stayed four years. That was my commitment to them. No one ever stays longer than that."

In fact, Tyler views his government service as a plus. "I think the experience working with the Justice Department was very beneficial to me and to the clientele I represent. It makes my job a hell of a lot easier."

Physicians Equity Services' major asset is access to a mailing list of nearly 80,000 doctors and other professionals supplied by several New York City financial consultants. These consultants own nearly all the stocks in the Physicians Equity Services, founded in December, 1970.

Joseph Boneparth, president of Physicians Equity, is reluctant to discuss his cattle feeding operations. He refuses to talk about his company's structure or to identify its stockholders.

CATTLE AND LISTS

With Tyler's Texas cattle know-how and the doctor's golden mailing list, the Beef Builders Cattle Feeding Programs were born in October, 1972. The investment managers are the Diamond C Land and Cattle Co., a subsidiary of Tyler's Dallas Factors, and PES Beef Builders, a subsidiary of Physicians Equity. The program is seeking an investment of $2 million, with each subscription costing $5,000.

Since neither managing partner owns a feed yard, the partnership cattle are placed in selected lots, and the partnerships are billed for the operating services. For their management services, the general partners take a 9 per cent chunk off the top of each $5,000 subscription, a "supervision fee" of $2.50 per head bought for the partnerships, a charge of 1 per cent of all loans obtained for the partnerships, and a payout of any profits in this order: From the first $10 per head sold for slaughter, the managing partners get 25 per cent; then 50 per cent of any additional profits.

The doctors get their tax breaks. The government loses revenue. The taxpaying consumer subsidizes beef production. The partnership managers—in this case outfits that don't even have feed lots—make their money. The small, family-farm lots keep going broke. "Cowboy arithmetic" has certainly changed the way they raise cattle these days. Yes, sir.

[From Washington Monthly]

THE SCREWING OF THE AVERAGE TAXPAYER

(By James Fallows)

Late this month, as Congress reconvenes, Representative Wilbur Mills will announce that tax reform season is with us again. A year or two later, after debates, studies, vetoes, and compromises, a Tax Reform Act of 1973 or 1974 will emerge, advertised no doubt as a significant step toward tax justice, a boon to the average man, and the only way to cover the rising federal deficit. More likely, it will be yet another tax system, painting over areas where the acid has seeped out without doing anything serious about what's wrong inside.

The last time we went through this cycle, in the months leading to the Tax Reform Act of 1969, there were the same big promises and the same small deliveries. If there was ever a time when the federal tax system was ripe for overhauling, 1969 was it. The fiscal dream-world of Lyndon Johnson's last few years—when he wishfully imagined he could buy both guns and butter without raising taxes to pay for either—had come apart, spawning the inflation we now know as a permanent part of life. When the tax rise finally came, as a 10-percent surcharge slapped on in 1968, it was both clumsy—because it tried to squeeze more money from a tax system whose basic flaws had been known for years—and too late. This could have been the occasion for a new Republican President to take a swipe at Johnson by closing up the old loopholes or for Congress to insist that the surcharge be replaced with some real reform.

Instead, what touched off the "taxpayer revolt" and led to its product, the 1969 Act, was not so much a concern for the ills of the system as two immediate irritants. One was the result, simply, of the government's shortsightedness. When the surcharge was imposed, the income tax withholding rates stayed at their old, lower level. That meant that at the end of the year, families accustomed to a comfortable rebate from the Treasury found themselves owing hundreds of dollars in extra taxes.

At just this unsettling time, Treasury Undersecretary Joseph Barr added a second bit of fuel. When testifying before the Joint Economic Committee in early 1969, he noted offhandedly that 155 people making more than $200,000 had not paid any income tax in 1967—21 of them with incomes of over $1 million. Barr wound up with warnings of a "taxpayer revolt if we do not soon make major reforms in our income taxes," and to be sure, there was a lot of talk about both revolution and reform in the following months. But, if revolutions are limited by the vision of their supporters, this taxpayer revolt was quickly stymied by the skin-deep perspective of most of its advocates. It was as if the French mobs had called off the guillotines and uprisings once they got a few crusts of the bread they had originally asked for.

The crust tossed out by Congress was a tax reform bill that removed the gaudier, more flagrant abuses—examples muckrakers could use in their stories, the no-tax illustrations that could drive a man mad when he looked at his own depleted paycheck—without tampering with the basic mechanism. To take care of the high-income tax dodgers, Congress invented a "minimum tax" of 10 per cent to be imposed on those who would otherwise owe nothing. Even more than other bits of congressional fence-mending, this contrivance set economists wondering whether congressmen ever thought about what they were voting for.

The minimum tax is a perfect example of cosmetic legislation, which admits by its existence that tax preferences sheltering the rich are not fair, but still refuses to change the preferences. The closest the Act came to tampering with the preferences was a dainty adjustment in the oil depletion allowance (lowered from 27.5 per cent to 22 per cent) and an equally mild rise in the tax rates on capital gains (increasing the maximum rate for gains over $50,000 from 25 per cent to 35 per cent).

BUYING OFF THE REVOLUTION

Then it was over, the energy of the taxpayer revolt spent almost before the bill passed both houses of Congress. To what end? Thomas Field, a former Treasury lawyer who recently resigned to set up Taxation With Representation, a public-interest lobbying firm, wrote shortly after the bill's passage that it "may actually have entrenched existing tax abuses more firmly, by reducing the outrageous excesses that scandalized the public, while failing to eliminate the basic abuses themselves."

In the years since, the old familiar loopholes have been joined, and perhaps overwhelmed, by a host of new ones, most of them the result of President Nixon's New Economic Policy. These corporate tax breaks, like the Asset Depreciation Range (ADR) system and the Domestic International Sales Corporations (DISC), will take billions from the Treasury—an estimated $80 billion in the next decade. In an administration that uses an axe on the federal budget, lopping off whatever it can, these giveaways show how far a faith in the trickle-down theory of business and government can take politicians.

Unfortunately, the latest taxpayer revolt has not come much nearer to the fundamental problems than the earlier one did, having been diverted instead to a few of the gaudier excesses. To many tax reformers, the "real" issues seem to be either unconnected questions, like property tax relief, or isolated cases of men or companies who have beaten the system. Unless this general tone changes dramatically, it is a safe bet that much of this year's tax debate will glide over the frozen surface of the tax system without looking at what lies beneath.

The tragedy is that now, even more than in 1969, the whole tax system needs the kind of change a taxpayer *revolt* implies. The federal tax code is not a leaking vessel in need of a few patches; it is a ship steaming in the wrong direction that must be turned around or sunk. Completely apart from issues of wealth and equality—that the distribution of income has not changed in 15 years; the richest fifth of the population earns eight times more than the poorest fifth; two per cent of the people controls 43 per cent of the wealth—the problem is one of waste. The tax system has turned into the biggest and most profligate program of government subsidies, piping $55 billion out of the Treasury each year, most of it to the rich.

DON'T FENCE ME IN

When the income tax was first introduced some 60 years ago, the idea was simply to tax *all* income—without fancy distinctions between factory wages, profits from the stock exchange, real estate windfalls, or earnings from the farm. The tax rates have gone up and down over the years, but they still reflect the idea that those who can afford to pay more, should. In recent years, another reason for progressive tax rates has emerged: if the rich get the largest share of government subsidies and bask in the sun of government spending, then it's only fair that they pay for what they get.

After the earlier, common-sense definitions

of taxable income, the lawyers and accountants ganged up to make the system complicated. Part of the tax system's story has been that of a closing frontier: larger and larger chunks of the income range have been tucked behind tax-free fences, safe from the government rustlers. Meanwhile, the remaining parcels are trampled on all the more heavily.

Behind this erosion of the tax base lies an essential difference in political faith. While liberals have acted as if government programs could solve any problem (taking more money in through taxes, then spending it), conservatives have placed equally boundless faith in tax incentives (not taking the money in the first place, then not spending it). However satisfying it may be to think of trimming back some government programs, tax incentives don't look like the solution to the problems. On the surface, tax incentives follow the logic handed down from Coolidge to Ayn Rand and on to Nixon that a dollar not run through the government mill is a dollar ennobled. In practice, they amount to income redistribution toward the rich.

The point easily overlooked is that tax breaks are really no different from government spending. From the Treasury's point of view, a preference that cuts tax receipts by $1 million is just the same as a new $1-million spending program. The money that doesn't come in from one group of taxpayers must be wrung out of the rest, or else taken from other government programs. This "tax expenditure" approach to the revenue system means, most importantly, that tax expenditures should be judged by the same standards of economy and efficiency that budget-cutters apply to other federal expenditures.

THE NEW BUDGET

Until fairly late in the Johnson Administration, no one bothered to take the dimensions of the tax-expenditure programs. Then Stanley Surrey—the Treasury's assistant secretary for tax policy, who now teaches law at Harvard—drew up the first "Tax Expenditure Budget." His figures have attracted surprisingly little attention in the press, although they are as revealing as the regular federal budget, and far more outrageous.

The 1971 version of the tax budget shows a total of $51.5 billion in tax expenditures—more than the budget for any government agency except Defense or Health, Education and Welfare, dozens of times greater than anti-pollution programs, enough to give McGovern's much-loathed $1,000 grant to a quarter of the people in the country. The biggest single item in the budget is the revenue lost through special capital gains tax rates. This is estimated at between $6 and $9 billion, all nominally going as an incentive to investors. Another $2.6 billion is lost from the tax-free interest on state and local bonds, $2.7 billion from property taxes paid to local governments, and $2.4 billion from the clause that lets homeowners deduct the interest on their mortgages. The oil-depletion allowance gives the corporations a $1-billion break, and the investment tax credit provides about $1.5 billion.

To those receiving them, the tax payments have special appeal. Other government subsidies have finite time limits. When they run out they must be dragged through Congress again, past the perils of committee chairmen, eagle-eyed Office of Management and Budget auditors, and finally a tight-fitted Executive branch, quick with the veto. But a tax break, once enacted, quietly does its work forever, becoming more valuable as tax rates rise. Until a few years ago, when Surrey's expenditure budget was first prepared, no one need have known about the tax breaks at all. No committees could hold hearings to find out whether the program was worthwhile; no General Accounting Office could appear to check where the money was going.

Now that these programs are out in the open, they make for amusing comparisons with the normal federal budget. Government spending for low-income rent subsidies, for example, has shrunk in recent years from the $100 million Johnson requested in 1968, to the $50 million Nixon asked in 1969, to the $23 million Congress finally approved. Meanwhile, about 30 times as much federal money, $750 million, has been flowing out each year as rent subsidies for the rich, in the form of real estate tax breaks. This accommodating system not only guarantees the country an adequate supply of resort motels and luxury apartments, but also allows the rich taxpayer (through a device too complicated to explain) to save several times as much in taxes than he invests in real estate.

SLICK OPERATORS

It is not always clear that tax subsidies are the best or most effective way to use government money. The various tax breaks given the oil industry, for example, were intended to compensate the rugged drillers for their unusually risky trade, and to make sure that America always had enough oil in the ground to face with confidence a future of energy crises and angry Middle East governments. But, as shown by the report prepared for the government in 1969 by the CONSAD consulting firm, the taxbreak approach to the energy crisis was less than effective. Forty per cent of the tax breaks went either to foreign operators or to "nonoperators"—people who happened to own oil-bearing land but who hadn't done much to advance oil exploration. In all, the report concluded, the oil industry's tax breaks cost $1.4 billion but generated only $150 million in extra oil reserves.* A simpler, cheaper solution might be to end the depletion allowance and pay a $150-million subsidy for the reserves. This does not seem to be part of the Administration's plans for cutting bureaucratic fat. As Nixon indicated last summer to oilmen gathered at a barbecue in Texas: "I strongly favor not only the present depreciation rate, but going even further than that, so we can get our plants and equipment to be more effective. . . . Let us look at the fact that all the evidence shows we are going to have a major energy crisis. To avoid that, we have to provide incentives rather than disincentives for people to go out and explore for oil. That is why you have depletion, and the people have got to understand it."

Nixon's host at the barbecue, John Connally, has waxed equally rhapsodic about the value of the capital gains tax preference, claiming that to end it would not only plunge the Dow Jones average below 500, but also permanently maim U.S. industry as it prepares for the economic battle with the Germans and Japanese. Both dangers were avoided when, earlier in the century, capital gains rates were the same as ordinary rates. Even if the profit on IBM stock were cut by higher capital gains taxes, few potential investors would be likely to sulk and put their money in a sock, especially if other tax shelters were also dismantled. And, assuming the worst—that brokers all over the country go out of business and no one plays the market—the effect on industry would be less than crippling. As Philip Stern points out in his new book. *The Rape of the Taxpayer* (an excerpt of which follows this article), only five per cent of industrial capital comes from the stock market; the rest comes from industry's retained earnings. Those who would bleed on the altar of capital gains taxation are not the financiers of a stronger industrial America, but the speculators who buy and sell stock issued years ago. Perhaps worst of all, the present capital gains system gives an incentive to early death for those who can cling to their stock all the way to the grave, all the capital gains that took place during their recently-ended lifetime are declared tax-free. Whoever inherits the material only pays tax on gains from than on.

GUARANTEED INCOME

The moral of the capital gains story turns up again in the corporate taxes, only with bigger numbers, During the sixties, tax breaks like the Investment Tax Credit (ITC) helped drop the share of corporate taxes from 35 per cent of total federal taxes in 1960, to 27 per cent in 1969. Since then, corporate taxes have fallen by another 10 per cent, mainly because of the bag of treats Nixon passed out as part of his 1971 economic policies.

The longest-running of the major preferences, the ITC shows that the welfare ethic can destroy initiative and fiber among the rich as well as the poor. Since 1962, the ITC has proven its benefit to companies, giving General Motors an average of $40 million each year and the rest of American industry another $2.1 billion. Its success in encouraging them to create new jobs and boost the economy is harder to detect. As originally written by the Kennedy Administration, the ITC would give benefits depending on performance: the companies that tried hardest to invest *more* than before, to hire more men, would get the biggest breaks. But an obliging Congress changed that clause, so that any investment qualifies for the ITC—even if the company invests less than the year before, or uses its investment to automate a few more men out of work.

The ITC also has a knack of delivering its benefits where they're not needed and tugging them away from those who need them most. Few companies needed new investment as much as the Penn Central did, with its yards full of cruddy old machinery and its miles of rusty track. But because the Penn Central was losing money and paying no taxes, the ITC gave it no help at all.

The corporate tax measures Nixon announced in 1971—aimed at a booming economy, a foreign trade surplus, and a fully employed electorate—show the same combination of high cost and uncertain results. One of the proposals would have cost $6 billion in lost taxes, in exchange for the possible creation of 500,000 to one million new jobs. This works out to $6-12,00 per job, with no guarantee that the companies will use the money to hire more men.

Another innovation, the Domestic International Sales Corporations (DISC), was supposed to encourage exports. But, like the unfortunate ITC, the DISC gives benefits without demanding performance—companies get tax breaks even if their exports are falling.** The star of Nixon's group, the Asset Depreciation Range system, which will cost an estimated $30 billion in the next decade, was aimed at expanding industrial capacity at a time when 25 per cent of the factories were idle.

FRIENDLY PERSUASION

The choice of these uses for public money—rather than public-works projects, or educational investment—may be explained by the groups buzzing around Nixon's ear at the time. As reported by Stern, the Presidential Task Force on Business Taxation,

* Similar studies show that the exemption for state and local bonds, designed to help the poor municipalities finance their projects, costs the federal government about twice as much as it saves the cities and states. The difference ends up with those who buy the bonds, 80 per cent of them in the $50,000-plus income bracket.

**The enterprising Continental Grain Company has even tried to get DISC tax breaks for its government-subsidized grain sales to Russia. So far it has failed, thanks mainly to publicity generated by a group called Tax Analysts and Advocates.

which was appointed in 1969 and eventually thought up the ADR, was made up of:

Four lawyers from corporate law firms (including former partners of both Nixon and Connally);

Two New York investment bankers;

Three representatives of corporate accounting firms;

Two top officials of large industrial corporations;

Three business-oriented economists.

As with other tax preferences, most of the corporate honey gets scooped out by those with the biggest paws. Eighty per cent of the ADR's billions will go to the top .002 per cent of the nation's corporations. Even before the 1971 tax breaks, the 100 biggest corporations paid only 27 per cent of their profits in taxes (compared with a nominal rate of 48 per cent), while smaller corporations paid 44 per cent. Several enormous companies have been able to pay respectable dividends to their shareholders without paying anything to the government.

Alcoa Aluminum, Allied Chemical, Standard Oil of Ohio, and a quartet of steelmakers—Bethlehem, National, Republic, and United States Steel—all paid dividends of between $33 and $78 million in 1970 or 1971, without paying any federal income taxes.

PERVERSION IN THE IRS

One reason for the grotesquely high cost of the tax-incentive program is the perverse logic of tax preferences. Reversing normal bidding procedure, the goverment buys services from whoever offers them and lets him set his own price. The tax deductions naturally cost the government more when a rich person rather than poor person uses them; a $100 tax write-off, whether for oil-well drilling or buying state bonds, costs $70 in lost taxes if the taxpayer is rich, but only $14 or $20 for people in the lower tax brackets. There is an economist's logic buried here, in the idea that rich people need a greater incentive to perform a task, but it makes sense for the government only if the rich person's oil well is five times as good as the poor person's.

The catch, of course, is that poor people don't have oil wells. Neither do they have capital gains or much property tax to write off. So, because most of the tax preferences are open only to the rich, and because each perference is worth more when you're in the 70-percent tax bracket, a healthy portion of the tax-expenditure budget goes to supporting our upper class.

A MODERN P. T. BARNUM

It may not always appear that way, especially if you look at the Administration's figures. Treasury Under-secretary Edward Cohen went to Congress last year to show who was getting the tax-expenditure money. There were the charts, broken down by income group. Sure enough, and Mrs. Middle America came out in front. Property tax exemptions, for example, spared families in the $10–15,000 income bracket $642 million in taxes, while giving only $240 million to those in the $50–100,000 bracket and $137 million to the $100,000-plus bracket. Even preferences aimed at the rich, like capital gains, seemed to avoid any gross imbalance.

The trick is that there are more people making $10,000 than $100,000, so the money goes further at the upper levels. Tom Stanton, a lawyer with Ralph Nader's Tax Reform Research Group, pointed out this ruse to the Senate Finance Committee last October. When the preferences are broken down on a money-per-taxpayer basis, they look a little different, more like feudal dues than anything else. The benefit from capital gains taxes, for example, are roughly these:

If your adjusted gross income is less than $3,000, you save an average of $1.66 in taxes each year.

If your income is between $5,000 and $7,000 (more than half the taxpayers make this much or less), you save an average of $7.44.

If your income is between $10,000 and $15,000, you save an average of $16.31.

If your income is between $50,000 and $100,000, you save an average of $2,616.10.

If you make more than $100,000, you save an average of $38,126.29.

The oil depletion allowance gives an average of 85 cents to the median taxpayer; an average of $847.24 to those in the $100,000-plus bracket. Deductions for charitable contributions are worth an average of 28 cents at the lowest brackets and $11,373.56 at the highest. In all, the system gives an average of $54.06 worth of tax relief to each taxpayer in the lowest bracket, $245.79 to those at the median level, and $76,042.86 to those making more than $100,000.

These preferences, loopholes, and rebates make the official tax rates less than reliable guides as to who actually bears the tax burden. According to a report by Joseph Pechman and Benjamin Okner of the Brookings Institution, taxes actually take only 32 percent of income at the upper levels, rather than the 79 per cent of narrowly-restricted income the charts show. If the tax base were widened—to include capital gains, bond income, and all other categories of tax-free income—it would be 35 per cent larger than it is now. This would mean either that current tax rates would produce $77 billion more in revenue—several times more than will be needed to cover the expected budget deficit next year—or that the entire rate schedule would be reduced. Pechman and Okner offer several alternate schedules, most of which would cut taxes in the lower brackets while imposing rates no higher than 50 per cent at the top. The secret is getting a wide tax base, so that the government takes 50 per cent of something, rather than 70 per cent of very little.

FAITES VOS JEUX

But until the tax base is widened, we are left with a system more like a roulette game than a dependable tithe of income. Its effect on taxpayers is like that of a court which imposes harsh sentences but only convicts half the defendants. The taxpayer's only rational behavior is to try to beat the rap, to hide portions of his income in the preference safety zones rather than paying at the official rates. Anyone who pays all his taxes is a fool or a sucker. By turning taxes into a penalty and rewarding those who find the escape clauses, the tax system encourages a pernicious social irresponsibility. More worry goes into devising each family's own tax shelters than in working to make the whole system more fair. If much of the backlash against government spending and high taxes comes from those who see the tax withheld from their paycheck each month, it may be because they are the only people who know for sure they will have to pay their full share of the government's expenses.

AL CAPP AS PHILOSOPHER

As its contribution to cleaning up the tax system, the Administration is relying on a classic one-two approach: cover up the little problems and pretend the big ones aren't there. The cover-up operation centers on encouraging the public to look at the bright side of the tax system, emphasizing the positive and keeping the reformers' complaints in perspective. Since an overt rise in tax rates—as opposed to camouflaged rises, in the form of Value Added Tax or otherwise—might undermine the public's faith, Nixon has tried hard to sell the unbelievable idea that taxes will not go up. So far, his psychology has worked well. As *The New York Times* reported in late November, Nixon has decided that the heat is off on tax reform because "the public is simply not as stirred up now about the alleged unfairness of the tax laws as it was earlier this year."

To handle the public resentment that won't go away, Nixon has applied several of his other proven political tactics. One useful method is to deflect attention from a serious question to a minor side issue—as the whole public discussion of civil rights has been focused on busing. The sideshow this time is property tax relief—a serious enough business, but not enough to steal all the attention from income tax reform.

Another ploy has been to breed fear of change among those who should welcome change. This was the message in Edward Cohen's tax-preference charts. "Look at those figures," Mr. Average was supposed to say to his wife. "We can't afford to have that mortgage-deduction taken away." Thus everyone starts to consider the reformers a menace, and each group of taxpayers clings to its own loopholes and blocks those who try to blow the whistle.

This philosophy was expressed with rare precision by cartoonist Al Capp, writing in a recent issue of *Saturday Review—Society* as a "distinguished economic and social thinker." "What this country wants," Capp said, "is more tax loopholes, not less. Americans today don't want so much to soak the rich as to be rich." With every man looking out for his own special piece of the action, no one has a stake in cleaning out all the special deals. "Tax reform" becomes a code word for "cutting *my* taxes," and the "tax reform" bills are little more than a clumsy package of favors, designed to make *everyone* think he's coming out ahead.

But in this as in few other things, the President doesn't have the last or the most influential word. The important maneuvers will go on in Congress, most of them in the chambers of Wilbur Mills' House Ways and Means Committee.

PUNCHING HOLES

Last year's congressional skirmishes provide mixed omens for tax reform in 1972. This year was not the right time for a tax reform bill to get through, and so it may not mean anything that so many reform bills died at the end of the session. The fights that went on were on the other side of the field—trying to prevent new loopholes from being punched through the tax code. Hole-punching long ago became a ritual in Congress, institutionalized in something known as "Members' Day." At this roughly annual event, members of the Ways and Means Committee sit around a table and take turns suggesting special-interest tax bills. Usually these bills sail through the House without trouble, but last year, for the first time in memory, they were stopped. The battle was prolonged, beginning with the Members' Day session in October, 1971, and winding up a year later when, almost by a quirk, conservative Congressman John Rousselot objected to one of Mills' attempts to get the bills through the House.

If Rousselot had not been seized at that moment by whatever purely parliamentary objection he had to Mills' bill, those who had been trying to block the bill—Wright Patman and Les Aspin in the House, William Proxmire in the Senate, Tom Stanton of the Tax Reform Research Group, lobbyist Ray Denison of the AFL-CIO and Richard Worden of the United Auto Workers—would certainly have managed to kill it themselves. Time was on their side, and Mills' heart was not with the bill. Getting a genuine reform bill through Congress will be harder.

Just how much harder depends greatly on Mills. As chairman of the Ways and Means Committee, he will decide when to hold hearings, what measures to bring up when, and how firm a push he'll give the bill in the House. If there were some reliable guide to Mills' beliefs or ideas, it might be possible to predict what kind of bill will get passed. But reading Mills' mind is like reading a weathervane: his homing instinct is toward whatever everyone else is likely to vote for.

THE AMAZING RUBBER MAN

Mills gave an impressive display of flexibility early last year when he suddenly decided that tax reform was a hot issue. Two veteran tax reformers—Congressmen Henry Reuss and Charles Vanik—felt frustrated by Mill's refusal to push a reform bill through his committee, and so they proposed their own reform measure as an amendment to the debt-ceiling bill. Not about to be outsmarted—especially when still running his quaint race for the presidency—Mills managed to block Reuss and Vanik by introducing a "reform" bill of his own. Called the "Tax Policy Review" bill (or later, the Mills-Mansfield bill, since Mike Mansfield cosponsored it in the Senate), it would have phased out 54 of the major tax preferences over a three-year period, 18 at a time.

Phasing out the preferences wouldn't kill them for good, but at least it would make Congress review each preference before reenacting it. That much in Mills' bill was encouraging, but its main value to him was as a stalling device. Such extensive changes, Wilbur pleaded, would take months and months of hearings, even though he had held hearings on essentially the same questions before, and was presumably familiar with the topic. The maneuver served its purpose well: Mills seemed to be on the side of tax reform, but he didn't have to support any specific reform, and he was able to squash the Reuss-Vanik bill.

LOST CRUSADE

Reuss will be back this year, with a "quick-yield" bill designed to close a few loopholes and get a fast $9 billion in extra revenue. More thorough reform bills are also ready, including one from California's James Corman that would wipe out most of the major tax preferences and replace tax exemptions with "tax credits." But because of the oddities of committee procedures, none of these bills will be debated on the floor as such. Instead, the Ways and Means Committee will start from scratch, looking over each item on the tax-preference list and deciding what sort of reform package to offer.

The resistance that Mills puts up this year may be more serious than last year's procedural bluff. For him, the weathervane is swinging. Like Nixon, Mills has sensed a slackening in the taxpayer revolt. The public is losing interest and so is Wilbur Mills. In May, Mills sponsored a tax reform bill; in October, he said tax reform would be his committee's first order of business in 1973; but in November, he told *The New York Times* that tax laws weren't really so bad: "if the income tax law is not unfair, and I know it is not, to the extent that some people have indicated it is, I want the American people to know that."

The one certain benefit of the next few months is the series of studies now being finished by the Joint Committee on Internal Revenue Taxation. Working from the 54-item list in the Mills-Mansfield bill, the committee plans to make thorough legal and economic analyses of the preferences—what they're supposed to do, how well they do it, and how much they cost.

Expecting more than this may not be wise. The Opposition will soon be in town: Wall Street lobbyists moaning about capital gains taxes, oil men warning of energy crises. By comparison to these business lobbies, the few existing reform groups are inexperienced, underfinanced, and overwhelmed. Aside from the unions—who in 1969 were virtually the only reform lobby—there are now several public-interest groups, like Common Cause, Field's Taxation With Representation, and Stanton's Tax Reform Research Group. Still the unions are the only one of these representing a sizeable bloc of voters, and while the union platforms recommend admirably thorough reform, its members are the very people Nixon is trying to seduce with property-tax relief. Unless there are signs that this year's tax "revolt" can resist the small rewards that sated previous revolutionaries, tax reform is likely to go the way of welfare reform and other lost causes.

DEATH OF THE CHRISTMAS TREE

One of the heartwarming moments of the 1972 tax season was the defeat of the" Christmas Tree Bill" in Congress. The bill, which started life as a minor change in insursurance agents' taxes, ended up bedecked with many special interest baubles. As Congress neared adjournment, the bill was stalled in the House, and action shifted to the Senate. What happened is reported by the public-interest group, Tax Analysts and Advocates:

On Friday, October 13, Senate Majority Leader Mike Mansfield speaking to a largely empty chamoer, warned that he might have to call up for debate "one or two bills" from the Senate Finance Committee, because a number of senators were interested in adding amendments to them.

That evening, Finance Committee Chairman Russell B. Long took the floor to "file a committee report." Instead, he inserted into the Congressional Record descriptions of 13 "legislative proposals." Some of these proposals were previously introduced bills; others were Treasury recommendations. In Senator Long's words, some had "been before the Committee for a long time," and some had "been discussed, but . . . not . . . proposed until recently."

Senator Long said that there wasn't time to hold hearings on the proposals but that an executive session of the Finance Committee had that week informally endorsed them. The proposals, he said, "involve a relatively small amount of money as revenue measures ordinarily go." Besides, he added, they were unimportant enough that the President could veto them if he wished. "For the most part, they are not matters of any great consequence. One or two of them might involve a substantial amount of revenue, but most of them are relatively minor amendments."

This innocuous description intrigued several senators. Lawton Chiles attempted to get a promise from Long that no votes would be taken until a report from his committee was available. William Proxmire took the summaries back to his staff and examined them What Proxmire found irked him enough that the next day, Saturday, October 14, he announced he would "object and fight and oppose as long as I can, any amendments . . . that have not had hearings . . . and . . . a report, where . . . there is . . . a revenue loss." In the face of this stand Senator Long dropped amendments that would have been worth an estimated $225 million to five special interest groups.

In the course of the ensuing floor debate, 19 more special-interest provisions were added to H.R. 7577. Not as spectacular as the debated items, they would nevertheless have caused a revenue loss of several million dollars.

For the benefit of West Virginia constituents able to itemize deductions, Senator Robert Byrd added a sales-tax deduction provision shaving $1.5 million off their taxes.

Senators Robert Griffin and Philip Hart sponsored an amendment bailing out the Archdiocese of Detroit for about $50,000 in interest on withheld taxes.

Senator Vance Hartke, acting as floor manager, then offered a series of tax amendments, the first of which was designed to benefit conglomerates that buy out minority shareholders.

A second Hartke amendment involved $1 million in penalties currently owed to Treasury by a firm which failed to comply with the advance-notice requirements of Section 367 of the Internal Revenue Code.

Hartke then offered an amendment dealing with the airline-ticket tax, and added the provisions of H.R. 11158 which would permit C. Brewer and Sons of Hawaii to deduct Puerto Rican sugar plantation losses. He also added language allowing Americans who control incorporated foreign-investment portfolios to escape taxation at the corporate level, Hartke disclaimed knowledge of who the beneficiaries were.

Further amendments included a three-month extension of unemployment benefits, permission to add more carbonation to American wines, and establishment of a Federal Financing Bank.

Though it was now 9 p.m. and a Saturday night, the amendments kept coming. Senator J. Glenn Beall, Jr. moved to exempt small shareholders from a "collapsible corporation" tax restriction. Senator Jacob Javits expanded a housing tax subsidy, and Paul Fannin added a tax on bows and arrows.

Finally, at 12:02 a.m. on Sunday, October 15, the Senate adjourned.

On Monday, October 16, Senator Frank Church picked up where his colleagues had left off by proposing (successfully) that authors and artists be permitted to deduct half the value of their private papers when given to charitable institutions. Senators Clifford Case and Ted Stevens added their own little clauses. Senators Paul Fannin and Clifford Hansen offered two further amendments, but Proxmire blocked them. Finally, on Monday afternoon, Senate consideration of the "Insurance Agents Tax Withholding Bill" ended and the legislation was sent to the House.

The next day, October 17, House Ways and Means Committee Chairman Wilbur Mills moved for a conference with the Senate on H.R. 7577 which would, in effect, mean passage of the bill. House tax reformers, organized by Tom Stanton of Ralph Nader's Tax Reform Research Group, were on their feet to object. To their surprise, however, they heard the chair recognize southern Californian John Rousselot, who blocked Mills' motion because of a minor procedural irregularity. After a few minutes, Mills decided to abandon the bill. That ended the "Christmas Tree Bill" effort for 1972.

THE SECRET WAY THE RICH ESCAPE

(By Philip M. Stern)

Imagine and appraise for yourself the fairness of a courtroom trial that proceeds as follows:

The judge enters. Before him there is only one lawyer's table instead of the usual two. No press or members of the public are permitted.

A lawyer for just one of the opposing factions, whom we will call Lawyer A, rises and argues his case. Having heard but one side of the case, the judge declares the trial ended and retires to deliberate the matter. There is no Lawyer B to develop and argue the other side. That task falls to the judge, who is thus thrust into the awkward role of being both advocate and judge.

As the judge ponders the questions before him, Lawyer A makes repeated private visits to his chambers, pressing him with further arguments, rebutting any doubts he seems to have.

When he ultimately reaches and issues his decision, it, like the trial itself, is not open to the public, but is kept confidential, known only to the judge, Lawyer A, and the client.

If the decision is unfavorable to Lawyer A, he can appeal it to a higher court. But if it is favorable to A, no one else, no matter how aggrieved, may appeal. And so it stands, as final as a Supreme Court decision (until and unless the Congress of the United States sees fit to change it).

The above is perhaps an oversimplified, yet surprisingly precise parallel to the manner in which the Internal Revenue Service hears and decides the tens of thousands of tax

law questions put to it each year. These questions come mostly from business concerns, often seeking an in-advance-of-the-fact ruling about how IRS would apply the tax law to an upcoming transaction. Many of the requests for rulings are routine. But, as you will see, others involve tens, if not hundreds, of millions of dollars.

In theory—that is, technically speaking—rulings are available to any taxpayer who knows about them and submits a request. However, most average taxpayers are not even aware they can ask for an in-advance-of-the-fact ruling. (How many readers of these words know about them?) By contrast, rulings are well known to—and hence are mainly used by—businesses, especially major companies advised by experienced and handsomely-paid tax attorneys. This contrast could well give rise to the following two situations: For John and Esther Hale, the letter from Internal Revenue seemed not far removed from disaster. It dealt with their tax return of two years earlier and, in particular, with the sale of their house (for considerably more than they had originally paid). John was aware of the disadvantages of having his profit on the deal taxed all in one lump in the year of the sale (which would push him into a much higher tax bracket) and thought he had carefully worked things out so that the transaction would be treated as an "installment sale"—that is, so that he could, in calculating the tax, spread the profit out over a five-year period. But apparently he had run afoul of some technicality in the law, and Internal Revenue was taxing the whole profit in the year of the sale. The upshot was that the Hales had to pay a "deficiency" of a little more than $4,000, and if they didn't pay it before the end of the year, the government would start charging six-percent interest.

HASTE MAKES WASTE

Surprised and puzzled, John telephoned Internal Revenue. The IRS agent, while firm that John would have to pay the deficiency, was sympathetic, since, he said, a minor change in the transaction could have saved the Hales the extra tax. "It's a shame," he said, "that you didn't come to us with your contract beforehand. We could have told you that it wouldn't qualify for the installment sale, and could probably have told you how to change it to make it fit the regulations."

That was all very nice, but it didn't suggest to John Hale how he was going to come up with $4,000 before the end of the year.

In 1966, the Continental Oil Company had a tax problem of considerably greater magnitude than that of John and Esther Hale. It was, to be precise, a $175-million tax problem. But because Continental was counseled by influential and experienced tax lawyers, the company knew it could go to IRS to seek advance approval of its plan.

Boiled down to its simplest terms, Continental Oil wanted to borrow $460 million to buy up one of its major energy-source competitors, Consolidation Coal, the largest coal company in the United States. For some years, oil companies wishing to borrow in order to buy additional oil properties had been using an ingenious three-party device known as an "ABC" transaction, which involves basically, using one company as a front for buying another. That intricate triangular transaction had an enormous advantage: it enabled the companies to pay back the borrowed money with *untaxed* dollars, rather than having to use after-tax dollars, as most taxpayers do when they repay loans. If Continental Oil could employ such an arrangement to buy Consolidation Coal, it would save about $175 million in taxes. But while the ABC device had been successfully used in buying *oil* properties, it was unclear that IRS would approve such an arrangement for the purchase of "hard" minerals like coal. Without IRS approval, Continental would have to make just about twice as many dollars of profits to repay the mammoth $460-million loan; thus, before any banks would put up the money, they insisted on knowing whether IRS would give its blessing to the ABC deal.

MAJESTY OF THE LAW

Accordingly, the highly prestigious New York law firm of Simpson, Thacher & Bartlett was engaged to present the facts of the ABC transaction to IRS with a request for a binding in-advance-of-the-fact ruling. In due course, on August 18, 1966, a piece of paper assuring Continental its $175-million tax saving went forward from IRS—a "letter ruling" approving the ABC transaction.

Thus was the way paved for the buy-up of the nation's largest coal company by what was then the nation's 10th largest oil company.

Thus was the precedent set, and the path made easier for other oil companies to buy up other coal companies—as in fact subsequently happened.

Thus was the $175-million tax saving assured the Continental Oil Company.

Thus was the shifting of a $175-million burden to the other United States taxpayers assured.

That letter ruling was but one of the roughly 30,000 issued every year. While most do not involve such prodigious sum (about 14,000 of them merely grant approval to changes in accounting methods), they often involve substantial amounts—occasionally far more than was at stake in Continental's case. For example:

On July 24, 1964, General Electric, Westinghouse, and the other major electric companies—whose 1960 conviction for price-fixing in criminal violation of the anti-trust laws subjected them to treble-damage claims by customers who had been overcharged—were granted IRS approval to treat their treble-damage payments as tax-deductible "ordinary and necessary" business expenses. That is, not only would the general public have to bear the burden of any overcharges on the monopolistically-priced electrical equipment, but under the ruling, the public was also required to bear about half the cost of the companies' damage payments to aggrieved parties. As of 1971, it was estimated that this one ruling had cost the American taxpayers $400 million, the electronic companies alone having about $250 million.

On January 10, 1972, an IRS ruling permitted the Anaconda and Kennecott Copper Companies, plus a few others, a tax break on the losses they sustained when the Chilean government expropriated their assets, saving the companies between $75 and $175 million. Some tax experts acknowledge that the law on the question was close, but feel that IRS did some stretching of past law and precedents in arriving at the ruling.

On December 29, 1966—just two days before a New Year's Eve deadline, an IRS ruling letter saved the United States Steel Corporation the discomfort of having some $60 million of "excess foreign tax credits" expire, unused. As if the $60-million tax saving weren't enough, U.S. Steel also asked for—and Internal Revenue generously granted—permission to similarly whipsaw the U.S. Treasury for further losses in future years.

But the importance of IRS rulings often goes beyond the dollar tax savings assured the various companies, for while the rulings supposedly revolve around highly technical interpretations of the tax law, they can also decide very large policy questions.

CODDLING CRIMINALS

For example, in ruling that treble-damage payments by anti-trust violators were "ordinary and necessary" business expenses, and therefore tax deductible, IRS in effect made it just half as expensive to be caught violating the anti-monopoly laws. To put it another way, the IRS ruling effectively amended the anti-trust laws and cut the damage payments in half. After computing tax savings, the companies paid not 300 percent damages, but only 150 percent. From the companies' point of view, the effect of the IRS decision was no different than if Congress had changed the basic anti-monopoly laws. But the IRS ruling came in 1964 without congressional assent.

IRS' facilitating Continental Oil's ABC buy-up of Consolidation Coal also involved important anti-trust policy considerations. As mentioned, Consolidation Coal was one of Continental's major competitors in the field of selling energy, and so the merger of the two reduced competition.

The ruling in the Continental case also paved the way for other businesses to take over coal companies, using the lucrative ABC device: Kennecott Copper later ABC'd the Peabody Coal Company, the nation's second largest; and Occidental Petroleum bought up Island Creek Coal Company via an ABC transaction. By 1972, five of the top 10 had been gobbled up by oil companies, leaving only two major independent coal companies in the U.S.

After seeing how great an impact the ABC and treble-damage rulings had, Congress concluded that Internal Revenue had been wrong and passed laws reversing the rulings. In 1969, Congress unmasked the legal intricacies of the ABC transactions and passed a law taxing ABC's for what they are: pure mortgage loans which must be repaid with *after*-tax dollars. In that same year, Congress decreed that where criminal anti-trust violations are involved, two thirds of the damage payments are no longer deductible. Unhappily, in both cases, Congress did not act until the major horses had already fled the barn. (The bulk of the electric company treble damages had already been deducted and the important "hard mineral" ABC takeovers had already been consummated.

PRIVATE JUSTICE

The various ruling letters mentioned above were just fine for the companies that requested and received them, for they assured tens and even hundreds of millions of dollars of tax savings for General Electric, Westinghouse, U.S. Steel, Anaconda Copper, and others.

But were they equally fine for the general public, for the rest of the U.S. taxpayers who must suffer the consequences of what amounts to changes in the anti-monopoly laws?

Alas—and this is the crucial defect in the process—there is no opportunity for advocates for those "rest of the U.S. taxpayers," to argue their side of the case, either before or after the rulings are issued. There is no provision for public hearings on these rulings—even when matters of such high policy are involved. On the contrary, and even more serious, is the one-sidedness of the process *after* the issuance of the ruling letter. If IRS' decision is unfavorable to the requesting company, it can proceed with its intended course of action, refuse to pay the tax, and contest the IRS position in a court of law. If the ruling goes the other way—that is, if it favors the requesting company, shifts a major tax burden onto the rest of the taxpayers—they have no corresponding right to challenge the ruling in court, no matter how unjustified IRS action might be found there. In that sense, Internal Revenue is, in effect, the Supreme Court. If IRS throws in the legal towel, the matter is settled until and unless Congress enacts a corrective law which is unlikely to happen with any promptness.

In normal legal procedures, lawyers who want to know what previous court decisions have held on any given question have comparatively little difficulty finding out; not only are court opinions made public, they are meticulously indexed. Thus, attorneys

for both sides have equal access to past court interpretation and they are equally able to use old decisions to support their arguments.

But taxpayers and their attorneys cannot so easily discover the precedents for IRS ruling since the vast majority are known only to three parties: the IRS, the requesting company, and its attorney.

PUBLISH OR PERISH

Confidentiality is not supposed to be a problem, for in 1952, at the urging of a congressional investigating committee, IRS issued instructions that all rulings "of general interest" were to be made public, a commitment reaffirmed in 1960. Yet, out of roughly 30,000 rulings issued each year during the sixties, an average of only 480—about 1.5 per cent—were formally published by IRS. In 1972, three practicing attorneys in Chicago were able to list some 30 major rulings that had been of sufficient "general interest" to have rated mention in legal periodicals, yet had never been formally published by Internal Revenue. "This list amply demonstrates [IRS'] lack of adherence to the formal commitment to Congress to publish [precedent-setting] rulings," said the attorneys.

The enactment of the Freedom of Information Act in 1966 was supposed to have a salutary effect, for on its face that law requires agencies such as the IRS to make public all actions of "precedential" value. But IRS found an ingenious means of circumventing that requirement: it merely obliterated the word "Precedent" from all rulings thus categorized in its files and reclassified them as "Reference"—a term not mentioned in the Freedom of Information Act. In 1972, a legal action was filed to compel IRS to make public not only the unpublished rulings but IRS' confidential card index of rulings and related correspondence covering the notorious oil-depletion allowances. At this writing, that action is pending in the courts.

IRS' exclusive possession of that card index gives government attorneys a one-sided weapon that they can use effectively against private taxpayers whose lawyers are in the dark about unpublished rulings. For example, in a court suit entailing more than $3.4 million of taxes supposedly owed by Allstate Insurance Company, the opinion noted, that "the government placed in evidence a number of private-letter rulings of the Internal Revenue Service over a 12-year period" to bolster its position. But, apparently only the government's attorneys were privy to those private rulings; Allstate's lawyers "disputed the existence" of the unpublished rulings.

The exclusive distribution of the unpublished rulings can sometimes work against the government. On one occasion, when the Treasury Department issued a tentative regulation that offended the china clay industry, a private attorney who had long represented the industry fished out of his files a contrary, unpublished ruling IRS had given one clay company 15 years earlier—a letter of which not even Treasury was aware. The earlier version, favorable to the china clay companies, prevailed.

The above portrayal of the revenue ruling process is, admittedly, a partial one that highlights what seems to me its defects and may suggest that the process is wholly without merit or utility.

Of course, that is not the case. With a law as complex as the Internal Revenue Code there is ample room for doubt about its meaning, and there are bound to be cases where companies would be paralyzed without advance knowledge of how IRS will treat a given transaction. In a system that relies on citizen honesty (since it is the taxpayer, not the government, who makes the initial calculation of taxes owed), it is important that the system meet taxpayer needs where it legitimately can. Moreover, to the extent these in-advance rulings avoid time-consuming and expensive court contests, they can benefit the government as well as the taxpayer. (The government also contends that the rulings offer helpful information on troublesome questions of interpretations and enforcement.)

Yet, while useful, the procedures for issuing rulings do suffer major defects: the process takes place in excessive privacy, thus inviting unseen and potentially improper pressures. It provides for only one-sided advocacy (by the requester of the ruling), and, because there is no public notice that the deliberation is even taking place, it offers no opportunity for comment by disinterested parties. And it thrusts the IRS into the dual role of both advocate and judge.

CLEANING IT UP

But perhaps the most serious aspect is the one-sidedness of the process *after* the ruling is issued (with an adverse ruling being appealable to the courts by its requester while a favorable ruling cannot be appealed). If IRS declines the requested ruling, it risks a court challenge; if it grants the request, all will be tranquil. Under these conditions, the only party checking up on the IRS is the company requesting the ruling, since it alone is in a position to lodge an effective protest.

What should be done to improve the rulings procedures?

Students of the problem have widely varying views, but many believe that the following changes would make the process far more open and balanced:

First, require that all IRS rulings be made public.

Second, provide opportunity for public comment before major rulings formally take effect.

Third, broaden the right of citizens to challenge particular rulings in court.

As to making all rulings public, it has been objected that such a step would result in disclosure of legitimate business secrets and would render the rulings process useless in the very cases where an in-advance ruling is most needed, namely, those involving delicate and confidential business negotiations (e.g., mergers) where publication of the facts would (or might) blow up the entire negotiation.

The answers offered to those objections are many. First, as Columbia law professor George Cooper has observed, where large public policy questions and/or large dollar amounts are involved, these ruling decisions are "not a 'private' matter in any but the most technical sense." Second, those who request rulings are asking for what, in a court of law, would be a declaratory judgment, which legally would require public disclosure of all the facts involved. Third, in the case of mergers or acquisitions involving publicly-held companies, the details of the transactions are ultimately given to the shareholders (and hence made public) anyway. Moreover, all rulings dealing with charitable foundations are made public without apparent public harm. Why not apply the same rule across the board? Doing so would make IRS more careful in issuing rulings that will have to stand the light of day; promote more even treatment among various taxpayers; and put all taxpayers on an equal footing, both with each other and with government attorneys, in having full knowledge of the precedents on which they can rely.

As to the second proposal, many protest that requiring (or even expanding the opportunity for) public hearings would overtax IRS and Treasury personnel and would so bog down the ruling process as to render it useless. That need not be the case if all rulings were to be made public on a tentative basis, to take formal effect in, say, 30 or 60 days unless a hearing were requested by a given number of individual taxpayers, the number to be set high enough to discourage frivolous or harassing requests while still providing for public comment.

IF THE SUIT FITS

Finally, as to broadening the right of citizens to bring court challenges against particular IRS rulings, it will doubtless be objected that this would open the floodgates to frivolous, harassing suits. That is a specter traditionally raised by those who dislike public spats, and it usually is not as terrifying in actual practice as had been anticipated. For example, the Freedom of Information Act conferred broad rights upon citizens to bring legal actions in order to extract information from the government. Yet, in the first six years that law was in effect, not more than 100 court suits were brought. Moreover, the expenses involved in bringing and sustaining a court action usually dampen the ardor of those whose motives are purely frivolous.

Harassing legal actions are not inconceivable; yet common sense and experience say they are remote, rather than imminent, possibilities. And does that danger outweigh the disadvantages of the present one-sided nature of the post-ruling legal challenge?

The ruling process has its usefulness. Open it up and let in some fresh air (and even a little public argument and debate), and it can become a more balanced process, fairer not just to the one taxpayer requesting the ruling, but to all of those nameless (and, heretofore, voiceless) rest of the taxpayers as well.

Mr. HATHAWAY. Mr. President, first, I would like to commend my distinguished colleague from Maine on both the spirit and the substance of the legislation he is introducing. As has been the case so often in the past, the senior Senator from Maine is taking the lead on an issue of vital concern to the ordinary citizens in every section of our country.

Reforming the inequities in the present Federal tax system has been a matter of special interest to me ever since my first term in the House 8 years ago. This interest has been given greater impetus over the course of the past year as I had the opportunity to visit with citizens in every community, large and small, in my State. Invariably during these visits, the conversations turned to taxes; surprisingly, it was not the burden of taxes that caused the most concern, but their perceived inequity.

After all the discussion of tax reform in the last several Congresses and during last fall's political season, I do not need to belabor the damage to our social fabric done by this widespread sense of the unfairness of the present tax structure.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. JOHNSON). In accordance with a previous order, the Senator from Georgia (Mr. TALMADGE) is recognized for not to exceed 15 minutes.

(The remarks of Senator TALMADGE on the introduction of Senate Joint Resolution 27 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER VACATING ORDER FOR RECOGNITION OF SENATOR NUNN, AND FOR RECOGNITION OF SENATOR HUMPHREY

Mr. ROBERT C. BYRD. Mr. President, the distinguished junior Senator from

Georgia (Mr. NUNN) has asked that his time be vacated. I ask unanimous consent that the time that was allotted to Mr. Nunn under the order, or such portion thereof as he may need, may be yielded to the distinguished Senator from Minnesota (Mr. HUMPHREY).

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

TERMINATION OF THE REA LOAN PROGRAM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the board of the National Rural Electric Cooperative Association, meeting in session Monday, January 22, 1973.

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

Whereas, it is our view that the President has wholly exceeded his authority in terminating the statutory REA electric loan program, and

Whereas, the Rural Development Act of 1972 is completely unsuited in its language and purpose to achieving the objectives of the Rural Electrification Act of 1936, and was never intended by Congress to be used in lieu of the Rural Electrification Act.

Whereas, although there may be electric cooperatives who can accept loan capital at rates in excess of 2%, there are still many such systems which cannot afford higher interest rates; Now, therefore, be it

Resolved, That we wholeheartedly support legislation of the type offered by Senators Humphrey and Aiken to restore effectuation of the statutory REA program. Be it further

Resolved, That as soon as loan procedures under the Rural Electrification Act are reinstated, we will negotiate in good faith with all parties concerned toward amendment of the Rural Electrification Act to provide whatever changes may be required to improve its budgetary impact and/or interest rate structure with the understanding that low interest rate capital will continue to be available to those borrowers who need it.

Mr. HUMPHREY. Mr. President, this resolution relates to the action of the administration in terminating the statutory REA electric and telephone loan program. The members of the National REA Cooperative Association are meeting today in Washington. The meeting is one of the hopeful signs of our time. I had begun to worry that the Nation was going to take what is happening to us in one-man rule without even a protest. But just as the embattled farmers of Lexington and Concord rose up back in 1775 to fight for freedom and independence, some angry and embattled farmers are here in Washington now, saying to the President of the United States that he is not beyond the law, above it, or outside it, that he, too, must respect the law, that he, too, must have respect for representative government, and that he has an obligation to live within the law and to execute the law. One of them is the law passed by Congress, amended and repassed time and again, to establish the REA Administration for rural electrification and rural telephones. That law was designed to provide appropriations for the purpose of making electrical energy and rural telephone service available. That law has been abrogated and set aside by executive fiat.

The farmers are here in Washington today seeking no special privilege, merely to demand that the laws of the land be applied as passed by Congress.

I had the privilege of speaking to that group this morning—and a finer group of citizens I have never been with in my life—and they are here to demand of Congress that we reestablish once again the separation of powers and the balance-of-power doctrine, that we reestablish the constitutional principle of coequal branches of government and that, above all, we reestablish constitutional government rather than one-man rule.

Thus, Mr. President, I rise to have printed in the RECORD the resolution adopted and I urge upon my colleagues that they pay attention to what these fine citizens from different parts of America are asking. I also urge upon the Congress to remember that if we can destroy a program like REA by a simple press release from the Department of Agriculture, there is great danger as to what can happen to other programs that affect other areas of our national life.

Later on, Mr. President, I shall place in the RECORD some of the deliberations of the National REA Cooperative Association. I would hope that every Senator and Representative will look at the bill we have introduced, which has broad cosponsorship, and on which we will seek prompt passage.

I want to say to the leadership that the best thing we can do in this Congress is to reassert, under our prerogatives, rights, and duties, the constitutional responsibilities of Congress, and pass this bill which has been introduced with many cosponsors on both sides of the aisle, directing the President to carry out the provisions of law and directing him, further, to do so promptly, without subterfuge, deceit, or deception.

If we do this, we will start out the Government on the proper course of constitutional responsibility.

SUPREME COURT—ABORTION RULING

Mr. ALLEN. Mr. President, I am shocked at the ruling of the Supreme Court legalizing abortions, and I believe this decision is bad logic, bad law, and bad morals. It strikes down the laws in some 31 States and will require the rewriting of the laws of all States except Alaska, Hawaii, New York, and Washington to conform to the decision. The Supreme Court is up to its old failing of permissiveness and of taking over the legislative functions of the Congress and of the State legislatures. First, it outlaws the death penalty for criminals and then it permits it to be imposed on unborn babies. I deplore this decision and believe it will have an unwholesome effect on the quality of life of our civilized society.

I ask unanimous consent that statements of Cardinals Cooke and Krol, and the table showing the effect on State laws, published in the New York Times on January 23, 1973, be printed in the RECORD.

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

CARDINALS' STATEMENTS ON COURT RULING

(Following are statements issued by Cardinal Cooke and John Cardinal Krol, Archbishop of Philadelphia and president of the National Conference of Catholic Bishops, in reaction to the Supreme Court decision on abortions.)

How many millions of children prior to their birth will never live to see the light of day because of the shocking action of the majority of the United States Supreme Court today?

Whatever their legal rationale, seven men have made a tragic utilitarian judgment regarding who shall live and who shall die. They have made themselves a "super legislature." They have gone against the will of those American people who spoke their minds in favor of life as recently as last November in referendums in Michigan and North Dakota. They have usurped the powers and responsibilities of the legislatures of 50 states to protect human life.

I remind all Americans, however, that judicial decisions are not necessarily sound moral decisions.

In spite of this horrifying decision, the American people must rededicate themselves to the protection of the sacredness of all human life. I hope and pray that our citizens will do all in their power to reverse this injustice to the rights of the unborn child.

CARDINAL KROL

The Supreme Court's decision today is an unspeakable tragedy for this nation. It is hard to think of any decision in the 200 years of our history which has made more disastrous implications for our stability as a civilized society. The ruling drastically diminishes the constitutional guaranty of the right to life and in doing so sets in motion developments which are terrifying to contemplate.

The ruling represents bad logic and bad law. There is no rational justification for allowing unrestricted abortion up to the third month of pregnancy. The development of life before and after birth is a continuous process and in making the three-month point the cutoff for unrestricted abortion, the Court seems more impressed by magic than by scientific evidence regarding fetal development. The child in the womb has the right to life, to the life he already possesses, and this is a right no court has the authority to deny.

Apparently the Court was trying to straddle the fence and give something to everybody—abortion on demand before three months for those who want that, somewhat more restrictive abortion regulations after three months for those who want that. But in its straddling act, the Court has done a monstrous injustice to the thousands of unborn children whose lives may be destroyed as a result of this decision.

No court and no legislature in the land can make something evil become something good. Abortion at any stage of pregnancy is evil. This is not a question of sectarian morality but instead concerns the law of God and the basis of civilized society. One trusts in the decency and good sense of the American people not to let an illogical court decision dictate to them on the subject of morality and human life.

AFFECT ON STATES OF ABORTION VOTE

WASHINGTON, Jan. 22.—Following is a table showing how each state is affected by the Supreme Court's decision today on abortion.

States with legalized abortion laws not affected by today's decision:

Alaska	New York
Hawaii	Washington

States with relatively modern abortion laws that will require considerable rewriting to conform:

Alabama	Maryland
Arkansas	Mississippi
California	New Mexico
Colorado	North Carolina
Delaware	Oregon
Florida	South Carolina
Georgia	Virginia
Kansas	

States with older anti-abortion laws that have been entirely invalidated and that must write new laws:

Arizona	Nevada
Connecticut	New Hampshire
Idaho	New Jersey
Illinois	North Dakota
Indiana	Ohio
Iowa	Oklahoma
Kentucky	Pennsylvania
Louisiana	Rhode Island
Maine	South Dakota
Massachusetts	Tennessee
Michigan	Texas
Minnesota	Utah
Missouri	Vermont
Montana	West Virginia
Nebraska	Wyoming

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. CLARK). The Senator from Alabama is recognized.

(The remarks of Mr. ALLEN on the introduction of Senate Joint Resolution 28, dealing with a proposed amendment to the Constitution, and related remarks are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. STAFFORD. 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, how much time remains to me under the order?

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I yield to the distinguished senior Senator from North Carolina (Mr. ERVIN) 5 minutes of my time.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

(The remarks Senator ERVIN made on the introduction of S. 518, dealing with the Deputy Director of OMB, and related statements are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

(The remarks Senator ROBERT C. BYRD made on the introduction of S. 516, dealing with Senate confirmation of the Director of the FBI, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER FOR EXECUTIVE SESSION AT 2 P.M. TODAY TO CONSIDER NOMINATIONS OF MR. CLEMENTS AND MR. SCHLESINGER

Mr. ROBERT C. BYRD. Mr. President, as in executive session I ask unanimous consent, having cleared this request with the distinguished Senator from Mississippi (Mr. STENNIS), the distinguished Senator from Iowa (Mr. HUGHES), the distinguished Senator from Missouri (Mr. SYMINGTON), the distinguished assistant Republican leader (Mr. GRIFFIN), and the distinguished majority leader (Mr. MANSFIELD), that at 2 o'clock today the Senate go into executive session for the purpose of debating the nominations of Mr. Clements and Mr. Schlesinger, that there be 2 hours, equally divided, for the debate, the time to be equally divided between the Senator from Mississippi (Mr. STENNIS) and the distinguished Senator from Iowa (Mr. HUGHES); that at 4 o'clock today a vote occur on the nomination of Mr. Clements and that the vote of Mr. Schlesinger occur immediately following the vote on the confirmation of the nomination of Mr. Clements.

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

PRIVILEGE OF THE FLOOR

Mr. STENNIS. Mr. President, I ask unanimous consent that during the executive session, when we are considering the nominations of Mr. Clements and Mr. Schlesinger, Mr. T. Edward Braswell, chief counsel and staff director of the Armed Services Committee, be given the privilege of the floor.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 45 minutes, with statements therein limited to 5 minutes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report of the Rural Electrification Administration, for the fiscal year 1972 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the overobligation of an appropriation in that Department; to the Committee on Appropriations.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Assistant Secretary of the Interior, and Acting Director, American Revolution Bicentennial Commission, reporting, pursuant to law, on the overobligation of an appropriation in that department (with accompanying papers); to the Committee on Appropriations.

REPORT OF ACTUAL PROCUREMENT RECEIPTS FOR MEDICAL STOCKPILE OF CIVIL DEFENSE EMERGENCY SUPPLIES AND EQUIPMENT PURPOSES

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment purposes, for the quarter ended December 31, 1972 (with an accompanying report); to the Committee on Armed Services.

PROPOSED AMENDMENT OF SECTION 5504, TITLE 10, UNITED STATES CODE

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 5504 of title 10, United States Code, relating to assignment of lineal position to certain officers of the Navy and Marine Corps (with an accompanying paper); to the Committee on Armed Services.

REPORT ON FINANCIAL CONDITION AND OPERATING RESULTS OF WORKING CAPITAL FUNDS

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the financial condition and operating results of working capital funds, as of June 30, 1972 (with an accompanying report); to the Committee on Armed Services.

PROPOSED AMENDMENT OF SECTION 8376, TITLE 10, UNITED STATES CODE

A letter from the Assistant Secretary of the Air Force, Manpower and Reserve Affairs, transmitting a draft of proposed legislation to amend section 8376 of title 10, United States Code, to eliminate the requirement that an Air Force Reserve, or Air National Guard, officer serving on extended active duty in a temporary grade which is higher than his reserve grade must apply for promotion to the next higher reserve grade, when otherwise eligible (with an accompanying paper); to the Committee on Armed Services.

PROPOSED AMENDMENT OF TITLE 10, UNITED STATES CODE

A letter from the Assistant Secretary of the Air Force, Manpower and Reserve Affairs, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize, with respect to certain officers of the Army Reserve or Air Force Reserve their employment, as, and retention in an active status beyond 28 or 30 years if they are, Army Reserve or Air Reserve technicians, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT OF SECRETARY OF TRANSPORTATION ON CERTAIN RAILROADS

A letter from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the financial condition of those railroads having outstanding certificates guaranteed under the Emergency Rail Services Act of 1970, dated January 1973 (with an accompanying report); to the Committee on Commerce.

REPORT OF ECONOMIC DEVELOPMENT ADMINISTRATION

A letter from the Assistant Secretary for Economic Development, Department of Commerce, informing the Senate its annual report is finished and awaiting the Secretary's signature before going to the printer. It will be delivered as promptly as possible; to the Committee on Public Works.

REPORT ON SMOKING

A letter from the Chairman, Federal Trade Commission, transmitting, pursuant to law, a report on cigarette smoking, dated Decem-

ber 31, 1972 (with an accompanying report); to the Committee on Commerce.

PROPOSED 20-YEAR EXTENSION OF INTEREST EQUALIZATION TAX

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide an extension of the interest equalization tax (with an accompanying paper); to the Committee on Finance.

REPORT RELATING TO F-5E FIGHTER AIRCRAFT

A letter from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a confidential report relating to F-5E fighter aircraft (with an accompanying report); to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on U.S. programs in the Republic of Zaire (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need To Improve Language Training Programs and Assignments for U.S. Government Personnel Overseas," dated January 22, 1973 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Relending Programs Could Be Made More Effective in Promoting U.S. Exports," Export-Import Bank of the United States, dated January 23, 1973 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reduction of Communications Costs Through Centralized Management of Multiplex Systems," Office of Telecommunications Policy, Department of Defense, General Services Administration, dated January 18, 1973 (with an accompanying report); to the Committee on Government Operations.

REPORT OF CLAIM OF JOHN B. CLAYTON

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation concerning the claim of Mr. John B. Clayton against the United States (with accompanying papers); to the Committee on the Judiciary.

REPORT ON POSITION IN GRADE GS–18

A letter from the Chairman, United States Civil Service Commission, transmitting, pursuant to law, a report on a position in grade GS–18 (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Legislature of the Commonwealth of Massachusetts; to the Committee on Armed Forces:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR COMPLETE U.S. WITHDRAWAL FROM SOUTHEAST ASIA

"Whereas, The bombing of the people and territory of Vietnam and Southeast Asia is a wrongful and immoral escalation of our role in the Indochina war; and

"Whereas, Continued bombing in Vietnam and Southeast Asia is a flagrant and direct violation of the declared policy of the Nixon Administration to end the war; and

"Whereas, The national interest would be best served by a negotiated agreement for prisoner release and by the immediate and complete withdrawal of all material and armed forces—land, sea and air—in and over all of Southeast Asia; and

"Whereas, It is within the scope and authority of Congressional power and responsibility to cut all funds from the military budget for military expenditures in Southeast Asia; now, therefore, be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the Congress of the United States to prepare at once legislation designated to accomplish the aforesaid objective and requests the President of the United States to expedite the implementation of such action; and be it further

"Resolved, That copies of these resolutions be transmitted by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth.

"House of Representatives, adopted January 10, 1973."

A resolution of the Legislature of the Commonwealth of Massachusetts, to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO LIFT THE IMPORT RESTRICTIONS ON OIL

"Whereas, There presently exists in New England and across the United States a lack of sufficient natural resources to provide heat for the schools, homes and businesses of the nation, a situation reaching crisis proportions; and

"Whereas, The states of the New England area, particularly the Commonwealth of Massachusetts, have faced this recurring problem of oil shortages winter after winter; now, therefore be it

"*Resolved,* That the Massachusetts Senate respectfully urges the President and the Congress of the United States to take cognizance of the necessity for immediate action in averting further oil shortage crises, and further, to eliminate the present legislative restrictions on the importation of oil from foreign nations; and be it further

"*Resolved,* That copies of these resolutions be sent forthwith by the Senate Clerk and Parliamentarian to the President of the United States, the presiding officers of each branch of the Congress and to each member thereof from the Commonwealth.

"Senate, adopted, January 16, 1973."

A resolution adopted by the city council, city of Worcester, Mass., relative to the proposed moratorium on urban funds; to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 19. Resolution authorizing the printing for the use of the Committee on Post Office and Civil Service of additional copies of its committee print entitled "United States Government Policy and Supporting Positions" (Rept. No. 93–2).

By Mr. RANDOLPH, from the Committee on Public Works:

S. 498. An original bill to amend the Solid Waste Disposal Act, as amended, and the Clean Air Act, as amended, for 1 year (Rept. No. 93–4).

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

S.J. Res. 26. An original joint resolution to amend section 1319 of the Housing and Urban Development Act of 1968 to increase the limitation on the face amount of flood insurance coverage authorized to be outstanding (Rept. No. 93–3).

REPORT ENTITLED "LEGISLATIVE REVIEW DURING THE 92D CONGRESS BY THE COMMITTEE ON AGRICULTURE AND FORESTRY"—REPORT OF A COMMITTEE (S. REPT. NO. 93–5)

Mr. TALMADGE, from the Committee on Agriculture and Forestry, submitted a report entitled "Legislative Review During the 92d Congress by the Committee on Agriculture and Forestry," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

James T. Lynn, of Ohio, to be Secretary of Housing and Urban Development (Exec. Rept. No. 93–4).

By Mr. LONG, from the Committee on Finance:

Caspar W. Weinberger, of California, to be Secretary of Health, Education, and Welfare.

Mr. LONG. Mr. President, in submitting this nomination to the Senate, I ask unanimous consent to have printed in the RECORD a question I propounded to the nominee regarding his availability to testify at committee hearings, and his affirmative answer to the question.

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

The CHAIRMAN. But I do think, Mr. Secretary, that we have had among individual members, and perhaps Members of the Senate who do not serve on this committee, some justified cause for complaint in seeking information by way of letter where the information sought could have been made available much sooner. In addition to that, I believe even this committee had a complaint about information that we needed to do our job where it was very slow in coming from the Department. I know that you would look into that in the course of doing your job and see if that cannot be improved upon.

Now, in many cases, Mr. Secretary, what we are seeking is not information that you possess personally, but it is information that somebody in your shop that has it, or if they do not have it, they can get it and make it available to you. I hope you would improve upon it.

There is another situation which was very much highlighted, where the Secretary of State failed to appear or declined to appear before the Foreign Relations Committee, and an effort is going to be made to seek a commitment from Presidential appointees in the future that they will appear before the committee in response to reasonable summons. I think the interpretation of what is reasonable is intended to be more in the bosom of the Senate than for the determination of the officer himself.

Would you give us your reaction to that problem in view of the fact that with your new responsibilities, you are going to be more in demand than previous Secretaries of HEW?

Mr. WEINBERGER. I appreciate that, Mr. Chairman, and my response is first of all simply to say that, to the best of my knowledge. I have never declined the invitation of a congressional committee or subcommittee. I would certainly not plan to do so. I would plan to give that the very highest priority. As I recall, sitting here, the only time I did not come when specifically requested was

when I had a conflict with a meeting with the President, and I would think that that would still be the rule that I would follow. I suspect that with some 30 subcommittees and committees having oversight over various aspects of the Department of Health, Education, and Welfare, there may occasionally be times when there will be conflicts and when it will be necessary to try to be in two or three different places at once. But those can be ironed out, and I would feel it is an important part of my duties to appear before the congressional committees on request.

ORDER FOR JOINT REFERRAL OF S. 372, A BILL TO AMEND THE COMMUNICATIONS ACT

Mr. PASTORE. Mr. President, I ask unanimous consent that S. 372, a bill to amend the Communications Act to relieve broadcasters of the equal time requirement of section 315 with respect to presidential and vice-presidential candidates, and to amend the Campaign Communications Act, be jointly referred to the Committee on Commerce and the Committee on Rules and Administration; and that the Committee on Rules and Administration be required to report the bill no later than 30 days after the Committee on Commerce has reported it out of committee.

Mr. President, when S. 372, the legislation which became the Federal Election Campaign Act of 1971—was introduced in the Senate it was simultaneously referred to the Committee on Commerce and the Committee on Rules and Administration. Because of the comprehensive nature of that legislation, it was felt that the Senate should have the benefit of the expert deliberations of both committees. I believe the finished product proved the wisdom of what we did.

Similarly, I believe the expertise of the Committee on Rules and Administration should be brought to bear on S. 372 which would amend title I of the Campaign Act of 1971. Accordingly I ask unanimous consent that S. 372 be simultaneously referred to the Committee on Rules and Administration with the provision that the committee act no later than 30 days after the Committee on Commerce reports it out of committee.

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

S. 373—CHANGE OF REFERENCE

Mr. ERVIN. Mr. President, I ask unanimous consent that the unanimous-consent request I made on January 16 regarding the referral of S. 373 be rescinded, and that the Committee on the Judiciary be discharged from the further consideration of S. 373, a bill to insure the separation of Federal powers, and that the bill be referred to the Committee on Government Operations.

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

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. SCOTT of Pennsylvania:

S. 473. A bill for the relief of Zenaida B. Maglague;

S. 474. A bill for the relief of Antonio Nicolo, his wife, Elvira Nicolo, and their daughter, Sylvana Nicolo;

S. 475. A bill for the relief of Erdogan Altuglu, his wife, Hatice Altuglu, and their children, Suna Altuglu and Erol Altuglu;

S. 476. A bill for the relief of Carmela Marullo; and

S. 477. A bill for the relief of Vincenzo DiMauro. Referred to the Committee on the Judiciary.

By Mr. SCOTT of Pennsylvania (for himself and Mr. SCHWEIKER):

S. 478. A bill to provide for the striking of medals in commemoration of Roberto Walker Clemente. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GOLDWATER:

S. 479. A bill to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes. Referred to the Committee on Armed Services.

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 480. A bill to amend section 318 of the Communications Act of 1934. Referred to the Committee on Commerce.

S. 481. A bill to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana. Referred to the Committee on Interior and Insular Affairs.

By Mr. TAFT:

S. 482. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for the costs of maintaining the exterior appearance and structural soundness of certain historic buildings and structures. Referred to the Committee on Finance.

S. 483. A bill to amend the Act of October 15, 1966, relating to the preservation of certain historic properties in the United States. Referred to the Committee on Interior and Insular Affairs.

By Mr. YOUNG:

S. 484. A bill to amend section 805 of the Agricultural Act of 1970 relating to the storage of emergency hay harvested from set-aside acreage. Referred to the Committee on Agriculture and Forestry.

By Mr. GURNEY (for himself and Mr. CRANSTON):

S. 485. A bill to amend the Elementary and Secondary Education Act of 1965 to assist school districts to carry out locally approved school security plans to reduce crime against children, employees, and facilities of their schools. Referred to the Committee on Labor and Public Welfare.

By Mr. THURMOND:

S. 486. A bill for the relief of Teresa Arias Murillo; and

S. 487. A bill for the relief of Reina Estela Olvera. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 488. A bill to amend the Securities Exchange Act of 1934 to prohibit minimum commission rates, and to regulate the transactions of members of national securities exchanges. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMINICK:

S. 489. A bill for the relief of Janet Lee Davis Brace and her son, Scott William Brace. Referred to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. DOLE, Mr. DOMINICK, and Mr. HRUSKA):

S. 490. A bill to amend the Agricultural Act of 1970. Referred to the Committee on Agriculture and Forestry.

By Mr. BEALL:

S. 491. A bill to strengthen and improve the Older Americans Act of 1965, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 492. A bill for the relief of Miss Teresa deJesus Acevedo;

S. 493. A bill for the relief of Miss Milagros T. Posada;

S. 494. A bill for the relief of Miss Juana Basilia Ayala; and

S. 495. A bill for the relief of Miss Anamaria Moratoya Jiminez. Referred to the Committee on the Judiciary.

By Mr. HANSEN:

S. 496. A bill for the relief of Mario Temperini and James H. Groutage. Referred to the Committee on the Judiciary.

S. 497. A bill to authorize and request the President to issue annually a proclamation designating the month of March of each year as "National Youth Art Month." Referred to the Committee on the Judiciary.

By Mr. RANDOLPH (from the Committee on Public Works):

S. 498. An original bill to amend the Solid Waste Disposal Act, as amended, and the Clean Air Act, as amended, for 1 year. Placed on the calendar.

By Mr. FANNIN:

S. 499. A bill to amend the National Labor Relations Act to guarantee the right of employers to an election without requiring proof of lack of majority;

S. 500. A bill to amend the National Labor Relations Act to achieve reform of the provisions against recognition picketing and for other purposes; and

S. 501. A bill to amend the National Labor Relations Act with respect to election of representatives. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN (for himself, Mr. RANDOLPH, Mr. MONTOYA, Mr. GRAVEL, and Mr. BURDICK):

S. 502. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Public Works.

By Mr. CHILES:

S. 503. A bill to protect the concept of neighborhood schools, to provide financial assistance to local educational agencies in each State in order to strengthen neighborhood schools and to increase the use of such schools as community, cultural, and educational centers, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. JAVITS, Mr. BEALL, Mr. DOMINICK, Mr. EAGLETON, Mr. HUGHES, Mr. MONDALE, Mr. PELL, Mr. RANDOLPH, and Mr. STEVENSON):

S. 504. A bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive emergency medical services systems. Referred to the Committee on Labor and Public Welfare.

By Mr. CRANSTON:

S. 505. A bill to extend certain recipients of annuity or pension under the Railroad Retirement Act the treatment accorded to certain social security recipients under section 249E of the Social Security Amendments of 1972. Referred to the Committee on Finance.

By Mr. JACKSON:

S. 506. A bill for the relief of Rosina C. Beltran; and

S. 507. A bill for the relief of Wilhelm J. R. Maly. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 508. A bill for the relief of Miss Angela Ratnayake; and

S. 509. A bill for the relief of Mr. Kwok Jaw Ng. Referred to the Committee on the Judiciary.

By Mr. METCALF (for himself and Mr. ERVIN):

S. 510. A bill to provide for certain jury trials in condemnation proceedings in district courts of the United States. Referred to the Committee on the Judiciary.

By Mr. STAFFORD (for himself, Mr. CHILES, Mr. JAVITS, Mr. HATHAWAY, Mr. PERCY, and Mr. STEVENSON):

S. 511. A bill to provide for disclosures designed to inform the Congress with respect to legislative measures, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MOSS:

S. 512. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel. Referred to the Committee on Labor and Public Welfare.

S. 513. A bill to amend section 232 of the National Housing Act to authorize insured loans to provide fire safety equipment for nursing homes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MOSS (for himself, Mr. ABOUREZK, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. CHURCH, Mr. CRANSTON, Mr. DOMENICI, Mr. DOMINICK, Mr. EAGLETON, Mr. EASTLAND, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HASKELL, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUMPHREY, Mr. JAVITS, Mr. KENNEDY, Mr. MANSFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MUSKIE, Mr. PELL, Mr. PERCY, Mr. STAFFORD, Mr. STEVENSON, Mr. THURMOND, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, Mr. YOUNG, Mr. HANSEN, and Mr. BUCKLEY):

S. 514. A bill to amend the Act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data. Referred to the Committee on Interior and Insular Affairs.

By Mr. BELLMON:

S. 515. A bill to amend title IV of the Agricultural Act of 1970 so as to extend the provisions of such title to the 1974 crop of winter wheat. Referred to the Committee on Agriculture and Forestry.

By Mr. ROBERT C. BYRD:

S. 516. A bill to amend title VI of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a four-year term for the appointment of the Director of the Federal Bureau of Investigation. Referred to the Committee on the Judiciary.

By Mr. YOUNG (for himself, Mr. DOLE, Mr. EASTLAND, Mr. BELLMON, and Mr. CURTIS):

S. 517. A bill to extend titles I, II, III, IV, V, VI, and VII of the Agricultural Act of 1970 for five years. Referred to the Committee on Agriculture and Forestry.

By Mr. ERVIN (for himself and Mr. ROBERT C. BYRD):

S. 518. A bill to provide that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate. Referred to the Committee on Government Operations.

By Mr. SCHWEIKER:

S. 519. A bill to amend chapter 17 of title 38, United States Code, to authorize the treatment of certain veterans suffering from drug or alcohol addiction or drug or alcohol dependency. Referred to the Committee on Veterans' Affairs.

By Mr. CRANSTON (for himself, Mr. MATHIAS, Mr. MCINTYRE, Mr. STEVENSON, Mr. PASTORE, Mr. BROOKE, Mr. MOSS, Mr. THURMOND, Mr. JAVITS, and Mr. HUGHES):

S. 520. A bill to establish Capitol Hill as an historic district. Referred to the Committee on the District of Columbia.

By Mr. BELLMON:

S. 521. A bill to declare that certain land of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma. Referred to the Committee on Interior and Insular Affairs.

By Mr. MOSS (for himself, Mr. ERVIN, Mr. GURNEY, Mr. HART, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. METCALF, Mr. MUSKIE, and Mr. WILLIAMS):

S. 522. A bill to provide protection for the fish resources of the United States including the freshwater and marine fish cultural industries against the introduction and dissemination of diseases of fish and shellfish, and for other purposes. Referred to the Committee on Commerce.

By Mr. HASKELL:

S. 523. A bill for the relief of Mrs. Alicia Zavala (Leal) and two children, Liliel and Ivette Perea. Referred to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 524. A bill for the relief of Jin Suk Park; and

S. 525. A bill for the relief of Mr. and Mrs. Wilson Yue. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 526. A bill for the relief of Kit Lam Cheong;

S. 527. A bill for the relief of Maroun George Khouri;

S. 528. A bill for the relief of Joseph Bernard Kelly, wife Shirley Joan and children Robert, David, and Karen;

S. 529. A bill for the relief of Mrs. Hang Kiu Wah;

S. 530. A bill for the relief of Emilien Victor Houlmiere, wife Daniele and Patrick and Elizabeth Houlmiere;

S. 531. A bill for the relief of Fazus Abdo;

S. 532. A bill for the relief of Leona Skwarek;

S. 533. A bill for the relief of Randolph and Joycelin Bradford;

S. 534. A bill for the relief of Joseph Ernest Augusto and wife Mary Gertrude;

S. 535. A bill for the relief of Mrs. Sabir Dairkee;

S. 536. A bill for the relief of Mrs. Fay Caleb;

S. 537. A bill for the relief of Mary Danos Nayak; and

S. 538. A bill for the relief of John Braun, wife Helen, children Bradley, Angela, Polly, and Peggy. Referred to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 539. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled wives and husbands to unreduced wife's and husband's insurance benefits without regard to age;

S. 540. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled widows and widowers to unreduced widow's and widower's insurance benefits without regard to age; and

S. 541. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the period of time that a divorced woman's marriage to an individual must have lasted for her to qualify for wife's or widow's benefits on the basis of the wages and self-employment income of such individual. Referred to the Committee on Finance.

By Mr. SPARKMAN:

S. 542. A bill for the relief of Mildred Sophia Henry. Referred to the Committee on the Judiciary.

By Mr. BENNETT:

S. 543. A bill to provide an extension of the interest equalization tax. Referred to the Committee on Finance.

By Mr. HART (for himself and Mr. GRIFFIN):

S. 544. A bill to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 545. A bill for the relief of Mrs. Elsie Eduque Tabora; and

S. 546. A bill for the relief of Mr. James Keng-Ming Cheng. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself and Mr. RIBICOFF):

S. 547. A bill to amend title 18 of the United States Code to permit the mailing of lottery tickets and related matter, the broadcasting or televising of lottery information, and the transportation and advertising of lottery tickets in interstate commerce, but only where the lottery is conducted by a State agency. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. AIKEN, Mr. MONDALE, Mr. NELSON, Mr. PROXMIRE, and Mr. BENTSEN):

S. 548. A bill to provide price support for milk at not less than 85 per centum of the parity price therefor. Referred to the Committee on Agriculture and Forestry.

By Mr. PERCY (for himself, Mr. COOK, and Mr. MCGOVERN):

S. 549. A bill to expand and improve the direct food distribution program. Referred to the Committee on Agriculture and Forestry.

By Mr. PERCY (for himself, Mr. PASTORE, Mr. STAFFORD, and Mr. STEVENS):

S. 550. A bill to provide a comprehensive child nutrition program. Referred to the Committee on Agriculture and Forestry.

By Mr. MANSFIELD:

S.J. Res. 25. A joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "National Next Door Neighbor Day". Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (from the Committee on Banking, Housing and Urban Affairs):

S.J. Res. 26. An original joint resolution to amend section 1319 of the Housing and Urban Development Act of 1968 to increase the limitation on the face amount of flood insurance coverage authorized to be outstanding. Placed on the calendar.

By Mr. TALMADGE (for himself, Mr. NUNN, and Mr. THURMOND):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year. Referred to the Committee on the Judiciary.

By Mr. ALLEN (for himself, Mr. ERVIN, Mr. BAKER, Mr. BROCK, Mr. BUCKLEY, Mr. HELMS, Mr. JACKSON, Mr. SCOTT of Virginia, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, and Mr. TOWER):

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools. Referred to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself, Mr. CRANSTON, Mr. STAFFORD, Mr. WILLIAMS, Mr. TAFT, Mr. MONDALE, Mr. JAVITS, Mr. KENNEDY, Mr. STEVENSON, Mr. PELL, and Mr. EAGLETON):

S.J. Res. 29. A joint resolution to amend the Supplemental Appropriations Act of 1973. Referred to the Committee on Appropriations.

By Mr. HATHAWAY:

S.J. Res. 30. A joint resolution to provide for the revision of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. MOSS:

S.J. Res. 31. A joint resolution to provide for the convening of Congress on January 15 of each year, and for other purposes. Referred by unanimous consent to the Committee on the Judiciary.

By Mr. CANNON:

S.J. Res. 32. A joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and the Vice President of the United States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCOTT of Pennsylvania (for himself and Mr. SCHWEIKER):

S. 478. A bill to provide for the striking of medals in commemoration of Roberto Walker Clemente. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SCOTT of Pennsylvania. Mr. President, I am today honored to introduce, along with my colleague from Pennsylvania (Mr. SCHWEIKER), a bill providing for the striking of medals in commemoration of Roberto Clemente. As the whole world knows, this giant among men who was a member of the Pittsburgh Pirates baseball team was tragically lost in a plane crash while on his way to assist the people in the earthquake-ravaged city of Managua.

My bill, which has more than ample precedent in Federal law, provides for the striking of not more than 100,000 bronze medals which would be sold by Chamber of Commerce of Greater Pittsburgh. Profits from the sale of the medals will go directly to the Roberto Clemente Memorial Fund in Pittsburgh. Disbursements from the fund will go for a continuing relief effort in Nicaragua and will also be used to bring to fruition one of Roberto Clemente's lifelong dreams—the construction of a sports complex for the children of Puerto Rico.

Mr. President, Congressman WILLIAM MOORHEAD from Pittsburgh is sponsoring the House counterpart bill. I am hopeful that his efforts in the House and ours in the Senate will help make Roberto Clemente's dreams a reality.

By Mr. GOLDWATER:

S. 479. A bill to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes. Referred to the Committee on Armed Services.

Mr. GOLDWATER. Mr. President, once again I am introducing a bill to amend the Strategic and Critical Materials Stock Piling Act. The bill is identical to S. 3860, which I presented late in the last session.

This legislation is even more vital to the national interest today, Mr. President, than it was then. The United States has now launched negotiations that seem to be leading to a very substantial expansion trade with the Soviet Union. Looking ahead several years, we may also be witness to an appreciable increase in trade with mainland China and other Communist countries.

Typically, the bulk of trade with Communist nations is conducted on a barter basis. This means hundreds of U.S. companies would be negotiating individual transactions with a state trading company, arranging to exchange our exports for some commodity which can be sold in this country. Because of the nature of the Soviet economic system, a substantial proportion of the goods which they are likely to barter for U.S. exports will consist of large quantities of raw materials, including many items deemed essential under the terms of the Strategic and Critical Materials Stock Piling Act of 1946, as amended (50 U.S.C. 98).

While there are potential beneficial aspects of such trade, I would point out there can also be substantial dangers—among which is the possibility the Soviets will concentrate their exports on one or two strategic commodities, thereby weakening the normal sources of free world supply and endangering the ability of the United States to obtain adequate supplies of these vital commodities in the event of unforeseen emergencies. For at the present time, the U.S. Government has no mechanism to guard against this possibility.

That is the purpose of the proposed legislation. It would amend the Strategic and Critical Materials Stock Piling Act to arm the President with authority and the mechanism to protect our country against overdependence on imports of critical and strategic materials from Communist countries, in a manner which at the same time is equitable and flexible.

The fundamental concept of the 1946 Strategic and Critical Materials Stock Piling Act, which remains entirely valid today, is that the United States must have available, during any wartime emergency, a secure supply of vital raw materials which would be needed to meet military and essential civilian needs. Strategic stockpile objectives are determined, of course, by calculating U.S. needs, both for defense production and for essential civilian production, during a possible emergency period and comparing these needs with estimated supplies available during that same period from secure sources.

If there is no current stockpile objective for materials regarded as strategic and critical, that is because the estimate of supply available from secure sources during the contemplated emergency is sufficient to meet our estimated needs. Thus, security of supply is fundamental to all stockpile calculations.

Secure sources of supply include domestic producers of strategic and critical materials as well as imports from friendly nations which would continue to be accessible during a time of emergency. Obviously, imports from the Soviet Union or from other Communist countries could not be counted upon during a national emergency involving those countries. The United States therefore cannot afford to become overly dependent on these sources for any strategic and critical material.

With that in mind, this legislation has been framed to provide the authority, now lacking, for the President to regulate imports of strategic and critical materials from Communist countries. Under existing law, there is no way for the U.S. Government to assure that the barter arrangements made between Communist state trading entities and hundreds of U.S. firms will not, in their totality, result in a very substantial increase in the quantity of any particular strategic and critical material being imported into this country. There is no way at present to assure that such imports will not reach a level detrimental to traditional suppliers of that material.

In fact, given the size and rigidity of the Soviet economic apparatus, such a result will almost certainly occur if we do not take advance steps to prevent it. The Soviet export apparatus simply is not geared to developing a reasonable mix of commodities for export. It tends to generate large quantities of several items at one time and to rely upon these commodities as the primary means of barter.

The legislation here recommended equips the President with the authority to keep imports of particular strategic and critical materials under reasonable restraint, thus assuring the maintenance of secure supplies in terms of sufficient active producing capacity to meet emergency requirements of the U.S. market. The purpose is not to close off Soviet trade in these commodities. Whether we trade at all with the Soviets is a separate policy decision which this bill does not involve. Instead, the legislation assumes there might be a fairly substantial amount of trade and allows for reasonable growth. It is focused solely on preventing undue concentration of trade in a few commodities, thus weakening the supply base for those commodities. The objective is to assure that whatever imports are made from the Soviet Union will be spread over a substantial number of commodities, if and when trade between this country and the U.S.S.R. increases.

The legislation also provides a mechanism through which the Director of the Office of Emergency Preparedness can be called upon to determine under certain conditions whether imports of particular strategic and critical materials have reached levels likely to create a dangerous and costly dependence on Communist supplies.

In recognition of the fact that the United States now imports some strategic commodities in differing amounts from Communist countries, this legislation establishes growth from a preexisting base as the standard for initiating an inquiry into the question of excessive dependency. This is to assure sufficient flexibility in determining when excessive dependency has occurred.

Finally, the legislation gives the President authority to exceed limitations otherwise imposed whenever he deems additional imports necessary to protect the health of the domestic economy and to maintain the capability of the United States to meet national security requirements.

The proposal thereby affords ample scope for agreement on trade matters between the United States and the Soviet Union. It merely seeks to guarantee that at an appropriate point the Director

of the Office of Emergency Preparedness will thoroughly consider the question of whether the United States is becoming excessively dependent on Communist sources for essential materials. Should such an over-dependence develop, the legislation would provide the President with authority to control imports of that material from Communist countries without, at the same time, imposing limitations on imports from those allied nations which may be regarded as secure sources of supply in event of emergency.

Mr. President, I ask unanimous consent that the text of the bill which I am introducing be printed in the RECORD.

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

S. 479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) is amended by redesignating the present section 10 thereof as section 11, and inserting immediately preceding such section 11, the following new section 10:

"SEC. 10. (a) Upon request of the head of any department or agency upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Preparedness (hereinafter in this section referred to as the 'Director') shall immediately make an appropriate investigation to determine if the importation from a Communist dominated country or area of material previously determined to be strategic and critical pursuant to the provisions of this Act, whether stockpiled under the provisions of this Act or not, is contrary to the policy of preventing a dangerous and costly dependence of the United States upon such Communist dominated country or area for such strategic and critical material or any other policy as set forth in section 1 of this Act. If as a result of such investigation, which shall be completed within ninety days, the Director determines that the importation of such material is contrary to the policy set forth in section 1 of this Act, (1) which it shall be if it is substantially in excess of the quantity of the same material imported in the United States during the previous calendar year, or (2) which he may so determine because of other considerations, including, but not limited to, a substantial increase in the share of the United States market represented by such material over a period of years, he shall promptly so advise the President.

"(b) Whenever the President is so advised, he shall promptly order the imposition of quantitative restrictions upon such importation. In the imposition of such quantitative restrictions, the President shall nevertheless have the authority to permit such additional importations that he deems necessary to protect the health of the domestic economy and to maintain the capability of the United States to meet national security requirements."

By Mr. TAFT:

S. 482. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for the costs of maintaining the exterior appearance and structural soundness of certain historic buildings and structures. Referred to the Committee on Finance.

S. 483. A bill to amend the act of October 15, 1966, relating to the preservation of certain historic properties in the United States. Referred to the Committee on Interior and Insular Affairs.

Mr. TAFT. Mr. President, I arise today to speak about one of the most serious domestic problems that we face. I am referring to the problem of our cities. In earlier times in our Nation's history, our cities provided a great lure for both native Americans and immigrants alike. Unfortunately, today urban life has lost much of its appeal. The fact that many Americans do not want to vacation or live in many of our cities reflects the problems which have overtaken us. The rioting in our inner cities has ended but underlying problems remain.

Far too frequently, urban life has meant physical decay, crime, congestion, and pollution. It has reflected a deterioration of our social fabric, a destruction of our old neighborhoods, and a corrosion of our inner-city spirit.

Urban America has suffered from decades of neglect and commitments that were never fulfilled. Mere platitudes are not enough.

As we approach our Nation's bicentennial, we must all join in a major national effort to improve the quality of our urban life so that foreign visitors and American citizens alike will visit our cities, appreciate our history, and enjoy the rich urban diversity which is so much a part of our Nation.

I believe that many Americans, and particularly many young people, seek to renew the links which we have with America's history. Many of us want to share more deeply in the great heritage of our country and particularly the historic places which are so much a part of our history and national development. Inadequately restrained, we have in many cases permitted bulldozers, bureaucrats, and builders to tear down many of the old historic buildings which brought beauty, simplicity, and charm to the early life of our cities.

In an age of high technology, I believe that we must preserve and retain for future generations the early buildings which are of historic or architectural significance. Unfortunately, at present we often have no way of preserving many of them.

As we prepare our country for its bicentennial, it is an appropriate time to try to preserve the best of our historic buildings, so that they will not be lost for future generations of Americans.

I today introduced two measures designed to protect America's historic buildings. The first of these bills amends the National Historic Preservation Act by providing that buildings listed on the National Register of Historic Places cannot be altered or demolished without the prior approval of the Department of the Interior, or authorized State agencies. In many ways this legislation is similar to laws enacted by the State of Louisiana to preserve the French Quarter in New Orleans.

This bill would grant to the Federal Government the right of first refusal to purchase these buildings when their owners desire to sell them.

To encourage the maintenance of these historic buildings, I am also introducing a companion bill which would provide a tax credit for expenses incurred by the owners of these historic buildings to maintain their exterior appearance and structural soundness.

Historic buildings should be a functional and vital part of urban life. They should not be retained merely as museum pieces. If necessary, they should be given new functions so that they can play a vital part in community life.

Recently, in our Nation's Capital, one of the oldest buildings in Georgetown was torn down to make way for a hamburger stand. On Pennsylvania Avenue the majestic and historic Willard Hotel stands desolate, apparently awaiting the wrecker's ball. Buildings such as these must be preserved and to replace them with formless, faceless office buildings is a terrible desecration of our heritage. By saving buildings such as these, we will be enriching the lives of future generations and providing a further inducement to foreign visitors to come to our country.

To improve the quality of urban life we must do far more than preserve our old and historic buildings. We must join together in a major national effort which can give to this generation an exhilaration, a sense of purpose and a sense of national dedication.

In this spirit, we should encourage the beautification of our cities. For example, trees could be planted along the streets of our residential and commercial areas. Some of those who are in need of jobs could be enlisted for this task.

We must continue to build more neighborhood parks and I hope that we can expand our efforts in this regard.

We should provide better incentives and procedures for the renovation of deteriorating housing in our inner cities and not put our entire focus on new construction. We should make our parks fun again with bicycle paths, family theaters, and summer band concerts.

We should provide neighborhood health centers. I hope that the proposal for health maintenance organizations can ultimately help to provide health care in our major urban neighborhoods.

We must expand our assistance to the small family businesses which have played such an important part in our urban development.

And we must demand architectural excellence as we build new buildings in our Nation's cities.

On the east side of Washington there is a place called the District of Columbia Farmers' Market, where the Government leases booths and stalls to individual merchants to sell their wares. This market is alive, as rich and poor, black and white, young and old shop for meats, fish, vegetables, and flowers. It brings the community together and gives many small businessmen an opportunity that they would not have if they were forced to pay the higher rates of downtown locations and shopping centers. It would help small businessmen, minority businessmen, and the residents of our neighborhoods if markets such as this could be maintained or established in many older neighborhoods in our inner cities.

Finally, we can no longer tolerate crime in our inner cities. All the beauty in the world will not help urban life if people are afraid to walk the streets of

our cities. Crime in the inner city is no myth and it affects black and white, rich and poor, worker and welfare recipient alike. In 1970, in our cities having a population of over 250,000, the crime rate was 2½ times as great as it was in our suburban areas and over 5 times as great as in our rural areas.

Let us make no mistake about it, crime and the threat of crime throws a pall over the lives of inner city residents.

When the threat of crime forces companies to take their factories out of the inner city, it often means a loss of jobs to the very people who can least afford to be unemployed.

When burglars rob inner city homes, they steal from families who can least afford the loss. It is for this reason that I view our war against crime and our efforts toward controlling the illicit use of dugs as an important part of our commitment to America's cities.

I ask unanimous consent that there be inserted at this point in the RECORD an article which dramatizes how crime and fear can overtake an entire urban area. This article appeared in the New York Times' issue of January 15, 1973 and is entitled, "South Bronx: A Jungle Stalked by Fear, Seized by Rage."

There are those who would answer these challenges by a call for the infusion of billions of dollars of Federal money in our Nation's cities. I suggest, however, that urban life will not improve by merely pumping additional funds into institutions, programs, and agencies which have not been responsive in the past. Instead, we must begin this major effort and rededicate ourselves to creative solutions to our urban problems. We may even conclude that like London, our largest cities could be better administered with more local autonomy for each major neighborhood to self-govern those portions of urban programs which most directly affect their own people.

We must remember that each city is unique and each must build upon its own history and its own special character and not be forced into conformity by the Federal Government, stamped out by a Federal cookie cutter. Because each community is unique, local leaders should have the financial resources to improve their cities rather than fitting their programs around Federal categorical grants. This is a principal basis of revenue sharing which must play a vital role in this effort.

Finally, we must recognize that if our cities are to be improved, the job cannot be done entirely from Washington. It requires the dedication and hard work of all Americans in improving our neighborhoods and our homes. Urban America involves a challenge to all of us. To meet this challenge we will require the support of business, the support of labor, and the support of the neighborhoods.

We cannot give up on our inner cities. The future of our country is largely dependent upon the quality of our urban life and if our cities improve, it will only be because of the dedication, the energy, and the commitment of us all working together.

The measures which I introduce, if enacted, will represent not only a first step but a very important first step in the process of rejuvenating and revitalizing our cities. In the next decade our attention will increasingly be focused on the problems of urban and suburban areas. We must begin now with creative and imaginative programs if the quality of urban life is to improve.

Mr. President, I ask unanimous consent that the text of these bills be printed at this point in the RECORD.

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

S. 482

A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for the costs of maintaining the exterior appearance and structural soundness of certain historic buildings and structures

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"SEC. 42. MAINTENANCE OF HISTORIC BUILDINGS AND STRUCTURES.

"(a) GENERAL RULE.—There shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 10 percent of the amounts paid or incurred during the taxable year by the taxpayer for maintaining the exterior appearance and structural soundness of any building or structure listed on the National Register of Historic Places maintained by the Secretary of the Interior pursuant to section 101(a) of the Act of October 15, 1966 (80 Stat. 915).

"(b) LIMITATION.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under the preceding sections of this subpart (other than sections 31 and 39).

"(c) REGULATIONS.—The Secretary or his delegate is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof:

"SEC. 42. MAINTENANCE OF HISTORIC BUILDINGS AND STRUCTURES.

"SEC. 43. OVERPAYMENTS OF TAX."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1972.

S. 483

A bill to amend the act of October 15, 1966, relating to the preservation of certain historic properties in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of October 15, 1966 (80 Stat. 915) is amended (1) by deleting the word "and" immediately after the semicolon in paragraph (c); (2) by deleting the period at the end of paragraph (d) and inserting in lieu thereof a semicolon and the word "and"; and (3) by adding at the end thereof the following new paragraph:

"(e) that Americans and foreign visitors to the 1976 American Revolution bicentennial celebration and related events should have an opportunity to see those buildings and structures which reflect the history and cultural development of our country.".

SEC. 2. (a) Section 101 of the Act of October 15, 1966 (80 Stat. 915) is amended by adding at the end thereof the following new subsection:

"(c)(1) On and after the date of the enactment of this subsection, no non-Federal building or structure listed on the National Register shall be sold, substantially altered, or demolished except pursuant to the prior approval of an appropriate State or local governmental agency or other authority designated by such State or local government for such purpose or, in the event that no such agency or authority has been so designated, pursuant to the prior approval of the Secretary of the Interior.

"(2) On and after the date of the enactment of this subsection, no Federal building or structure listed on the National Register shall be disposed of by sale or by any other means, substantially altered, or demolished except pursuant to the prior approval of the Advisory Council on Historic Preservation.

"(3) In addition to the requirements of paragraph (1) of this subsection, no owner of a non-Federal building or structure listed on the National Register shall sell such building or structure unless such owner has first offered to sell such building or structure to the Secretary of the Interior upon the same terms and conditions as that of the highest and best bona fide offer to purchase such building or structure received by such owner."

(b) Title I of such Act is further amended by adding at the end thereof the following new sections:

"SEC. 109. (a) In any case in which the Secretary of the Interior determines that it is in the best interest of the United States to acquire any building or structure listed on the National Register of Historic Places in order to preserve such building or structure for present and future generations, the Secretary is authorized to acquire such building by donation, purchase with donated or appropriated funds, exchange, or by condemnation.

"(b) In addition to the amounts authorized to be appropriated by section 108 of this title, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of subsection (a) of this section.

"SEC. 110. Upon application received by him within the one hundred and eighty day period following the date of the enactment of this subsection with respect to any building or structure listed on the National Register of Historic Places, the Secretary of the Interior is authorized to remove from such Register the designation of that building or structure as a historic place, if he determines that the preservation of that building or structure is not in the best interests of the United States."

By Mr. GURNEY (for himself and Mr. CRANSTON):

S. 485. A bill to amend the Elementary and Secondary Education Act of 1965 to assist school districts to carry out locally approved school security plans to reduce crime against children, employees, and facilities of their schools. Referred to the Committee on Labor and Public Welfare.

SAFE SCHOOLS ACT OF 1973

Mr. GURNEY. Mr. President, I am pleased to introduce, on behalf of myself and my distinguished colleague from California, Senator CRANSTON, the Safe Schools Act of 1973. A companion measure is also being introduced in the House by Congressman JONATHAN BINGHAM of New York.

Specifically, this legislation provides for a new category of grants under title I of the Elementary and Secondary Edu-

cation Act. Initially, the program will run for 2 years and the grants will be made by the Commissioner of Education to local school districts to assist them in the preparation and operation of school crime control programs. To be eligible for these funds, local school districts will be required to submit applications and crime reduction plans already approved by the State Educational Agency.

In addition, the bill sets up safeguards to: First, assure the protection of civil and constitutional rights; second, encourage the involvement of school employees, parents, students, and the community in general; and third, prohibit the use of any funds under this program for firearms, chemicals, or other weapons.

Mr. President, my proposal is a direct attempt to deal with a serious and complex problem. Crime in our Nation's schools has increased dramatically in recent years and our failure to acknowledge and effectively deal with it, is having the most serious consequences for the taxpayers who support our schools, for our young students, and for our entire system of education.

We have come a long way from the days when "school crime" consisted of spilling inkwells, throwing spitballs in class, or smoking in the school basement. Today's culprits think nothing of devastating an entire library, stealing or destroying valuable teaching equipment, or even setting fire to the school itself. This is the kind of "progress" we can do without.

Due to a lack of uniform reporting procedures, there is no way to determine the exact cost of school crime. However, the School Security Directors Association has estimated the cost at $500 million a year on a nationwide basis. And this is recognized to be a conservative estimate, because not all incidents are reported and, of those which are reported, many are deliberately underestimated. In view of the money we are putting into education—and I think most of us have been made increasingly aware of the needs in this area in recent months—we simply cannot accept a half a billion dollars a year loss on vandalism, arson, burglary, and theft. That money could be far better spent on teachers, school equipment, or even to support a special education program.

Take my home State of Florida for instance. Six of our largest county school systems reported aggregate losses in excess of $2,000,000 last year due to larceny, arson, burglary, and vandalism. Total losses ran close to $3.3 million—excluding hundreds of bomb threats which cost, on an average, $2,000 apiece. Our school systems cannot long afford this kind of loss and I am sure that people in other States feel the same way.

In addition to these direct costs, there are a number of indirect costs involved which are virtually impossible to assess on a dollar basis. The cost of disrupting the educational process in a particular school—even for a day or two—is difficult to measure. The bruises, broken bones, and psychological traumas suffered by victims of school crimes—how much are they worth? Can we put a price tag on the lives which have been lost as a result of these vicious deeds? Certainly not.

Which brings me to an important point. Even more important than the money involved is the human element—the threat to life and limb that has no business in our school systems. From 1964 to 1968, according to the 1970 study done by the Senate Subcommittee on Juvenile Delinquency, violence in the schools increased sharply. Assaults on students rose 167 percent; aggravated assaults went up 43 percent; robberies shot up 306 percent; homicides went up 73 percent, and assaults on teachers increased by an incredible 7,100 percent—from 25 in 1964 to 1801 in 1968. And since 1968, things have gotten worse.

I am sure each of you was as horrified as I to learn of the killing of three students in the Los Angeles area recently. And I know many of you have been following the efforts to raise money to defray the hospital expenses of a boy beaten, and seriously injured, in one of our suburban Washington schools. No wonder a Los Angeles principal was recently quoted as saying that:

> For students and teachers alike the issue is no longer learning, but survival.

Down home in Florida, we had another tragic example just a few weeks ago. A Fort Lauderdale junior high school teacher was shot and killed right in her school building. Subsequently, law enforcement authorities charged one of her former students with the murder. An isolated incident? Hardly. Last year, in one Florida school system alone there were almost 200 assaults on teachers and other adult employees plus an astounding total of 739 assaults on students. This type of thing just cannot be allowed to go unchecked any longer; if, by action of Congress, we can do something to cut down on such crimes, then we ought to do it—now.

Efforts to combat school crime are being left, in most cases, up to the individual school districts. In some situations, these districts are beginning to organize reliable crime accounting systems and programs to bring about crime reduction. And, while some of these attempts to reduce crime are bringing favorable results, the majority of our school districts find themselves at a loss to cope with increasing crime, increasing financial losses, and a constant atmosphere of fear, frustration, and tension among students, teachers, and parents.

One of the basic stumbling blocks in dealing effectively with school crime is the attitude taken by those who are closest to, and directly involved with, the problem. There is a tendency to downplay the issue; to treat it as though it were some sort of social disease. Parents blame it on the schools and schools blame it on the parents. Teachers, principals, and administrators do not want to publicize the problem for fear of their jobs and students often fail to report incidents for fear of future harassment. A dangerous vacuum has resulted.

In a recent article on school vandalism, Willie S. Ellison, supervisor of delinquent prevention in Santa Clara County, Calif., states:

> The absence of a uniform system of reporting and recording incidents of school vandalism has made the development of strategies for its prevention and control impossible. We have no data to show how integrated systems of security and community involvement may serve to compliment each other under certain conditions; whereas, either one may be a failure working independently.

Playing down the impact of the school crime problem is, therefore, an ineffective deterrent to its growth. More and more, people are realizing the potential danger of not acknowledging and treating this "disease" for what it is—a threat to our entire educational system.

Another hurdle to be overcome is the lack of information regarding effective programs and techniques. Joseph Greatly, director of security for the Broward County Schools in Fort Lauderdale, Fla. and president of the International Association of School Security Directors, states that:

> The reaction to these problems, such as disruptions, assaults, extortion, vandalism, thefts, arsons, bomb threats and drug abuses, in most systems has been to assign such problems to some employee within the system who has had no experience to qualify him to deal with them. As a result, the problems continue without any reasonable solution or some program of prevention. Such an employee is only very happy to rid himself of the responsibility as soon as possible and return to his regular assignment. Therefore, causes of the problems go unresolved and before long the same situation recurs.

Still another reaction to the school crime problem, and a common one at that, is to create a virtual "fortress" by surrounding school buildings with high fences and other such obstructions. Such "maximum security" precautions may, or may not, be effective in reducing crime, but the resulting atmosphere can hardly be conducive to healthy learning.

Most school districts, while floundering along with stop-gap measures to combat crime, have gotten little encouragement or support from the Federal Government. Despite all the Federal laws we have on the books relating to education and law enforcement, there is no statute that makes Federal assistance available for a school crime reduction program.

The Safe Schools Act proposes to do that—and more.

First, we must recognize the full impact of the crime problem and develop an accurate data base to ascertain its location and its severity.

Second, we must adopt a unified approach, with the cooperation of all those involved, toward seeking programs and techniques designed to effectively reduce school crime.

Third, we must assist the local school districts in employing those programs best suited to their particular need for crime reduction.

Passage of this bill will help us to do these things.

I believe strongly that in order to be truly effective, crime reduction efforts must come from within the school as well as from outside forces. Furthermore, such programs can only be success-

ful if they have the approval and support of parents, school officials, and the community in general. Such approval is required by the Safe Schools Act, and adequate assurances are included to insure that civil and constitutional rights will be protected. The aim of this bill is to end fear, not promote it, and I believe that it will help do just that.

Along those lines, I want to emphasize the fact that none of the funds in this bill may be used for the purchase of any firearms, chemicals or other weapons for use in school buildings. Rather than arming special police, what we need to do is disarm those—students and otherwise—who carry weapons on school grounds.

I believe school crime is a vital issue, Mr. President, and I am sure that we will all benefit from a better understanding of its nature. Hopefully, we will be able to have committee hearings on this bill in the near future to examine the matter further and to increase public awareness of its gravity.

During our deliberations, we might consider, for example, some of the following suggestions: first, educating children on the problem of vandalism; second, improved student identification methods, alarm systems, and other crime deterrent mechanisms; third, increased use of school facilities such as evening adult education classes; fourth, hiring security directors; fifth, improving school-community relations; and, sixth upgrading interior and exterior lighting on school buildings.

There are just a few of the suggested alternatives for dealing with school crime and I hope we will explore them further. The ultimate source of our attention, of course, must be the students themselves. If we can instill in our pupils, at an early age, an understanding of, and respect for the law, then we will have taken a giant step toward halting school crime.

Therefore, in implementing this program, we must look to its sources, and recognize the needs of the students as well as the needs of our educational system and the community in general. I believe that this legislation will go a long way toward assuring a healthy learning environment, toward protecting innocent students and school employees, and toward preventing our schools from becoming a breeding ground for juvenile delinquents.

Mr. President, I invite the attention of my colleagues to this proposal, and welcome their cosponsorship. Also, at this time I ask unanimous consent to have a copy of the Safe Schools Act of 1973 printed in the RECORD.

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

S. 485

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 "Safe Schools Act of 1973".

SEC. 2. Title I of the Elementary and Secondary Education Act of 1965 is amended by inserting after part C thereof the following new part:

"PART D—SPECIAL GRANTS FOR SAFE SCHOOLS

"PURPOSE

"SEC. 141. The purpose of this part is to provide financial assistance to aid local educational agencies throughout the Nation to meet special needs incident to providing security for children, employees, and facilities in elementary and secondary schools by reducing and preventing crimes against them.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 142. There is authorized to be appropriated to carry out this part, the sum of $———— for the fiscal year 1974, and $———— for the fiscal year 1975.

"ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 143. (a) From the sums appropriated to carry out this part for a fiscal year, the Commissioner shall reserve not to exceed 3 per centum thereof and allot such amount among Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for grants under this part. In addition he shall allot to the Secretary of the Interior from such amount, such sums as he may determine for elementary and secondary schools operated for Indian children by the Department of the Interior.

"(b) The remainder of the sums appropriated to carry out this part for a fiscal year shall be allotted by the Commissioner among other local educational agencies in a manner which gives consideration to the following criteria:

"(1) the need for assistance, taking into account such factors as—

"(A) the extent and impact upon elementary and secondary education of crime in the schools of the district to be served;

"(B) the financial need of such local educational agency;

"(C) the expense and difficulty of effectively carrying out a plan described in section 144(a) in such school district; and

"(D) the degree to which measurable deficiencies in the quality of public education afforded in such district exceed those of other school districts within the State;

"(2) the degree to which the plan described in section 144(a), and the program or project to be assisted, are likely to effect a decrease in crime in the schools;

"(3) the degree to which the plan described in section 144(a) enjoys the support and approval of parents, professional school employees, and the community at large in the school district affected; and

"(4) the degree to which the plan described in section 144(a) affords full protection of the civil and constitutional rights of students and employees of the school district affected.

"APPLICATION

"SEC. 144. (a) A local educational agency may receive a grant under this part for any fiscal year only upon application therefor approved by the Commission, with the consent of the appropriate State educational agency, upon his determination that the local educational agency has adopted and is implementing, or will, if assistance is made available to it under this part, adopt and implement, a plan to reduce crime and increase the safety and security of the students, employees, and facilities of its elementary and secondary schools through programs and projects designed to carry out the purpose of this part, including—

"(1) the provision of additional professional or other staff members (including staff members specially trained in problems incident to crime control) and the training and retraining of staff for schools which are affected by such plan;

"(2) the provision of services to meet the special needs of students and employees in such schools;

"(3) community activities, including public education and participation efforts, in support of such plan;

"(4) special administrative activities, such as the rescheduling of students or employees;

"(5) provision of information to parents and other members of the general public incident to the development or to the implementation of such plan;

"(6) planning and evaluation activities;

"(7) acquisition, installation, modernization, or replacement of appropriate equipment and supplies;

"(8) minor alterations of school plants and facilities; and

"(9) other specially designed programs or projects that meet the purpose of this part.

"(b) No funds authorized for assistance under this part shall be used to support the introduction, presence, or use of firearms, other weapons, or chemical agents in any school."

SEC. 3. (a) Part D of title I of the Elementary and Secondary Education Act of 1965 is redesignated as part E, and sections 141 through 144 of such title are redesignated as sections 151 through 154, respectively, and sections 146 through 150 are redesignated as sections 155 through 159, respectively. Cross references to such part and such title are redesignated accordingly.

(b) The provisions of part E of title I of the Elementary and Secondary Education Act (as redesignated by subsection (a)) are amended as follows:

(1) The material preceding paragraph (1) in section 151(a) is amended by inserting "part A, B, or C of" before "this title".

(2) Section 151(a)(1) is amended by inserting "part A, B, or C of" before "this title" the first time it appears.

(3) Section 151(a)(2) is amended by inserting after "such agency" the following: ", in the case of assistance under part A, B, or C,".

(4) Section 151(a)(6) is amended by inserting after "the programs" the following: "assisted under part A, B, or C".

(5) Section 152(a)(1) is amended by inserting before" and which meet" the following: "or 144", by inserting after "103(a)(5)" the following: "and of part D", and by inserting before the semicolon at the end thereof the following: "or part D".

(6) Section 153(a)(2) is amended by inserting "part A, B, and C of" before "this title", and by adding at the end thereof the following new sentence: "From the funds paid to it pursuant to paragraph (1), each State educational agency shall distribute to each local educational agency of the State which has submitted an application approved under section 144 the amount for which such application has been approved, except that this amount shall not exceed the agency's allotment under section 143."

(7) The first sentence of section 154 is amended by inserting "parts A, B, and C of" before "this title".

(8) The third, fifth, and sixth sentences of section 154 are amended by striking out "this title" and inserting "such parts".

SEC. 4. Section 303 of the Act of September 30, 1950 (20 U.S.C. 244), is amended by adding at the end thereof the following:

"(16) The term 'crime' means any unlawful act or activity, not including any violation of any rule, regulation, or code of behavior established by any organization, agency, or institution not enacted into law."

Mr. CRANSTON. Mr. President, I am today cosponsoring, with Senator GURNEY, the Safe Schools Act of 1973. This measure is sponsored in the House of Representatives by Representative JONATHAN BINGHAM, of New York, and others.

This measure is to assist schools in finding ways to stem the rising tide of violence and vandalism that is disrupt-

ing the educational process. It is a sad fact that school crime, particularly in our cities, is fast increasing.

Listen to these grim statistics from Los Angeles alone: Dollar losses in the 1971–72 school year added up to $885,000 for burglary; $201,000 for burglary-related damage; $580,000 for arson; $65,000 for "miscellaneous mischief;" $650,000 for glass breakage; and $60,000 for "mysterious disappearance" of equipment.

Mr. President, that adds up to $2,400,000 for 1 school year in one school district. Since 1966, Los Angeles has spent more than $7 million out of the school budget. In 1972–73, Los Angeles schools will spend $2,021,000 for security agents and $1 million more for intrusion alarm systems.

That adds up to over $10 million that was spent on crime control, and not on the education of children.

Other statistics and incidents are just as alarming.

Nationally, assaults on teachers are up over 7,000 percent since 1964.

In San Francisco, a 17-year-old boy was stabbed to death after he teased a classmate about losing a game of dominoes to a girl.

Los Angeles school officials confiscated guns from some 40 students in 1 recent month. A recent high school shooting in Los Angeles left five students wounded.

In New York, 1,200 security aides were added to the school staff just before Thanksgiving, in an effort to curb robberies, fighting, and racial confrontation.

Mr. President, perhaps it is not surprising to find crime—simmering at the center of American urban life—boiling over into city schools, then into suburban schools, and into rural America. Authorities conversant with the complex issue of school crime seem to agree that crimes in schools are rooted in the community. In the words of Los Angeles School Superintendent William Johnston:

> The schoolground eventually becomes the battlefield where a resolution of conflict is attempted.

In my view, we must win the battle of crime in our schools if we do not want to perpetuate, generation after generation, a society that is both violent and fearful.

Our school personnel have been remarkably patient. They have asked little of us, except our understanding and our help. It is time we do all we can to restore our classrooms to places where teachers can teach and children can learn, free of hostilities, distrust, and fear.

It is clear that school crime is costing us plenty.

In dollars, reliable estimates place national losses from school vandalism at close to a half billion dollars annually.

In terms of public confidence in the schools, crime's cost to the national spirit cannot be calculated. Dollar statistics say nothing of the blighted prospects of millions of American children, exposed daily to physical and emotional harm.

We have done much in Federal aid to education, and we must do more. But as we ponder the rising incidents of public school crime, we might well wonder if any program has a chance of survival in the "hallways of fear" described by California's Superintendent of Public Instruction Wilson Riles.

Mr. President, the bill introduced today by myself and Senator GURNEY is designed to help schools find methods of crime deterrence that meet the explicit needs of individual schools and school districts. The Commissioner of Education is authorized to make grants to schools upon the submission of a school security plan, based on local needs.

There is no Federal compulsion. Decisions as to the need for a security program, and the nature of the program, will be made at the local level. Security plans must be approved by parents, school employees, and the community. It must also be approved by the State educational agency. Grants are made under title I of the Elementary and Secondary Education Act.

Moneys may be used for administrative and planning support, for equipment, supplies, and structural alterations in school facilities. Use of funds for firearms, weapons, or chemicals is expressly forbidden, and the bill specifically calls for proper attention to constitutional rights and civil liberties issues in the formulation of school security plans.

Parental and community involvement is an extremely important feature of the bill. In the process of holding hearings on the measure, we should also consider how students might be involved effectively in the formulation of security plans.

Mr. President, I believe the seriousness of the school security issue is worthy of Federal attention as quickly as possible. Americans have long viewed education of their children as a national priority. The right to an education, in an atmosphere free from threat of violence, must be reinforced, and I am convinced that the bill I offer with Senator GURNEY is a step in the right direction.

By Mr. SPARKMAN:

S. 488. A bill to amend the Securities Exchange Act of 1934 to prohibit minimum commission rates, and to regulate the transactions of members of national securities exchanges. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce a bill (S. 488) and ask that it be referred to the appropriate committee. This bill would provide a resolution of one of the many problems that has been of concern over the last few years to the securities industry and all who are connected with it. That problem is the status of those members of the various stock exchanges who are subsidiaries of institutional investors.

Institutional investors traditionally compete with brokerage firms for money management accounts such as pension funds. The institutions have found themselves at an increasing competitive disadvantage in recent years due to the high dollar amounts paid by them in commissions which are not paid by their brokerage firm competitors. For this reason, a number of institutions have either formed or acquired brokerage firm subsidiaries in order, in part, to recapture some of the commissions they pay.

I can certainly understand their need and desire to keep up with their competitors. However, I believe that all members of the various stock exchanges should be in business to trade for the public rather than for themselves or their corporate parents.

The bill I have just introduced will go a long way toward assuring competitive parity between the institutions and the brokers and will at the same time assure that all members of stock exchanges trade for the public.

Briefly the bill would provide that all members of stock exchanges must do all of their business with the public, rather than trading for the benefit of their parent company, other affiliate, or for any managed institutional account. At the same time, it would provide that the level at which commission rates will be determined by the forces of competition must be reduced to zero, in order to benefit the small investor.

The bill would provide a transition period of 10 years within which these requirements must be met.

This problem has caused an inordinate amount of turmoil within the industry. Recently, the Securities and Exchange Commission announced its intention of promulgating a rule dealing with the problem. Many have strongly indicated to the Securities and Exchange Commission in the past that this and related problems are matters which should be more properly handled by Congress than by the Commission. Indeed, many have serious doubts about the legal authority of the Securities and Exchange Commission to act on this matter. It would certainly be unfortunate if lengthy court actions are the result of the Commission's proposed rule, because of these doubts concerning its authority to act. The securities industry and the American public would undoubtedly be the losers in that situation. Without commenting further on the Commission's authority to take such action, I believe that since the issue revolves around the basic question of the makeup of the securities industry, which is so vital to the well being of our Nation's economy, the matter is one which should be handled by Congress, rather than by the SEC.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD at the end of these remarks.

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

S. 488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That section 6(c) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78f(c)), is amended to read as follows:

"(c) (1) Nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules and regulations thereunder and the applicable laws of the State in which it is located, except that,

after January 1, 1983, no exchange shall maintain or enforce any rule fixing minimum commission rates with respect to any portion of a transaction.

SEC. 2. Section 11 of the Securities Exchange Act of 1934 (15 U.S.C. 78k) is amended by inserting after subsection (e) the following new subsection:

"(f) (1) It shall be unlawful for a member of a national securities exchange to effect, whether as broker or dealer, any transaction on such exchange with or for its own account, the account of any affiliate of such member or any managed institutional account. As used herein—

"(A) the term 'affiliate' means a person who controls, is controlled by, or is under common control with such member; and

"(B) the term 'managed institutional account' means an account of bank, insurance company, trust company, investment company, separate account, pension or profit-sharing trust or plan, foundation or charitable endowment fund for which such member or any affiliate thereof (i) has legal authority to select the securities bought or sold or (ii) makes day-to-day decisions on the purchase or sale of securities even though some other person may have ultimate responsibility for the investment decisions for such account.

"(2) The provisions of paragraph (1) of this subsection shall not apply to—

"(A) any transaction by a registered specialist in a security in which he is so registered;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction by a block positioner acting as such, except where an affiliated person is a party to the transaction;

"(D) any stabilizing transaction effected in compliance with rules under section 10 (b) of this title to facilitate a distribution of a security in which the member organization effecting such transaction is participating;

"(E) any bona fide arbitrage transaction, including hedging between an equity security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender, offer, or similar transaction involving a recapitalization; and

"(F) any transaction for a member's own account or the account of an affiliate who is an individual effected in compliance with rules promulgated by the Commission under section 11(a) of this title, and with such further rules as the Commission may promulgate limiting the aggregate amount of such transactions in relation to the total transactions effected by such member.

"(3) The provisions of paragraph (1) of this subsection shall not apply until on and after January 1, 1983. Subject to the provisions of this paragraph and of the rules and regulations of the Commission, the rules of the exchanges shall include such definitions and provisions as may be appropriate to carry out the purposes of this subsection. The Commission shall have power, pursuant to the procedures specified in section 19(b) of this Act, to alter or supplement the rules adopted by any exchange pursuant to this subsection. Nothing in this subsection shall be construed to confer power upon the Commission prior to January 1, 1983, pursuant to section 19(b) of the Act to alter or supplement the rules adopted by any exchange concerning the transactions of members with accounts of any affiliate or any managed institutional account."

By Mr. CURTIS (for himself, Mr. DOLE, Mr. DOMINICK, and Mr. HRUSKA):

S. 490. A bill to amend the Agricultural Act of 1970. Referred to the Committee on Agriculture and Forestry.

Mr. CURTIS. Mr. President, I introduce today, on behalf of myself and Senators DOLE, DOMINICK, and HRUSKA, a bill to amend the Agricultural Act of 1970.

Prior to enactment of the Agricultural Act of 1970, farmers who participated in Government programs were limited in the number of acres that could be planted in wheat, feed grains, and cotton. As a result of the Agricultural Act of 1970, farmers, after setting aside a certain amount of land, could produce these crops on whatever remaining land they may have had available.

Under the previous allotment-type legislation, farmers could produce excess wheat without penalty if they agreed to seal it in a warehouse until such time as production was less than the quota set for the farm.

The 1970 act provided that this excess wheat could be released from storage to the extent that the farmer produced less than three times his domestic allotment acreage times projected yield. Because of the flexibility of the net set-aside program, farmers have been reluctant to plant less than the maximum amount dictated by the market and consequently there is approximately 12 million bushels of wheat under seal which cannot be released even though we are in a favorable sales situation at this time.

The purpose of this legislation I introduce today is to allow that small number of farmers who have excess wheat stored to sell this wheat into the normal market channels. I might add that this proposal has the full support of the National Association of Wheatgrowers, as evidenced by a resolution recently adopted at their national convention, and the support of the Department of Agriculture, at least in theory, if not in form.

I will be asking my colleagues on the Committee on Agriculture and Forestry to consider this legislation at an early date and hope that it will become law in the near future.

By Mr. BEALL:

S. 491. A bill to strengthen and improve the Older Americans Act of 1965, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BEALL. Mr. President, today it is my pleasure to introduce legislation designed to extend and expand the provisions of the Older Americans Act of 1965.

As the ranking Republican member of the Subcommittee on Aging, I have a special interest in the well-being of our senior citizens. I, for one, hold our Nation's senior citizens in a position of great respect, for they have toiled long and hard in our Nation's factories, on its farms, and in its armed services, and I believe that we all owe them a debt of gratitude for they are primarily responsible for the prosperity and the greatness that our Nation enjoys today. Through their efforts and sacrifices, our Nation has met the challenge of foreign aggressors, reached unprecedented heights of economic prosperity, and created for all Americans a society dedicated to the full realization of the goals upon which our Nation was founded.

During 1971, the Subcommittee on Aging devoted a great deal of time and effort to the drafting of a proposal which became the conference report of H.R. 15657. As we all know, this proposal was passed in the closing days of the second session of the 92d Congress and subsequently vetoed by the President.

Mr. President, I ask unanimous consent that that portion of the memorandum of disapproval relating to the Older Americans Comprehensive Services Amendment of 1972 (H.R. 15657) be printed in the RECORD at this point in my statement.

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

[Taken from the White House Memorandum of Disapproval October 30, 1972]

OLDER AMERICANS COMPREHENSIVE SERVICE AMENDMENTS OF 1972 (H.R. 15657)

Last March, I submitted to the Congress a plan for strengthening and expanding service delivery programs under the Older Americans Act. This program would begin the development of most comprehensive and better coordinated systems for delivering services at the local level. In addition, I submitted a proposal to broaden the highly successful Foster Grandparents Program. The Administration will continue its vigorous pursuit of both these objectives.

However, the Congress added to the bill containing these provisions a range of narrow, categorical service programs which would seriously interfere with our effort to develop coordinated services for older persons. This is particularly the case with two categorical manpower programs which were added on the floor of the Senate and were considered without regard to manpower programs already serving older persons. Furthermore, this bill would authorize new funding of more than $2 billion between now and fiscal year 1975—far beyond what can be used effectively and responsibly.

I cannot responsibly approve H.R. 15657.

Mr. BEALL. Shortly after the President withheld his approval from H.R. 15657, I wrote to the Honorable Elliot Richardson, Secretary of Health, Education, and Welfare, and other administration officials in an effort to more clearly determine the nature of the President's opposition to this proposal. In a letter I received dated December 26, 1972, Secretary Richardson outlined in greater detail the administration's objections to H.R. 15657.

In a subseqent letter dated January 2, 1973, Director Weinberger explained the views of the Office of Management and Budget.

Mr. President, I ask unanimous consent that the text of these letters be printed in the CONGRESSIONAL RECORD.

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

SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., Dec. 26, 1972.

Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: Thank you for your letter of November 21 concerning the objections underlying the President's disapproval of H.R. 15657.

As you know, the President's Memorandum of Disapproval of October 30 specifically cited the categorical manpower programs and the

high authorizations as provisions in the bill to which he objected.

The authorization levels in H.R. 15657 were well beyond what the Administration believed could be used effectively and would have raised false expectations among the elderly.

In addition, the new manpower programs would have duplicated existing programs aimed at identical clientele groups, using the same institutions, and competing for the same jobs and training opportunities. They would therefore have added to the severe administrative difficulties which the Administration's Manpower Revenue Sharing proposal was designed to eliminate. The bill would have authorized other new categorical programs in HEW that would have been duplicative of existing federal authority.

H.R. 15657 would also have legislated various highly undesirable organizational changes in HEW. The bill would have moved the Administration on Aging (AOA) from the Social and Rehabilitation Service component of HEW to the Office of the Secretary. It would also have placed authority for carrying out AOA's responsibilities under the Act in the Commissioner on Aging, rather than the Secretary. The Commissioner would have been prohibited from delegating any of his functions to an officer not directly responsible to him, unless he first submitted a delegation plan to Congress and neither House disapproved within 30 days.

The mandating of organizational changes in HEW would seriously impede the Secretary's authority to organize and manage the Department. The prohibition on delegation would likewise restrict the Department's managerial flexibility and would raise constitutional issues.

Among other defects, the bill also did not adopt the three year limit on Federal funding of service projects which had been proposed by the Administration. Thus the bill, in effect, would have provided permanent Federal funding rather than having States and localities assume financial responsibility for aging programs after an initial period of Federal assistance.

Finally, as you are aware, the Executive Branch is currently in the process of developing the budget and legislative proposals for fiscal year 1974. As part of this process, budget and legislative decisions relating to the Administration's proposed programs for the elderly in the next Congress are presently under consideration. These decisions will be reflected in the 1974 budget and legislative proposals which will be submitted to Congress as early in the coming session as possible.

I very much appreciate your concern and assistance in these matters.

With kindest regards,

Sincerely,

ELLIOT RICHARDSON,
Secretary.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C. Jan. 2, 1973.

Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: Thank you for your letter of December 5 concerning the objections which impelled the President to disapprove H.R. 15657.

As you know, the President's Memorandum of Disapproval on H.R. 15657 called attention to the provisions of the bill which would have established a range of new narrow categorical service programs contrary to the Administration's approach of more comprehensive, coordinated local delivery of services to the elderly. In addition, as the Memorandum noted, the bill would have authorized funds far in excess of what can be used effectively and responsibly.

We are presently engaged in the formulation of the 1974 budget. The President's recommendations to the 93rd Congress with regard to the programs for the elderly are under consideration in the context of that process. The outcome of our current considerations will be reflected in the budget which we will be submitting early in the coming session of the Congress.

I appreciate your interest in this matter.

Sincerely,

CASPER WEINBERGER,
Director.

Mr. BEALL. What I am attempting to do, in the legislation I have submitted this afternoon, is to retain those parts of H.R. 15657 which relate directly to the older Americans program conducted by the Administration on Aging within the Department of Health, Education, and Welfare. I believe that this conference report reflects the best thinking and the spirit of compromise on the part of both Houses of the Congress as well as the representatives of the Department of Health, Education, and Welfare, and thus it can serve as the basis for further legislative action.

The two manpower programs, while their goals are commendable, were extraneous to the functioning of the Older Americans Act of 1965. They were to be administered by the Department of Labor which has consistently opposed the establishment of categorical manpower programs. I believe very strongly that the Department of Labor should expand its job training and manpower programs so as to include middle aged and older Americans. It is my understanding, that comprehensive manpower legislation will be considered by the appropriate subcommittee of the Labor and Public Welfare Committee during the first session of the 93d Congress. I believe it is incumbent upon the Employment Manpower and Poverty Subcommittee to expedite consideration of such legislation and to insure that it provides adequate job training opportunities for middle aged and older workers.

In addition, I have restored the language contained in the original Senate bill, S. 4044, with regard to construction funds for senior citizen centers. I fully understand the immense value and popularity of senior citizen centers, but I believe that the construction of such facilities should be the responsibility of the Department of Housing and Urban Development and not the Administration on Aging. The high cost of construction would only serve to further deplete the limited resources of the Administration on Aging. In addition, no administration, either Democrat or Republican, has ever requested or utilized funds for construction of senior citizen centers. Thus, I believe that construction funds for senior citizen centers helped bring about the veto.

In addition to several other minor changes, I have also reduced some of the authorization levels to make them conform to levels more acceptable to the President. I think it is important for Congress to cooperate with the executive branch in a realistic fashion so as to restrain government spending in a manner designed to insure the success of the economic stabilization program. I believe it is also in our best interest to cooperate with the President in his efforts to avoid a tax increase.

Mr. President, as Secretary Richardson indicated in the concluding paragraph of his letter,

The Administration is presently considering budget and legislative decisions relating to the . . . proposed programs for the elderly.

Thus, it is possible that the President may unveil a new approach to meeting the needs of the elderly in his state of the Union address. I believe that new innovations, when properly molded in a spirit of compromise between the Congress and the executive branch, can significantly contribute to the well-being of our senior citizens, and that is what we are all seeking to achieve.

If this is the case, I hope that all of us will retain a willingness to receive and accommodate new concepts and new approaches to meeting these problems.

Mr. President, I have compiled a brief title-by-title summary of the provisions contained in S. 491, and I ask unanimous consent that this summary be printed at the conclusion of my remarks.

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

TITLE-BY-TITLE SUMMARY OF S. 491, THE OLDER AMERICANS ACT AMENDMENTS OF 1973

TITLE I—DECLARATION OF OBJECTIVES

The Congress expanded the objectives contained in the original Older Americans Act of 1965 by placing emphasis on the need to make comprehensive social service programs available to older Americans and to insure their participation in the development of these programs.

TITLE II—ADMINISTRATION ON AGING

This Title establishes the Administration on Aging and places it within the Office of the Secretary of Health, Education, and Welfare. AOA is headed by a Commissioner on Aging who is appointed by the President and confirmed by the Senate. The Administration on Aging is given primary responsibility for carrying out the programs authorized under this Act. Language has also been included which is designed to protect the administrative integrity of the Administration on Aging so as to guarantee that AOA carries out the mandate prescribed by Congress in this legislation.

Title II also creates a "National Information and Resource Clearing House for the Aging" which is designed to collect, analyze, prepare and disseminate information regarding the needs and interests of older Americans.

In addition, Title II contains a provision establishing a "Federal Council on the Aging" which will be composed of 15 members appointed by the President and confirmed by the Senate. The Council will assist and advise the President on matters relating to the needs of older Americans; review and evaluate the impact of Federal policies and programs on the Aging; serve as a spokesman on behalf of older Americans by making recommendations to the President, the Secretary of Health, Education, and Welfare, the Commissioner on Aging, and the Congress with respect to federal activities in the field of aging; and undertake programs designed to increase public awareness of the problems and needs of our senior citizens. The Federal Council on the Aging will also undertake various studies designed to further clarify the specific needs of the elderly and recommend solutions to them.

TITLE III—GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING

Under Title III, the Administration on Aging will work with State aging offices to

develop a state-wide plan for delivering social services to senior citizens. Each state will be divided into planning and service areas which will bear the primary responsibility for developing the apparatus required to deliver social and nutritional services to the elderly. These area aging units are designed to coordinate existing governmental services, purchase services, and/or provide services where they are otherwise unavailable.

In addition, the Commissioner may undertake "model projects" within a state, giving special consideration to projects involving the housing needs of older persons, transportation needs, continuing education, pre-retirement information, and special services to the handicapped. It is hoped that these model projects will expand and improve the delivery of social services to older persons.

TITLE IV—TRAINING AND RESEARCH

The Commissioner on Aging is authorized to make grants for research and development projects in the field of aging. He may also undertake programs designed to attract qualified persons into the field of aging and to provide training programs for personnel in this field. There is also a provision for the establishment and support of multidisciplinary centers of gerontology which will assist in the research and training programs as well as provide technical assistance for state and local aging units.

TITLE V—MULTIPURPOSE SENIOR CENTERS

This provision provides for the acquisition, alteration, renovation and construction of multi-purpose senior citizen centers. Included in this section are provisions for loan insurance for senior citizen centers, grant authorizations for staffing of such centers, etc.

TITLE VI—NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM

This Title extends and expands the authorization for the Foster Grandparents Program and other Older Americans Community Service Programs. These programs, which were transferred to the ACTION Agency in 1971 seek to involve Older Americans in a variety of programs designed to benefit persons, both children and adults, having exceptional needs.

TITLE VII—NUTRITION PROGRAM

This Title makes several minor conforming changes in the nutrition legislation which was passed earlier this year. The changes are primarily designed to produce greater coordination between nutrition programs and the social service programs provided in Title III.

TITLE VIII—AMENDMENTS TO OTHER ACTS

This provision amends the Library Services and Construction Act, the National commission on Libraries and Information Science Act, the Higher Education Act, and the Adult Education Act, so as to provide expanded opportunities for older Americans to participate in programs of continuing education.

By Mr. HANSEN:

S. 497. A bill to authorize and request the President to issue annually a proclamation designating the month of March of each year as "National Youth Art Month." Referred to the Committee on the Judiciary.

Mr. HANSEN. Mr. President, today I am introducing legislation which would authorize and request the President to annually issue a proclamation designating the month of March each year as National Youth Art Month.

Under the aegis of the Wyoming Federation of Women's Clubs and through the cooperation of Wyoming Governors, March has been declared Youth Art Month for the past 12 years in my State.

The realization of this proclamation will help to emphasize the value of participating art for the development of all children.

By Mr. FANNIN:

S. 499. A bill to amend the National Labor Relations Act to guarantee the right of employers to an election without requiring proof of lack of majority;

S. 500. A bill to amend the National Labor Relations Act to achieve reform of the provisions against recognition picketing and for other purposes; and

S. 501. A bill to amend the National Labor Relations Act with respect to election of representatives. Referred to the Committee on Labor and Public Welfare.

Mr. FANNIN. Mr. President, today I am introducing three bills to amend the Labor-Management Relations Act.

The Taft-Hartley law in 1947 directed that the extent to which employees have been organized should not be controlling in determining which bargaining unit should be designated as an appropriate unit.

Just before final passage of the Taft-Hartley bill, Senator Taft stated:

This amendment was contained in the House bill. It overrules the "extent of organization" theory sometimes used by the Board in determining appropriate units. Opponents of the bill have stated that it prevents the establishment of small operational units and effectively prevents organization of public utilities, insurance companies and other businesses whose operations are widespread. It is sufficient answer to say that the Board has evolved numerous tests to determine appropriate units, such as community of interest of employees involved, extent of common supervision, interchange of employees, geographical considerations, etc., any of which may justify the finding of a small unit. The extent of organization theory has been used where all valid tests failed to give the union what it desires and represents a surrender by the Board of its duty to determine appropriate units. Its use has been particularly bad where another union comes in and organizes the remainder of the unit which results in the establishment of two inappropriate units.

In the years since 1947, the Board has been careful to avoid unit determinations based solely upon the extent the union has been able to organize. Courts have upset Board determination of appropriate unit in perhaps a dozen cases where it was obvious from the record that the only real reason, was the extent of organization.

In recent years unions have prevailed upon the Board to use a test which enables them to get an election in any unit in which they believe they can win an election.

In literally thousands of cases, the Board has found that the unit contended for by the employer—plant wide, division wide, statewide, storewide, and so forth, is appropriate. But then the Board goes on to find that the unit contended for by the union—department wide, one operation out of many, one city, one store out of a small chain, and so forth, is also appropriate. Then the Board gives the union what it asks.

Thus, the Board has thwarted congressional intent. Senator Taft's statement quoted above is applicable today as it was in 1947. The Board continues to surrender its duty to determine appropriate units to the unions.

The first amendment I offer seeks to require the Board to carry out its duty.

Mr. President, the second amendment I offer would clarify the right of an employer to seek an NLRB election among his employees. The requirements of the law are clear enough. The same rules apply in an election regardless of who files the petition. Nevertheless, the NLRB has applied more restrictive rules to employers seeking elections than to unions.

Under its present practice the board requires an employer to show, by a variety of so-called objective considerations, that he has reasonable grounds for doubting an incumbent union's majority status. The fact that the certification of that union may be many years old, or that there has been a very considerable turnover of employees, will not be viewed by the NLRB as objective considerations. Further, the employer is properly prohibited from polling his employees about union preference. He is, for these various reasons, effectively prohibited from exercising a right the act confers upon him.

The amendment here corrects the inequity of present board holdings by authorizing an election on the petition of an employer who is confronted by one or more claims for representation, or claims by employees that they no longer wish union representation, and where there has not been a valid election in the unit within the preceding 12 months.

To understand the need for this amendment one has to know the present practice of the Board's regional offices. When a petition for decertification of an incumbent union is filed by either a group of employees or the employer, the case is assigned to a field examiner—investigator—who calls at the employer's place of business and requests permission to individually question an employee in secret. Often his questions go to whether there was any employer instigation or support of the decertification petition. If an employee tells the investigator that he wants to get rid of the union he may be cross-examined as to his reasons. The employer is also questioned by the field examiner. The employer has been previously required to submit an affidavit setting forth objective considerations. This usually takes the form of naming individual employees who have expressed a desire to get rid of the union.

This procedure is required by a confidential field manual prepared by the general counsel and the Board. As a result of these secret investigations the petition for decertification is often dismissed. There is no way the employer or the employees may know the reason for dismissal.

Board rules provide that the question may not be litigated in any subsequent representations hearing.

Contrast the above with the procedure followed when a union files a petition for an election. Here the union merely files authorization cards which must represent 30 percent of the eligible voters. The field examiner checks those cards against the payroll which the employer is required to present and if

he finds 30 percent, the field examiner attempts to get a consent election or set the case down for hearing in approximately 2 weeks. No investigation is made of authenticity of the signatures to the cards. There is no questioning of individual employees.

This contrasting method of investigation has resulted in an infinitesimal number of decertification elections ever being held. In short, the rules of NLRB make it quite easy to get a union in, but almost impossible to get rid of it when the employees no longer want it.

Mr. President, my third amendment concerns section 8(b)(7) which was written into Landrum-Griffin because Congress wished to stop recognition picketing. Now, some 14 years later, this provision has been rendered a practical nullity in the law. Whether this has been a result of defective draftmanship, ill-advised compromises made in conference between the House and Senate, or poor decisions by the National Labor Relations Board and the courts is irrelevant at this time. In both Taft-Hartley and Landrum-Griffin Congress sought to require unions to obtain recognition through the peaceful election procedures which the act provides rather than engaging in such forms of economic warfare as strikes and picketing.

Unfortunately the act proved a disappointment in this respect. Unions that represent few or no employees frequently picket for recognition. Unions that have lost elections often resort to strikes and picketing. In both such actions the majority-rule principle is defeated.

Because paragraph (c) of section 8(b)(7) prohibited picketing a nonunion employer, unless an election petition was filed within a reasonable period of time not to exceed 30 days, the Board not only permitted such harassment for the entire 30 days, but refrained from obtaining injunctive relief against the picketing for such additional period as was required to process the petition, hold the election, entertain post election objections and certify the results. The unions have been able to extend even this long period of immunity by the simple expedient of filing a charge when the petition is docketed. No election will then be directed until the charge is disposed of.

The second proviso to section 8(b)(7)(c) has been used by permitting under the guise of allowing merely the publicizing of the absence of a union contract. Another popular device permitted by the Board is to hold legal picket signs which read "this employer fails to meet area standards in its terms and conditions of employment." Since the union will always have some contracts in the area which in some part are better than the picketed employer's wages and benefits, the picket sign becomes legal under present rulings of the Board.

My amendment would close these loopholes by deleting the proviso and denying the uncertified union any right to picket or strike for recognition, irrespective of whether the picketed plant has already been organized or is covered by a contract with another union.

Mr. President, I send these three bills to the desk for appropriate reference.

By Mr. BENTSEN (for himself, Mr. RANDOLPH, Mr. MONTOYA, Mr. GRAVEL, Mr. BURDICK, and Mr. BAKER):

S. 502. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Public Works.

THE FEDERAL-AID HIGHWAY ACT OF 1973

Mr. BENTSEN. Mr. President, today I introduce the Federal-Aid Highway Act of 1973, the legislative measure which has been assigned the highest priority by the Committee on Public Works.

I am privileged to be joined in the introduction of this measure by the distinguished chairman of the Public Works Committee, the senior Senator from West Virginia (Mr. RANDOLPH), who for a number of years also served as chairman of the Subcommittee on Roads. As I assume this subcommittee chairmanship, I am grateful to know that his experience in this field and his comprehensive knowledge of the subject is available both to me and to the committee as we begin work on a very complex and a very important bill. I am also pleased to have the distinguished Senators from New Mexico (Mr. MONTOYA), from Alaska (Mr. GRAVEL), from West Virginia (Mr. RANDOLPH), from North Dakota (Mr. BURDICK), and from Tennessee (Mr. BAKER) as cosponsors.

The introduction of the Federal-Aid Highway Act this year represents a departure from the traditional practice. Normally, Federal-aid highway legislation is a biennial activity that takes place during the even-numbered years. As Members of the Senate know, however, the Federal-Aid Highway Act of 1972 received considerable attention by the 92d Congress, but failed to be enacted when, on the last day of the session, the House of Representatives could not obtain a quorum to vote on the highway conference report. Consequently, we must begin our efforts anew.

We undertake this legislative program with the knowledge that while the national highway program is not in a crisis situation, many States are rapidly exhausting their resources for continued highway development. Existing law authorizes highway expenditures through June 30 of this year, but the normal practice is for highway funds to become available several months prior to the beginning of the fiscal year for which they are provided. Many States, therefore, programed their expenditures in anticipation that fiscal 1974 funds would be available early this year. These circumstances make it a matter of some urgency for the Congress to expedite consideration of a new highway bill.

As the new chairman of Subcommittee on Roads, I intend to move this bill as expeditiously as possible, consistent with my responsibility to hear from a range of witnesses representing various points of view.

Last year our conference with the House of Representatives was very contentious and at times, heated exchanges of views were expressed. I fully anticipate that major differences will be before us again this year for resolution. The conference report that was submitted and passed by the Senate, consisted of items on which there was no substantial disagreement and of items in dispute but on which agreement had been reached. Unfortunately, we must start at the beginning once again. I am under no illusion that it will be any easier in 1973 to reach agreement on a Highway Act than it was in 1972.

The bill I introduce today is basically that which was reported by the Senate Committee on Public Works last year. It contains, however, a number of changes in authorization levels and other changes which were agreed to in the Senate-House conference. These latter changes are, I believe, improvements over our original version. Several of them are provisions contained in the bill passed by the House.

Since adjournment of the 92d Congress, Members and staff have had an opportunity to review the highway program in the years immediately ahead. The highway hearings last summer were of a general nature and were held before the Senate bill (S. 3939) was introduced. This year we will have a *firm legislative* proposal in the form of the bill I introduce today for consideration during our hearings.

In keeping with the necessity to expedite consideration of this legislation, I am scheduling hearings for February 7, 8, 15, and 16. We expect to hear from a substantial number of witnesses during the 4 days.

I shall be directing these witnesses to address themselves to the most difficult and controversial issues confronting us in the highway program; namely, the proper authorization levels for the various Federal-aid programs, interstate, primary, secondary, and urban; the value of retaining the various categorical programs as opposed to encompassing them under three or four general headings; the use of highway trust funds for public transportation purposes, including rail transit; the so-called pass-through of highway funds to urban areas, bypassing the States; the transfer of interstate mileage and the substitution of alternative segments by the States; and the advisability of the so-called priority primary system in last year's House bill, which would have authorized a new 10,000-mile system to approximate interstate standards using certain selected, heavily traveled roads. All of these issues should and will be discussed in the hearings.

The intent of this bill is to continue the evolutionary process which has characterized the Federal-aid highway program over the more than 50 years since it was created. In our dynamic and changing society it is essential for this program to contain the flexibility necessary to respond to the highway transportation needs of our country at any given time. That is why the Federal-aid program is a matter of regular legislative concern to the Congress every 2 years.

One of the major questions we must consider this year is the level at which Federal-aid programs should be funded.

Since 1956, the construction of the Interstate System has commanded most of our highway financial resources. The Interstate program is now funded at a level of $4 billion a year, although in recent years the administration has not released this full amount for obligation. In the 1972 Senate bill, interstate authorizations were proposed at $3.25 billion. The administration recommended a reduced interstate authorization so that other trust funds could be utilized for pressing needs elsewhere on the Federal-aid systems. The administration also provided assurances that the full amount of this reduced authorization level would be made available and that there would be no further impoundment of interstate authorizations. The Senate and House concurred last year in the request for a reduced interstate authorization level, and the conference report established it at $3.5 billion. The present bill retains the $3.25 billion level requested by the administration. As in last year's proposal, completion of the Interstate System would be extended to 1980.

For urban and rural highways, the bill proposes annual authorization of $1 billion each. Of the rural funding, $650 million would go to primary roads and $350 million to secondary roads. The Federal-aid urban system would receive $650 million—of which $50 million would be allocated to communities having less than 50,000 people, and urban extensions of the primary and secondary systems would get $350 million. For all Federal-aid highway programs, authorizations for the next 2 years would be as follows:

PROPOSED 1973 FEDERAL-AID HIGHWAY BILL AUTHORIZATIONS IN PRELIMINARY DRAFT

The following is a tabular summary of funds which would be authorized for fiscal years 1974 and 1975 by the proposed draft bill:

[In millions]

Highway programs	Highway Trust Fund		General fund	
	1974	1975	1974	1975
Interstate	$3,250.0	$3,250		
Primary—Rural	650.0	650		
Secondary—Rural	350.0	350		
Urban System	650.0	650		
Urban Extensions	350.0	350		
Minimum ½ of 1 percent Interstate	50.0	50		
Urban High Density Traffic Program	50.0	50		
Forest Highways	33.0	33		
Public Lands Highways	16.0	16		
Forest Development Roads and Trails			$75	$75
Public Lands Development Roads and Trails			10	10
Park Roads and Trails			30	30
Parkways	75.0	100		
Indian Reservation Roads and Bridges			75	75
Landscaping and Scenic Enhancement	15.0	15		
Administrative Expenses			1.5	1.5
Guam			2	2
Virgin Islands			2.5	2.5
American Samoa			.5	.5
Bridges on Federal Dams			8.5	
Highway Beautification and Junkyards	65.0	65	0.25	
Rural Bus Demonstration Program	20.0	20	10	10
Alaska Assistance	20.0	20		
Alaskan Highway			58.67	
Rail Relocation Project	2.4		4.8	
Total	5,596.4	5,619	278.72	206.50

Perhaps the most controversial feature of last year's highway bill was the provision relating to the use of highway funds for public transportation. As introduced, the Federal-Aid Highway Act of 1973 contains essentially the same language in this respect as that approved by the committee last year. Specifically, it would permit the use of urban highway funds for the development and strengthening of highway-related public transportation systems, including the purchase of buses. Last year's committee report noted:

> The Committee recognizes the interrelationship between public transportation and the highway program, by further expanding the uses to which highway funds can be put in strengthening of public transportation so as to obtain the maximum benefits from the heavy public investment in urban highways.

We still hold to that view.

As in last year's bill, there is no authority for cities to use urban highway funds for the construction of rail-mass transit.

To help resolve another problem of urban areas, this bill contains provisions for the adjustment of interstate locations in areas where they are controversial. The bill authorizes the relocation of interstate routes in urban areas on a dollar-for-dollar basis. This means that restrictions now in force would be relaxed so segments could be relocated on the basis of cost rather than mileage.

The provisions of last year's S. 3939 relating to the "pass-through" of highway funds to urban areas are retained in this bill. Urban funds would be made available directly to those metropolitan areas where local transportation agencies have been created with the capability to utilize these funds.

The bill last year attempted to enable smaller urban areas to meet some of their urgent highway needs by creating a small urban system. To help avoid a proliferation of categorical programs, the bill I introduce today addresses this same need, but in a different manner. To provide highway funds for smaller communities, this bill proposes a change in the definition of urban areas. This would make cities with 5,000 or more population eligible to receive urban funds. The existing statute requires cities to have at least 50,000 residents to participate in the urban program. The urban transportation planning process relating to urban funds would still be required only of cities of over 50,000 population.

As in last year's bill, highway funds under this measure would be made available for the construction of bicycle paths, pedestrian walkways, and equestrian trials. These activities could be carried out in connection with highway projects and could be located on highway rights-of-way.

The elimination of eyesores along our Nation's highways continues to be a matter of great concern. We have known for some time that the billboard removal program, first enacted in 1966, has for a variety of reasons, not been effective. The bill, therefore, proposes several modifications in the law and authorizes funds to more fully implement the program.

In particular, the bill eliminates the 2-year moratorium on the removal of signs "giving specific information to the traveling public," which was in the bill that passed the Senate last year. In addition, the bill authorizes $65 million for highway beautification, some $8 million more than in last year's administration bill. Our billboard removal program has been plagued with frustrations and delays, and with an absence of funds to make it effective. Hopefully, the new provisions will enable us to go about the job of freeing our highways from the clutter and the blight of unnecessary billboards and fulfill the promise of legislation that has been on the books for 7 years.

During the development of last year's highway bill, we received requests from States for assistance in building urgently needed high-capacity roads as soon as possible. The outgrowth of these requests was the creation of the toll road reimbursement program. This program would allow States to utilize their primary highway funds to retire part of the bonds issued for the construction of toll roads. This would be permitted, however, only after the State had completed its portion of the Interstate System. The funds to retire bonds would come from the regular apportionment to the State.

The urban high density traffic program was developed last year to alleviate severe congestion in a limited number of densely populated areas with special highway needs. This limited program is included in the bill again this year and an authorization of $50 million for each of the next 2 years is proposed for the construction of short roads having severe traffic congestion.

One of the most serious impediments to the smooth operation of the Federal-aid highway program in recent years has been the proliferation of statutes and regulations connected with the availability of Federal aid to the States. The highway program has become so complex and the administration of it so involved that it now takes a great deal of time to plan and execute highway projects. States have found present procedures to be increasingly frustrating and have regularly asked us for relief in eliminating what they refer to as the redtape problem.

This bill addresses the redtape problem in two ways. It includes language developed by the House of Representatives last year stressing the desirability of reducing paperwork and interagency decision procedures that hamper the highway program. The bill also includes the alternate Federal-aid highway procedures that were included in the Senate bill last year. This section recognizes that State highway departments have achieved a high level of competence in their ability to plan and execute highway programs. It establishes the mechanism for turning over to the States a substantial portion of the day-to-day authority now held by the Federal Government. Essentially, this procedure calls for certification by the Secretary of Transportation that States have a proper capacity to carry out highway programs. After receiving certification, the States wishing to participate could

then proceed to build their roads subject only to periodic audit of their total program, instead of a project-by-project review at each step of the construction process. There is no mandatory feature to this procedure, but it would be available to those States which wish to sever many of the strings that tie them to Washington.

I discussed earlier the involvement of the highway program in urban public transportation. The highway program must also become involved in resolving the equally serious problem of public transportation in rural areas. In our country today there are vast areas with light populations which have poor, or no, public transportation services upon which residents of these areas can depend. This bill provides for a demonstration program to explore ways in which public transportation can be provided at reasonable cost in rural areas.

A unique problem involving my own State of Texas is also addressed in this bill. Section 147 permits the State of Texas to terminate the Federal-aid relationship with regard to the Northern Expressway in the city of San Antonio. Under this provision of the bill, the expressway would no longer be a Federal-aid highway and all funds expended to date would be returned to the Federal Government. An identical provision was in both the House and Senate bills last year.

The number of people killed and injured on our highways is still a serious problem in the United States, despite our efforts in recent years in the field of highway safety.

The highway death toll seems to have stabilized at approximately 55,000 people a year, even though the deaths per mile driven has been reduced. Successes are evident in our highway safety programs, but 55,000 deaths a year is far too many.

I intend to introduce a separate comprehensive safety bill within the next few weeks, for I believe the question deserves separate and thorough consideration.

The measure I introduce today is a comprehensive approach to contemporary highway needs. We could, I imagine, quickly enact a law providing money to continue the program as presently constituted. I believe, however, that we would be remiss in our duties if we satisfied ourselves simply with stopgap action and casual consideration of this issue. The highway program affects the lives of every American, and our responsibility is to be sure that the program retains the capacity to respond quickly and properly to the changing transportation needs of our citizens.

Total trust fund and general fund spending authorized by this bill is $5,875.12 billion for fiscal year 1974 and $5,825.50 billion for fiscal year 1975. Both of these figures represent substantial investments in highway transportation facilities. They are, however, substantially less than the $6.37 billion in the bill passed by the Senate last year for the same programs and are comparable to the recommendations of $5.37 billion made last year by the administration. I intend to work for fiscal responsibility on this measure, and I should stress that I expect the administration to exercise more considered judgement before withholding highway funds.

I remind Members of the Senate that the administration last year urged us to use restraint in developing a highway program and held out before us the prospect ending the impoundment of highway funds. I have met that test. The bill I introduce today meets the legitimate aims of the administration's request. In light of recent concern about the assertion of congressional authority, however, I must note that while we are attempting in this proposal to accomodate the administration, this bill in no way is a capitulation of the congressional prerogatives of initiating legislative proposals of its own. The programs and policies enunciated by this bill reflect my belief as a Member of the U.S. Senate as to the direction the Federal-aid highway program must take.

Mr. President, I appreciate this opportunity to review the highway bill and I assure Members of the Senate that the Subcommittee on Roads and the full Committee on Public Works will approach the task before them with diligence, and that we will report to this Chamber a bill at the earliest opportunity.

At this point, I ask that the full text of the new highway bill be printed in the RECORD.

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

S. 502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

SHORT TITLE

SEC. 101. This Act may be cited as the "Federal-Aid Highway Act of 1973".

REVISION OF AUTHORIZATION OF APPROPRIATIONS FOR INTERSTATE SYSTEM

SEC. 102. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1974, the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1976." And inserting in lieu thereof the following: "the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1974, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1975, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1976, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1977, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1978, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1979, and the additional sum of $257,000,000 for the fiscal year ending June 30, 1980."

AUTHORIZATION OF USE OF COST ESTIMATE FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation is authorized to make the apportionment for fiscal years 1974 and 1975 of the sums authorized to be appropriated for such years for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5, House Committee Print Numbered 92-29.

EXTENSION OF TIME FOR COMPLETION OF SYSTEM

SEC. 104. (a) The second paragraph of section 101(b) of title 23, United States Code, is amended by striking out "twenty years" and inserting in lieu thereof "twenty-four years" and by striking out "June 30, 1976" and inserting in lieu thereof "June 30, 1980".

(b)(1) The introductory phrase and the second and third sentences of section 104(b)(5) of title 23, United States Code, are amended by striking out "1976" each place it appears and inserting in lieu thereof at each such place "1980".

(2) Section 104(b)(5) is further amended by striking out the sentence preceding the last sentence and inserting in lieu thereof the following: "Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1976 and 1977. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1976. Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1978 and 1979. The Secretary shall make a final revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1978. Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal year 1980."

AUTHORIZATIONS

SEC. 105. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas out of the Highway Trust Fund, $650,000,000, for the fiscal year ending June 30, 1974, and $650,000,000 for the fiscal year ending June 30, 1975. For the Federal-aid secondary system in rural areas, out of Highway Trust Fund, $350,000,000 for the fiscal year ending June 30, 1974, and $350,000,000 for the fiscal year ending June 30, 1975.

(2) For the Federal-aid urban system, out of the Highway Trust Fund, $650,000,000 for the fiscal year ending June 30, 1974, and $650,000,000 for the fiscal year ending June 30, 1975: *Provided,* That $50,000,000 of such funds for each of the fiscal years ending June 30, 1974 and June 30, 1975, shall be expended for the urban system in cities between 5,000 and 50,000 population. For the extensions of the Federal-aid primary and secondary systems in urban areas, out of the Highway Trust Fund, $350,000,000 for the fiscal year ending June 30, 1974, and $350,000,000 for the fiscal year ending June 30, 1975.

(3) For forest highways out of the Highway Trust Fund, $33,000,000 for the fiscal year ending June 30, 1974, and $33,000,000 for the fiscal year ending June 30, 1975.

(4) For public lands highways, out of the Highway Trust Fund, $16,000,000 for the fiscal year ending June 30, 1974, and $16,000,000 for the fiscal year ending June 30, 1975.

(5) For forest development roads and trails, $75,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(6) For public lands development roads and trails, $10,000,000 for the fiscal year ending June 30, 1974, and $10,000,000 for the fiscal year ending June 30, 1975.

(7) For park roads and trails, $30,000,000 for the fiscal year ending June 30, 1974, and

$30,000,000 for the fiscal year ending June 30, 1975.

(8) For parkways, out of the Highway Trust Fund, $75,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975.

(9) For Indian reservation roads and bridges, $75,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(10) For carrying out section 319(b) of title 23, United States Code (relating to landscaping and scenic enhancement), out of the Highway Trust Fund, $15,000,000 for the fiscal year ending June 30, 1974, and $15,000,000 for the fiscal year ending June 30, 1975.

(11) For necessary administrative expenses in carrying out section 131, section 136 and section 319(b) of title 23, United States Code, $1,500,000 for the fiscal year ending June 30, 1974, and $1,500,000 for the fiscal year ending June 30, 1975.

(12) For carrying out section 215(a) of title 23, United States Code (relating to territorial highway development program), out of the sums in the Treasury not otherwise appropriated:

(A) for the Virgin Islands not to exceed $2,500,000 for the fiscal year ending June 30, 1974, and not to exceed $2,500,000 for the fiscal year ending June 30, 1975;

(B) for Guam not to exceed $2,000,000 for the fiscal year ending June 30, 1974, and not to exceed $2,000,000 for the fiscal year ending June 30, 1975; and

(C) for American Samoa not to exceed $500,000 for the fiscal year ending June 30, 1974, and not to exceed $500,000 for the fiscal year ending June 30, 1975.

(b) Any State which has not completed Federal funding of the Interstate System within its boundaries shall receive at least one-half of 1 per centum of the total apportionment for each of the fiscal years ending June 30, 1974; and June 30, 1975, under section 104(b)(5) of title 23, United States Code, or an amount equal to the actual cost of completing such funding, whichever amount is less. In addition to all other authorizations for the Interstate System for the two fiscal years ending June 30, 1974, and June 30, 1975, there are authorized to be appropriated out of the Highway Trust Fund not to exceed $50,000,000 for each such fiscal year for such system.

(c) For each of the fiscal years 1974 and 1975, no State shall receive less than one-half of 1 per centum of the total apportionment for the Federal-aid urban system under paragraph (6) of subsection (b) of section 104 of title 23, United States Code.

DEFINITIONS

SEC. 106. (a) The definition of "construction" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping (including the establishment of temporary and permanent geodetic markers in accordance with specifications of the National Oceanic and Atmospheric Administration in the Department of Commerce), acquisition of rights-of-way, relocation assistance, elimination of hazards of railway grade crossings, acquisition of replacement housing sites, acquisition and rehabilitation, relocation, and construction of replacement housing, and improvements which directly facilitate and control traffic flow, such as grade separation of intersections, widening of lanes, channelization of traffic, traffic control systems, and passenger loading and unloading areas."

(b) The definition of "Indian reservation roads and bridges" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'Indian reservation roads and bridges' means roads and bridges that are located within or provide access to an Indian reservation or Indian trust land or restricted Indian land which is not subject to fee title alienation without the approval of the Federal Government on which Indians reside, or Indian and Alaska native villages, groups or communities in which Indians and Alaskan natives reside, whom the Secretary of the Interior has determined are eligible for services generally available to Indians under Federal laws specifically applicable to Indians."

(c) The definition of "urbanized area" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'urbanized area' means an area so designated by the Bureau of the Census, within boundaries to be fixed by the Secretary in cooperation with responsible State and local officials."

DECLARATION OF POLICY

SEC. 107. Subsection (b) of section 101 of title 23, United States Code, is amended by adding at the end thereof the following new paragraph:

"It is further declared to be in the national interest and to be the intent of Congress that in the administration of the Federal-aid highway program the Secretary shall carry out the program in such a manner as to give the highest priority in all instances, to highway safety and the saving of human lives."

MINIMIZATION OF RED TAPE

SEC. 108. Section 101 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(e) It is the national policy that to the maximum extent possible the procedures to be utilized by the Secretary and all other affected heads of Federal departments, agencies, and instrumentalities for carrying out this title and any other provision of law relating to the Federal highway programs shall encourage the minimization of paperwork and interagency decision procedures and the best use of available manpower and funds so as to prevent needless duplication and unnecessary delays at all levels of government."

FEDERAL-AID SYSTEMS REALINEMENT

SEC. 109. (a) Section 103(b) of title 23, United States Code, is renumbered as section 103(b)(1) and a new section 103(b)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid primary system shall provide an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas. The Federal-aid primary system shall be designated by each State and where appropriate, shall be in accordance with the planning process pursuant to section 134 of this title, subject to the approval of the Secretary as provided by subsection (f) of this section."

(b) Section 103(c) of title 23, United States Code, is renumbered as section 103(c)(1) and a new subsection 103(c)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid secondary system shall consist of rural major collector routes. The Federal-aid secondary system shall be designated by each State through its State highway department and appropriate local officials in cooperation with each other, subject to the approval of the Secretary as provided in subsection (f) of this section."

(c) Section 103(d) of title 23, United States Code, is renumbered as section 103(d)(1) and a new subsection 103(d)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid urban system shall be located in urban areas and shall consist of arterial routes and collector routes, exclusive of urban extensions of the Federal-aid primary system. The routes on the Federal-aid urban system shall be designated by appropriate local officials, subject to the approval of the Secretary as provided in subsection (f) of this section, and in the case of urbanized areas shall be in accordance with the planning process required pursuant to the provisions of section 134 of this title."

(d) Federal-aid systems realinement shall be based upon anticipated functional usage in the year 1980.

FEDERAL-AID URBAN SYSTEM

SEC. 110. (a) Subsection (d)(1) of section 103 of title 23, United States Code, is amended by striking the first, second, third, fourth, and fifth sentences and inserting in lieu thereof the following:

"The Federal-aid urban system shall be established in each urban area. The system shall be so located as to serve the major centers of activity, and shall include high traffic volume arterial and collector routes. In urbanized areas it shall be selected so as to serve the goals and objectives of the community as determined by the responsible local officials of such urbanized area in accordance with the planning process required pursuant to the provisions of section 134 of this title. No route on the Federal-aid urban system shall also be a route on any other Federal-aid system. Each route of the system shall connect with another route on a Federal-aid system. Routes on the Federal-aid urban system shall be selected by the appropriate local officials or by areawide councils of government or other appropriate metropolitan organizations established by law, after consultation with the State highway departments and, in urbanized areas, in accordance with the planning process under section 134 of this title. Designation of the Federal-aid urban system shall be subject to the approval of the Secretary as provided in subsection (f) of this section."

(b) Subsection (d) of section 105 of title 23, United States Code, is amended to read as follows:

"(d) In approving programs for projects on the Federal-air urban system, the Secretary shall require that such projects be selected by the appropriate local officials after consultation with the State highway department and in accordance with the planning process required pursuant to section 134 of this title."

TRANSFER OF INTERSTATE SYSTEM MILEAGE WITHIN A STATE

SEC. 111. (a) The fourth sentence of subsection (e)(2) of section 103 of title 23, United States Code, is amended to read:

"The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this paragraph; such costs shall be that as of the date of the withdrawal."

(b) Paragraph (2) of subsection (e) of section 103 of title 23 of the United States Code is amended by adding at the end thereof the following:

"The authority granted by this paragraph shall expire on the date of enactment of the Federal-Aid Highway Act of 1973. However, the amendment contained in section 111(a) of the Federal-Aid Highway Act of 1973 shall be retroactive."

(c) Subsection (e) of title 23, United States Code, is amended by adding the following:

"(4) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate

System to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the joint request of a State Governor and the local governments concerned, the Secretary may withdraw his approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title prior to the enactment of this paragraph, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System (including urban routes necessary for metropolitan transportation) or will no longer be essential by reason of the application of this paragraph and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof. After the Secretary has withdrawn his approval of any such route or portion thereof the mileage of such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of such interstate route or portions thereof within that State as provided in this subsection necessary to provide the essential connection of the Interstate System in such State in lieu of the route or portions thereof which were withdrawn. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this paragraph. Such costs shall be that as of the date of the withdrawal. Whenever the Secretary determines that such routes or portions thereof are not essential or whenever the amounts necessary for the completion of the substitute essential routes or portions thereof are less than the cost of the withdrawn route or portions thereof, the amounts remaining or the difference shall be transferred to and added to the amounts apportioned to such State under paragraph 6 of subsection (b) of section 104 of title 23, United States Code, for the account of the urbanized area from which the withdrawal of the routes or portions thereof was made in such urbanized areas. In considering routes or portions thereof to be added to the Interstate System under the second and third sentences of this paragraph, the Secretary shall, in consultation with the States and local governments concerned, assure (A) that such routes or portions thereof will provide a unified and connected Interstate System (including urban routes necessary for metropolitan transportation), and (B) the extension of routes which terminate within municipalities served by a single interstate route, so as to provide traffic service entirely through such municipalities. Any mileage from a route or portion thereof which is withdrawn under the second sentence of this paragraph and not replaced by a substitute essential route or portion thereof may be redesignated as part of the Interstate System by the Secretary in accordance with paragraph (1) of this subsection."

REMOVAL OF DESIGNATED SEGMENTS OF THE INTERSTATE SYSTEM

SEC. 112. Section 103(g) of title 23, United States Code, is amended to read as follows:

"(g) The Secretary, on July 1, 1973, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not necessary for continuity of traffic flow between cities. Nothing shall prohibit the consideration for substitution prior to July 1, 1974, of alternative segments of the Interstate System which will meet the requirements of this title. Any segment of the Interstate System, with respect to which a State has not submitted by July 1, 1974, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the priod of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest. The application of all of the provisions of this subsection shall be deferred for one year with respect to routes added to the Interstate System after December 1, 1968."

APPORTIONMENT

SEC. 113. (a) Paragraphs (1) and (2) of subsection (b) of section 104 of title 23 United States Code, is amended by striking the words "star routes" each time they appear and inserting in lieu thereof "intercity mail routes where service is performed by motor vehicles.".

(b) Paragraph (6) of subsection (b) of section 104 of title 23, United States Code, is amended by striking the word "urbanized" wherever it appears and inserting in lieu thereof "urban", and by adding at the end thereof the following: "No State shall receive less than one-half of 1 per centum of each year's apportionment."

(c) Subsection (c) of section 104 of title 23, United States Code, is amended by striking out "20 per centum" in each of the two places it appears and inserting in lieu thereof in each such place the following "30 per centum" and by striking out "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1) or (2)".

(d) Subsection (d) of section 104 of title 23, United States Code, is amended to read as follows:

"(d) Not more than 30 per centum of the amount apportioned in any fiscal year to each State in accordance with paragraph (3) or (6) of subsection (b) of this section may be transferred from the apportionment under one paragraph to the apportionment under the other paragraph if such transfer is requested by the State highway department and is approved by the Governor of such State and the Secretary as being in the public interest. The total of such transfers shall not increase the original apportionment under either of such paragraphs by more than 30 per centum."

(e) The last sentence of subsection (c) of section 104 of title 23, United States Code, is hereby repealed.

APPORTIONMENT OF PLANNING FUNDS

SEC. 114. Subsection (f) of section 104 of title 23, United States Code, is amended to read as follows:

"(f) On or before January 1 next preceding the commencement of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) of this section, shall set aside not to exceed one-half per centum of the remaining funds authorized to be appropriated for expenditure upon the Federal-aid systems, for the purpose of carrying out the requirements of section 134 of this title.

"(1) These funds shall be apportioned to the States in the ratio which the population in urbanized areas or parts thereof, in each State bears to the total population in such urbanized areas in all the States as shown by the latest available census, except that no State shall receive less than one-half per centum of the amount apportioned.

"(2) The funds apportioned to any State under paragraph (1) of this subsection shall be made available by the State to the areawide metropolitan transportation agencies established under section 135 of this title only for the purpose of carrying out the provisions of section 134 of this title. Pending the establishment of these agencies as defined in section 135 of this title, these planning funds shall be made available to the metropolitan planning organizations designated by the State as being responsible for carrying out the provisions of section 134 of this title. These funds shall be matched in accordance with section 120 of this title unless the Secretary determines that the interests of the Federal-aid highway program would be the best served without such matching.

"(3) The distribution within any State of the planning funds made available to the areawide agencies under paragraph (2) of this subsection shall be in accordance with a formula developed by each State and approved by the Secretary which shall consider but not necessarily be limited to, population, status of planning, and metropolitan area transportation needs."

ADVANCE ACQUISITION

SEC. 115. (a) Section 108(a) of title 23, United States Code, is amended by striking out "seven years" in the last sentence and inserting in lieu thereof "ten years".

(b) Section 108(e)(3) of title 23, United States Code, is amended by striking out "seven years" in the first sentence and inserting in lieu thereof "ten years".

STANDARDS

SEC. 116. (a) Subsection (i) of section 109 of title 23, United States Code, is amended by adding at the end thereof the following: "The Secretary after consultation with appropriate Federal, State, and local officials, may promulgate standards for the control of highway noise levels for highways on any Federal-aid system for which project approval has been secured prior to July 1, 1972. The Secretary may approve any project on a Federal-aid system to which noise-level standards are made applicable under the preceding sentence for the purpose of carrying out such standards. Such project may include, but is not limited to, the acquisition of additional rights-of-way, the construction of physical barriers, and landscaping. Sums apportioned for the Federal-aid system on which such project will be located shall be available to finance the Federal share of such project. Such project shall be deemed a highway project for all purposes of this title."

(b) Subsection (j) of section 109 of title 23, United States Code, is amended by inserting (1) after (j) and adding a new paragraph (2) as follows:

"(2) After June 30, 1973, no highway program or project submitted to the Secretary in accordance with this title shall be approved by the Secretary unless it is in conformity with guidelines established by the Secretary under this subsection."

SIGNS ON PROJECT SITE

SEC. 117. Subsection (a) of section 114 of title 23, United States Code, is amended by striking out the last sentence thereof and inserting in lieu thereof the following:

"After June 30, 1973, the State highway department shall not erect on any project where actual construction is in progress and visible to highway users, any informational signs other than official traffic control devices conforming with standards developed by the Secretary of Transportation."

MATERIALS AT OFF-SITE LOCATIONS

SEC. 118. Section 121(a) of title 23, United States Code is amended by inserting after

the period at the end thereof the following: "Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an off-site location the materials cannot be stockpiled in such vicinity."

PAYMENT TO STATES FOR BOND RETIREMENT

SEC. 119. The first sentence of section 122 of title 23, United States Code, is amended by inserting the following after "maturity": "and in the case of the Interstate System principal and interest of such bonds,".

PUBLIC HEARINGS

SEC. 120. Subsection (a) of section 128 of title 23, United States Code, is amended by adding the following at the end thereof:

"The Secretary shall also require with the submission of plans for a Federal-aid project an assurance from the State highway department that it has taken all steps required pursuant to guidelines issued by the Secretary to insure and foster public participation in the development of such project before and after the public hearings required by this subsection."

TOLL ROADS, BRIDGES, TUNNELS, AND FERRIES

SEC. 121. After the second sentence of section 129(b) of title 23, United States Code, insert the following:

"When any such toll road which the Secretary has approved as a part of the Interstate System is made a toll-free facility, Federal-aid highway funds apportioned under section 104(b)(5) of this title may be expended for the construction, reconstruction, or improvement of that road to meet the standards adopted for the improvement of projects located on the Interstate System."

FERRY OPERATIONS

SEC. 122. (a) The last subsection of section 129 of title 23, United States Code, is hereby redesignated as subsection (g).

(b) Paragraph (5) of subsection (g) of section 129 of title 23, United States Code shall be inapplicable to any ferry operated solely between the States of Alaska and Washington.

CONTROL OF OUTDOOR ADVERTISING

SEC. 123. (a) The first sentence of subsection (b) of section 131 of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned on or after January 1, 1974, or after the expiration of the next regular session of the State legislature, whichever is later, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are more than six hundred and sixty feet off the nearest edge of the right-of-way, located outside of incorporated cities and villages, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,".

(b) Subsection (c) of section 131 of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices after January 1, 1968, if located within six hundred and sixty feet of the right-of-way and, on or after July 1, 1974, or after the expiration of the next regular session of the State legislature, whichever is later, if located beyond six hundred and sixty feet of the right-of-way, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way, be limited to (1) directional and official signs and notices, which signs and notices shall include, but not be limited to, signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Subsection (d) of section 131 of title 23, United States Code, is amended by striking out the first sentence thereof and inserting the following in lieu thereof:

"In order to promote the reasonable, orderly and effective display of outdoor advertising while remaining consistent with the purposes of this section, signs, displays, and devices whose size, lighting and spacing, consistent with customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within areas adjacent to the Interstate and primary systems which are zoned industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary."

(d) Subsection (e) of section 131 of title 23, United States Code, is amended to read as follows:

"(e) Any nonconforming sign under State law enacted to comply with this section shall be removed no later than the end of the fifth year after it becomes nonconforming, except as determined by the Secretary."

(e) Subsection (f) of section 131 of title 23, United States Code, is amended by inserting the following after the first sentence: "The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained."

(f) Subsection (g) of section 131 of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal under any law enacted to comply with this section, of any outdoor advertising sign, display, or device lawfully erected under State law prior to the date of enactment of the Federal-Aid Highway Act of 1973."

(g) Subsection (m) of section 131 of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be apportioned to carry out the provisions of this section, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $2,000,000 for the fiscal year 1970, not to exceed $27,000,000 for the fiscal year 1971, not to exceed $20,500,000 for the fiscal year 1972, and not to exceed $50,000,000 for the fiscal year ending June 30, 1973, and, out of the Highway Trust Fund, $50,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

(h) Section 131 of title 23, United States Code, is amended by adding at the end thereof the following new subsections:

"(o) In the case of any sign, display, or device required to be removed under this section prior to the date of enactment of the Federal-Aid Highway Act of 1973, which sign, display, or device was after its removal lawfully relocated and which as a result of the amendments made to this section by such Act is required to be removed, the United States shall pay 100 per centum of the just compensation for such removal (including all relocation costs)."

TRANSPORTATION PLANNING IN CERTAIN URBAN AREAS

SEC. 124. Subsection (a) of section 134, of title 23, United States Code, is amended by striking the next to the last sentence and inserting in lieu thereof the following:

"The Secretary shall not approve under section 105 of this title any program for projects in any urban area of more than fifty thousand population unless he finds (1) that such projects are in accordance with a continuing comprehensive transportation planning process carried on cooperatively by the State and local communities in conformance with the objectives stated in this section, and (2) that all reasonable measures to permit, encourage, and assist public participation in such continuing comprehensive transportation planning process have been taken. The Secretary, in cooperation with the States, shall develop and publish regulations specifying minimum guidelines for public participation in such processes, which shall include hearings, held at least annually, at which there would be a review of the transportation planning process, plans and programs, and opportunity provided for the consideration of alternative modes of transportation."

AVAILABILITY OF URBAN SYSTEM FUNDS

SEC. 125. (a) Section 135 of title 23, United States Code, is amended to read as follows:

"§ 135. Availability of urban system funds

"(a) Funds apportioned to any State under paragraph (6) of subsection (b) of section 104 of this title which are attributable to urbanized areas having a population of 250,000 or more shall be allocated among such urbanized areas within any such State in the ratio that the population within any such urbanized area bears to the population of all urbanized areas within such State.

"(b) Funds allocated in accordance with subsection (a) of this section shall be available for expenditure within any such urbanized area for projects on the urban system, including those authorized by section 142 of this title, which shall be planned in accordance with the planning process required by section 134 of this title.

"(c) Funds allocated to any urbanized area under subsection (a) of this section shall be available for expenditure in another urbanized area within such State only where the responsible public officials in both such urbanized areas agree to such availability.

"(d)(1) Where the units of general purpose local government in any such urbanized area shall combine together under State law to create a metropolitan transportation agency, or where the State shall create a metropolitan transportation agency, with sufficient authority to develop and implement a plan for expenditure of funds allocated to such urbanized area pursuant to this section, funds allocated under subsection (a) of this section shall be available to such metropolitan transportation agency for projects on the urban system, including those authorized by section 142 of this title, which shall be planned in accordance with the planning process required by section 134 of this title.

"(2) A metropolitan transportation agency shall be considered to exist when (A) an agency for the purposes of transportation planning has been created by the State or by the unit or units of general purpose local governments within any urbanized area which represents at least 75 per centum of the total population of such area and includes the largest city, and (B) such agency has adequate powers and is suitably equipped and organized to carry out projects on the urban system: *Provided,* That such projects may be implemented by the metropolitan transportation agency through delegation of

authority for implementation to the participating local governments."

(b) The table of contents of chapter 1 of title 23 of the United States Code is amended by striking

"135. Urban area traffic operations improvement programs."

and inserting in lieu thereof:

"135. Availability of urban system funds.".

CONTROL OF JUNKYARDS

SEC. 126. (a) Subsection (j) of section 136 of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"(j) Just compensation shall be paid the owner for the relocation, removal, or disposal of junkyards lawfully in existence at the effective date of State legislation enacted to comply with this section."

(b) Subsection (m) of section 136 of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out this section out of any money in the Treasury not otherwise appropriated not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $3,000,000 for each of fiscal years 1970, 1971, and 1972, not to exceed $5,000,000 for the fiscal year ending June 30, 1973, and, out of the Highway Trust Fund not to exceed $15,000,000 for the fiscal year ending June 30, 1974, and $15,000,000 for the fiscal year ending June 30, 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

FRINGE AND CORRIDOR PARKING FACILITIES

SEC. 127. Subsection (a) of section 137 of title 23, United States Code, is amended by striking the period at the end of the first paragraph, inserting a comma in lieu thereof, and adding the following: "and liquidation of bonds or other obligations incurred in financing the local share of such facilities".

PRESERVATION OF PARKLANDS

SEC. 128. Section 138 of title 23, United States Code, is amended (1) by striking out "lands" in the first sentence and inserting in lieu thereof "areas (including water)", and (2) by striking out "lands" and "land" wherever thereafter appearing therein and inserting in lieu thereof "areas" and "area", respectively.

TRAINING PROGRAMS

SEC. 129. Subsection (b) of section 140 of title 23, United States Code, is amended by striking out in the second sentence "and 1973," and inserting in lieu thereof ", 1973, 1974, and 1975".

URBAN HIGHWAY PUBLIC TRANSPORTATION

SEC. 130. Section 142 of title 23, United States Code, is amended to read as follows:

"§ 142. Urban highway public transportation

"(a) To encourage the development, improvement, and use of public mass transportation systems operating vehicles on highways, other than on rails, for the transportation of passengers within urban areas,

"(1) sums apportioned in accordance with paragraphs (3) and (6) of subsection (b) of section 104 of this title shall be available to finance the Federal share of the costs of projects within urban areas, for the construction of exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, and for the purchase of passenger equipment other than rolling stock for fixed rail; and

"(2) sums apportioned in accordance with paragraph (5) of subsection (b) of section 104 of this title shall be available to finance the Federal share of the cost of projects on the Interstate System, for the construction of exclusive or preferential bus lanes, highway traffic control devices, and passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers.

"(b) The establishment of routes and schedules of such public mass transportation systems in urbanized areas shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of title 23, United States Code.

"(c) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be that provided in section 120 of this title.

"(d) No project authorized by this section shall be approved unless the Secretary of Transportation is satisfied that public mass transportation systems will have adequate capability to utilize fully the proposed project and to maintain and operate properly any equipment acquired under this section.

"(e) No equipment which is acquired with financial assistance provided by this section shall be available for use in charter, leased, sightseeing, or other service in any area other than the area for which it was acquired.

"(f) In the acquisition of equipment pursuant to subsection (a) of this section, the Secretary shall require that such equipment meet the standards prescribed by the Administrator of the Environmental Protection Agency under section 202 of the Clean Air Act, as amended, and shall authorize the acquisition, wherever practicable, of equipment which meets the special criteria for low-emission vehicles set forth in section 212 of the Clean Air Act, as amended.

"(g) The Secretary shall assume that the provisions of subsection (a) of section 16 of the Urban Mass Transportation Act of 1964, as amended, relating to planning and design of mass transportation facilities to meet special needs of the elderly and the handicapped (as defined in subsection (d) thereof), shall apply to projects under this section.

"(h) Funds available for expenditure to carry out the purposes of this section shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended.

"(i) The provisions of chapters 1, 3, and 5 of title 23 of the United States Code shall apply in carrying out the provisions of this section except with respect to projects within urban areas as to which the Secretary determines the provisions of the Urban Mass Transportation Act of 1964, as amended, are more appropriately applicable."

BICYCLE TRANSPORTATION, PEDESTRIAN WALKWAYS, AND EQUESTRIAN TRAILS

SEC. 131. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 145. Bicycle transportation, pedestrian walkways, and equestrian trails

"(a) To encourage the multiple use of highway rights-of-way, including the development, improvement, and use of bicycle transportation and the development and improvement of pedestrian walkways and equestrian trails on or in conjunction with highway rights-of-way, the States may, on projects carried out with sums apportioned in accordance with subsection (b) of section 104 of this title, include to the extent practicable, suitable, and feasible, the construction of separate or preferential bicycle lanes or paths, bicycle traffic control devices, shelters and parking facilities to serve bicycles and persons using bicycles, pedestrian walkways, and equestrian trails in conjunction or connection with Federal-aid highways. Projects authorized under this section shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes.

"(b) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be that provided in section 120 of this title.

"(c) Funds authorized and appropriated for forest highways, forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads, and public lands highways shall be available, at the discretion of the department charged with the administration of such funds, for the construction of bicycle and pedestrian routes in conjunction with such trails, roads, highways, and parkways.

"(d) No motorized vehicles shall be permitted on trails and walkways authorized under this section except for maintenance purposes."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by inserting at the end thereof the following:

"145. Bicycle transportation, pedestrian walkways, and equestrian trails."

TOLL ROAD REIMBURSEMENT PROGRAM

SEC. 132. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 146. Toll road reimbursement program

(a) Whenever a State has received its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System, the Secretary may permit, notwithstanding the provisions of subsection (b) of section 129 of this title, reimbursement of the Federal share of the actual cost of construction of new toll highways or improvements to existing toll highways, construction of which highways or improvement is begun after July 1, 1973, but not including the cost of toll collection and service facilities, on the same basis and in the same manner as in the construction of free highways under this chapter upon compliance with the conditions contained in this section.

(b) The Secretary may permit reimbursement of the Federal share of the costs of construction as applicable to a project under section 120(a) of this title from funds apportioned to such State pursuant to paragraph (1) subsection (b) of section 104 of this title whenever the State enters into an agreement with the Secretary whereby it undertakes performance of the following obligations:

(1) to provide for the construction of such highway in accordance with standards approved by the Secretary;

(2) all tolls received from the operation of such highway, less the actual cost of such operation and maintenance, shall be applied by the State to the repayment of the actual costs of construction, except for an amount equal to the Federal share payable of such actual costs of a project; and

(3) no tolls shall be charged for the use of such highway after the Federal share has been paid and the highway shall be maintained and operated as a free highway:

Such agreements may be entered into between the Secretary and a State upon enactment of this section. Reimbursements shall not be made until after the State receives its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System.

"(c) When such highway becomes toll free in accordance with the aforementioned agreement, such highway shall become a part of the primary system notwithstanding the mileage limitations in subsection (b) of section 103 of this title.

"(d) The Federal share payable of such

actual cost of the project shall be made in not more than fifteen equal annual installments, from the funds apportioned to the State pursuant to paragraph (1) of subsection (b) of section 104 of this title, with the first installment being made one year after the project agreement has been entered into between the Secretary and the State highway departments or one year after the State receives its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System, whichever is last to occur. Such payment shall be applied against the outstanding obligations of the project."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"146. Toll road reimbursement program."

SPECIAL URBAN HIGH DENSITY TRAFFIC PROGRAM

SEC. 133. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following new section:

"§ 147. Special urban high density traffic program

"(a) There is hereby authorized to be appropriated out of the Highway Trust Fund, $50,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975, for the construction of highways connected to the Interstate System in portions of urbanized areas with high traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for this purpose which include the following criteria:

"(1) Routes designated by the Secretary shall not be longer than ten miles.

"(2) Routes designated shall serve areas of concentrated population and heavy traffic congestion.

"(3) Routes designated shall serve the urgent needs of commercial, industrial, airport, or national defense installations.

"(4) Any routes shall connect with existing routes on the Interstate System.

"(5) Routes designated under this section shall have been approved through the planning process required under section 134 of this title and determined to be essential by responsible local officials.

"(6) A route shall be designated under this section only where the Secretary determines that no feasible or practicable alternative mode of transportation which could meet the needs of the area to be served is now available or could become available in the foreseeable future.

"(7) The designation of routes under this section shall comply with section 138 of this title, and no route shall be designated which substantially damages or infringes upon any residential area.

"(8) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials.

"(9) No more than one route in any one State shall be designated by the Secretary.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 90 per centum of the cost of construction of such project."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"147. Special urban high density traffic program."

ALTERNATIVE FEDERAL-AID HIGHWAY PROCEDURES

SEC. 134. Title 23, United States Code, is amended by inserting the following new chapter 1–A at the end of chapter 1:

"CHAPTER 1–A.—ALTERNATIVE FEDERAL-AID HIGHWAY PROCEDURES

"Sec.

"171. Policy declarations.

"172. Applicability and certification.

"173. Assistance for States desiring to comply with this chapter.

"174. Master agreement.

"175. Rights of aggrieved parties.

"176. Applicability of other chapters.

"§ 171. Policy declarations

"The Congress hereby finds that—

"(a) The public interest requires an alternative procedure to the procedures otherwise provided in title 23 for processing Federal-aid highway projects to promote and facilitate the continued construction of the Federal-aid systems covered by this chapter and to provide the States and local governments according to their own priorities and problems with a maximum degree of flexibility and choice.

"(b) The alternative procedure provided by this chapter shall emphasize the development and utilization of State administrative processes for constructing Federal-aid highway projects which will insure their construction in harmony with the social, environmental and economic objectives of all applicable Federal laws and requirements.

"(c) The Federal-aid highway program as administered under this chapter shall continue to be a cooperative program between the States and the Federal Government. The primary Federal role shall be to require an integrated system of highways, consistent with local determinations and needs, which will be designed, developed, and constructed in accordance with guidelines promulgated by the Secretary to effectuate national policies determined by the Congress. The authorization and appropriation of Federal funds or their availability for expenditure for construction or improvement shall in no way be deemed to infringe upon the rights of the States to determine which projects or improvements shall be financed under this chapter.

"(d) The requirements of this title are contract conditions and any State which avails itself of the procedures in this chapter is obliged to meet the requirements which it sets forth in its application for certification.

"§ 172. Applicability and certification

"(a) The provisions of this chapter shall be applicable to all Federal-aid systems except the National System of Interstate and Defense Highways.

"(b) Any State may submit to the Secretary for his approval and certification a comprehensive procedure for the construction of Federal-aid highway projects, setting forth the process by which such State proposes to carry out its Federal-aid highway construction responsibilities. The State procedure shall set forth the process by which goals, objectives, and priorities for carrying out its Federal-aid program shall be established and shall take into account and be in accord with the requirements of this title and other provisions of Federal law. The Secretary shall establish guidelines which shall describe the essential elements of a comprehensive State highway program. The State shall certify to the Secretary that its procedure will be administered by a State agency with adequate powers, suitably staffed, equipped, and organized to comply with all applicable State and Federal laws, guidelines, regulations, and directives, and that its administrative processes will result in compliance with State and Federal laws, guidelines, regulations, and directives.

"(c) The Secretary shall within ninety days after receipt of a State request for certification review the comprehensive procedures of such State pursuant to the guidelines promulgated by the Secretary in accordance with subsection (b) of this section. In reviewing a State request for certification, the Secretary is authorized to conduct audits and physical inspections to determine the ability of the State to carry out its comprehensive procedure.

"(d) The Secretary shall approve the request of any State for certification unless he finds that State laws, guidelines, regulations, and directives will not result in the accomplishment of the social, environmental, and economic objectives of all applicable Federal laws and requirements or are not in compliance with the requirements of subsection (b) of this section.

"(e) In the event the Secretary does not approve a request of a State for certification, the State may appeal such decision to the United States Circuit Court of Appeals for the District of Columbia which shall have jurisdicion to affirm the determination of the Secretary or to set it aside in whole or in part. The Secretary's disapproval of a request by a State for certification shall not deprive such State of any of the benefits nor relieve it of any of the requirements of the other chapters of this title with respect to Federal-aid highway projects in such States.

"(f) Approval by the Secretary of a comprehensive procedure of any State for constructing Federal-aid highway projects shall be in effect for two years from the date of such approval and shall discharge his responsibility under title 23 with respect to individual project approvals as required in chapter 1 of this title, except that the Secretary may find at any time, based upon his continuous review and audit of a comprehensive procedure of such State or projects being executed pursuant thereto or other information, that it is not in compliance in whole or in part with the provisions of this chapter. In such event, the Secretary, after appropriate notice and opportunity for correction of noncompliance, shall declare the master agreement or any part thereof provided for in section 174 of this chapter breached and withdraw his approval. Any failure of the State to comply with the appropriate provisions of title 23 shall be deemed a breach of the master agreement provided for in section 174 of this chapter. Nothing in this chapter shall affect or discharge any responsibility or obligation of the Secretary under any Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Department of Transportation Act provision for the preservation of natural beauty (49 U.S.C. 1653 (f)), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.), other than title 23, United States Code.

"(g) The guidelines, regulations, and other criteria to be applied by the Secretary in determining whether to approve the request of any State for certification, shall be developed in consultation with appropriate State and Federal officials and shall be promulgated not later than June 30, 1974. An opportunity to submit written data or comments for a period of not less than ninety days after publication shall be afforded to all interested persons. The initial approval of the comprehensive procedures of any State shall take effect no earlier than July 1, 1975.

"§ 173. Assistance for States desiring to comply with this chapter

"Any State, prior to submitting its request to the Secretary for certification, may make application to the Secretary for professional and technical assistance in developing comprehensive procedures which will comply with the provisions of this chapter. In providing Federal assistance, the Secretary may utilize the sums auhorized in section 104(a) of title 23 to be deducted for administering the provisions of law to be financed from appropriations for the Federal-aid systems.

"§ 174. Master agreement

"(a) Approval by the Secretary of a request by a State for certification shall constitute a formal agreement with the State. The agreement shall apply to all Federal-aid projects to be constructed by the State pursuant to

the comprehensive procedures for the biennial period of the agreement.

"(b) The Secretary may rely upon representations made by the State with respect to the arrangements or agreements made by the State and appropriate local officials where a part of a project is to be constructed at the expense of, or in cooperation with, political subdivisions of the State.

"(c) Approval by the Secretary shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution to all projects covered by the agreement. Following approval of an agreement by a State for certification, funds apportioned to a State pursuant to section 104 shall be available for obligation by the State under the State's comprehensive procedure without restriction, except that nothing in this section shall affect the power of the Secretary to restrict, or of any court to enjoin, the obligation or expenditure of such funds for failure to comply with applicable laws or requirements or for failure of the State to comply with its comprehensive procedure.

"(d) The State shall submit with its request for certification a list of projects to be covered by the agreement. The State may add, withdraw and substitute other projects during the period of the agreement with notice to the Secretary. The Secretary may disapprove such addition, withdrawal or substitution within ninety days. However, in no event may a controversial project be withdrawn and another project substituted therefor for the purpose of avoiding compliance with applicable laws.

"§ 175. Rights of aggrieved parties

"(a) The Secretary shall provide in accordance with section 5 of the Administrative Procedures Act (section 554 of title 5, United States Code), an administrative hearing for alleged failure of a State to comply with its approved comprehensive procedure or any applicable State or Federal law. The Secretary's decision shall be based upon the record in such hearing, and his investigation and review of the State and Federal project records shall constitute part of the administrative record. The decision of the Secretary may be reviewed in accord with section 706 of title 5, United States Code.

"(b) The procedure set forth in subsection (a) shall be the exclusive procedure for suing the Secretary or any of his delegees and designees for the failure of a State to comply with its comprehensive procedures.

§ 176. Applicability of other chapters

"All of the provisions of title 23, United States Code shall be applicable to projects processed pursuant to the provisions of this chapter except where the Secretary determines that said provisions of law conflict or are inconsistent with the provisions of this chapter."

PUBLIC TRANSPORTATION IN NATIONAL FORESTS AND PARKS

SEC. 135. (a) Subsection (f) of section 204 of title 23, United States Code, is amended to read as follows:

"(f) Funds available for forest highways shall be available for adjacent vehicular parking areas, for sanitary, water, and fire control facilities, and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportation."

(b) Section 206 of title 23, United States Code, is amended by adding the following new subsection:

"(c) Funds available for park roads and trails shall be available for adjacent vehicular parking areas and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportation."

PARKWAYS

SEC. 136. (a) Subsection (a) of section 207 of title 23, United States Code, is amended to read as follows:

"(a) Funds available for parkways shall be used to pay for the cost of construction and improvement thereof, including the acquisition of rights-of-way and related scenic easements."

(b) Section 207 of title 23, United States Code, is further amended by adding the following subsections:

"(d) After July 1, 1973, parkways contracted under the authority of this section shall be deemed to be on the Federal-aid secondary system.

"(e) The provisions of section 106(a) of this title, relating to the obligation of funds, shall apply to funds available for parkways."

HIGHLAND SCENIC HIGHWAY

SEC. 137. (a) The Secretary of the Interior, in cooperation with the Secretary of Agriculture (acting through the Forest Service), is authorized to develop and construct as a parkway the Highland Scenic Highway from West Virginia State Route 39 to U.S. 250 near Barton Knob.

(b) The route from Richwood, West Virginia, to U.S. 250 near Barton Knob, via West Virginia State Route 39 and the parkway authorized by subsection (a) of this section, shall be designated as the Highland Scenic Highway.

(c) Such Secretaries are authorized to acquire rights-of-way, lands containing such rights-of-way, and interests in land, including scenic easements, necessary to carry out the purpose of a scenic highway.

(d) Funds available for parkways shall be available for signs on interstate highways, Appalachian highways and other appropriate highways at natural points of access to such geographic area, indicating the direction and distance to the Highland Scenic Highway and to Richwood as "Gateway to the Highland Scenic Highway".

(e) Funds available for parkways shall be available for upgrading that portion of West Virginia State Route 39 designated as the Highland Scenic Highway to appropriate standards for a scenic and recreational highway, including the construction of vistas and other scenic improvements.

(f) Upon construction of the Highland Scenic Highway as authorized by subsection (a) of this section, such road and all associated lands and rights-of-way shall be transferred to the Forest Service and managed as part of the Monongahela National Forest, solely for scenic and recreational use and passenger car travel.

(g) Any parkway authorized in the future to proceed southward in such area shall begin in the immediate vicinity of Richwood, West Virginia.

CUMBERLAND GAP NATIONAL HISTORICAL PARK

SEC. 138. (a) Notwithstanding the definition of parkways in subsection (a) of section 101, funds available for parkways shall be available to finance the cost of reconstruction and relocation of Route 25E through the Cumberland Gap National Historical Park, including construction of a tunnel and the approaches thereto, so as to permit restoration of the Gap and provide adequate traffic capacity.

(b) Upon construction, such highway and tunnel and all associated lands and rights-of-way shall be transferred to the National Park Service and managed as part of the Cumberland Gap National Historical Park.

ALASKA HIGHWAY

SEC. 139. (a)(1) Chapter 2 of title 23 of the United States Code is amended by inserting at the end thereof a new section as follows:

"§ 217. Alaska Highway

"(a) Recognizing the benefits that will accrue to the State of Alaska and to the United States from the reconstruction of the Alaska Highway from the Alaskan border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the south Alaskan border, the Secretary is authorized out of the funds appropriated for the purpose of this section to provide for necessary reconstruction of such highway. Such appropriations shall remain available until expended. No expenditures shall be made for the construction of such highways until an agreement has been reached by the Government of Canada and the Government of the United States which shall provide, in part, that the Canadian Government—

"(1) will provide, without participation of funds authorized under this title all necessary right-of-way for the reconstruction of such highways, which right-of-way shall forever be held inviolate as a part of such highways for public use;

"(2) will not impose any highway toll, or permit any such toll to be charged for the use of such highways by vehicles or persons;

"(3) will not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of such highways by vehicles or persons from the United States that does not apply equally to vehicles or persons of Canada;

"(4) will continue to grant reciprocal recognition of vehicle registration and drivers' license in accordance with agreements between the United States and Canada; and

"(5) will maintain such highways after their completion in proper condition adequately to serve the needs of present and future traffic.

"(b) The survey and construction work undertaken pursuant to this section shall be under the general supervision of the Secretary."

(2) The analysis of chapter 2 of title 23 of the United States Code is amended by adding at the end thereof the following:

"217. Alaska Highway."

(b) For the purpose of completing necessary reconstruction of the Alaska Highway from the Alaskan border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the south Alaskan border there is authorized to be appropriated the sum of $58,670,000 to be expended in accordance with the provisions of section 217 of title 23 of the United States Code.

RESEARCH AND PLANNING

SEC. 140. Subsection (c)(1) of section 307 of title 23, United States Code, is amended to read as follows:

"(c)(1) Not to exceed 1½ per centum of the sums apportioned for each fiscal year prior to the fiscal year 1964 to any State under section 104 of this title shall be available for expenditure upon request of the State highway department, with the approval of the Secretary, with or without State funds, for engineering and economic surveys and investigations; for the planning of future highway programs and local public bus transportation systems and for the financing thereof; for studies of the economy, safety, and convenience of highway usage and the desirable regulation and equitable taxation thereof; and for research and development, necessary in connection with the planning, design, construction, and maintenance of highways and highway systems, and the regulation and taxation of their use."

BRIDGES ON FEDERAL DAMS

SEC. 141. (a) Subsection (d) of section 320 of title 23, United States Code, is amended by striking out "$16,761,000" and inserting in lieu thereof "$25,261,000".

(b) All sums appropriated under authority of the increased authorization of $8,500,000 established by the amendment made by subsection (a) of this section shall be available

for expenditure only in connection with the construction of a bridge across lock and dam numbered thirteen on the Arkansas River near Fort Smith, Arkansas, in the amount of $2,100,000 and in connection with the reconstruction of a bridge across Chickamauga Dam on the Tennessee River near Chattanooga, Tennessee, in the amount of $6,400,000. No such sums shall be appropriated until all applicable requirements of section 320 of title 23 of the United States Code have been complied with by the appropriate Federal agency, the Secretary of Transportation, and the State of Arkansas for the Fort Smith project and the State of Tennessee for the Chattanooga project.

TECHNICAL AMENDMENTS

SEC. 142. Title 23, United States Code, is amended as follows:

(a) Section 101(a) is amended by striking out "Secretary of Commerce" and inserting in lieu thereof "Secretary of Transportation".

(b) Section 109(g) is amended by striking out "Ret" and inserting in lieu thereof "Act".

(c) Sections 126(a) and 310 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

(d) The heading of section 303 is amended to read:

"Administration organization."

(e) Sections 308(b), 312, and 314 are amended by striking out "Bureau of Public Roads" each place it appears and inserting in lieu thereof "Federal Highway Administration".

(f) Section 309 is amended by striking out "Bureau of Public Roads" and inserting in lieu thereof "Department of Transportation".

(g) Sections 312 and 314 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

ALASKAN ASSISTANCE

SEC. 143. Subsection (b) of section 7 of the Federal-Aid Highway Act of 1966 is amended by striking at the end of the last sentence "June 30, 1972, and June 30, 1973." and substituting "June 30, 1972, June 30, 1973, June 30, 1974, and June 30, 1975."

INCREASED FEDERAL SHARE—EFFECTIVE DATE

SEC. 144. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1970 is amended to read as follows:

"(b) The amendments made by subsection (a) of this section shall take effect with respect to all obligations incurred after June 30, 1973, except for projects on which Federal funds were obligated on or before that date."

FEASIBILITY STUDIES

SEC. 145. The Secretary shall report to Congress by January 1, 1975, on the feasibility and necessity for constructing to appropriate standards proposed highways along the following routes for the purpose of including such highways in the National System of Interstate and Defense Highways:

(a) A route from Brunswick, Georgia, or its vicinity, to Kansas City, Missouri, or its vicinity, so aligned to serve the following intermediate locations, or vicinities thereof: Columbus, Georgia; Birmingham, Alabama; Tupelo, Mississippi; Memphis, Tennessee; Batesville or Jonesboro, Arkansas; and Springfield, Missouri.

(b) Extension of Interstate Highway 70 from Cove Fort, Utah, or its vicinity, in a westerly direction, so aligned to serve the intermediate locations of Ely and Carson City, Nevada, or other vicinities.

(c) A route from Amarillo, Texas, or its vicinity of Las Cruces, New Mexico, or its vicinity, so aligned to serve the following intermediate locations, or vicinities thereof: Herford, Texas; Clovis, New Mexico; Portales, New Mexico; Roswell, New Mexico; Ruidoso, New Mexico; Tularosa, New Mexico; and Alamogordo, New Mexico.

(d) A route from Kansas City, Missouri, or its vicinity, to Baton Rouge, Louisiana, or its vicinity, so aligned to serve one or both of the following intermediate locations or vicinities thereof: Fayetteville, Fort Smith, and Texarkana, Arkansas; or Little Rock, Arkansas or any other route through the State of Arkansas determined feasible by such State and the Secretary.

(e) A route from Interstate Highway 380 from Waterloo, Iowa, via Dubuque, Iowa, to Interstate Highway 90 at Rockford, Illinois; and an extension of Interstate Highway 74 from the Davenport, Iowa-Moline, Illinois, area through Dubuque, Iowa, to Interstate 90 at LaCrosse, Wisconsin.

(f) A route from Kansas City, Missouri, or its vicinity, to Chicago, Illinois, or its vicinity, so aligned to cross the Mississippi River in the vicinity of Hannibal, Missouri, and Quincy, Illinois.

STUDY OF TOLL BRIDGE AUTHORITY

SEC. 146. The Secretary of Transportation is authorized and directed to undertake a full and complete investigation and study of existing Federal statutes and regulations governing toll bridges over the navigable waters of the United States for the purpose of determining what action can and should be taken to assure just and reasonable tolls nationwide. The Secretary shall submit a report of the findings of such study and investigation to the Congress not later than July 1, 1974, together with his recommendations for modifications or additions to existing laws, regulations, and policies as will achieve a uniform system of tolls and best serve the public interest.

TERMINATION OF FEDERAL-AID RELATIONSHIP

SEC. 147. (a) Notwithstanding any other provisions of Federal law or any court decision to the contrary, the contractual relationship between the Federal and State Governments shall be ended with respect to all portions of the San Antonio North Expressway between Interstate Highway 35 and Interstate Loop 410, and the expressway shall cease to be a Federal-aid project.

(b) The amount of all Federal-aid highway funds paid on account of sections of the San Antonio North Expressway in Bexar County, Texas (Federal-aid projects numbered U 244(7), U 244(10), UG 244(9), U 244 (8), and U 244(11)), shall be repaid to the Treasurer of the United States and the amount so repaid shall be deposited to the credit of the appropriation for "Federal-Aid Highways (Trust Fund)". At the time of such repayment the Federal-aid projects with respect to which funds have been repaid and any other Federal-aid projects located on such expressway and programed for expenditure on such project, if any, shall be canceled and withdrawn from the Federal-aid highway program. Any amount so repaid, together with the unpaid balance of any amount programed for expenditure on any such project shall be credited to the unprogramed balance of Federal-aid highway funds of the same class last apportioned to the States, respectively. The amount so credited shall be available for expenditure in accordance with the provisions of title 23, United States Code, as amended.

RAILROAD RELOCATION DEMONSTRATIONS

SEC. 148. (a) The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out demonstration projects in Lincoln, Nebraska, and Elko, Nevada, for the relocation of railroad lines from the central area of the cities in conformance with the methodology developed under proposals submitted to the Secretary by the respective cities. The cities shall (1) have a local agency with legal authority to relocate railroad facilities, levy taxes for such purpose, and a record of prior accomplishment; and (2) have a current relocation plan for such lines which has a favorable benefit-cost ratio involving and having the unanimous approval of three or more class 1 railroads in Lincoln, Nebraska, and the two class 1 railroads in Elko, Nevada, and multicivic, local, and State agencies, and which provides for the elimination of a substantial number of the existing railway-road conflict points within the city.

(b) Federal grants or payments for the purpose of this section shall cover 70 per centum of the costs involved.

(c) The Secretary shall make annual reports and a final report to the President and the Congress with respect to his activities pursuant to this section.

(d) There is authorized to be appropriated not to exceed $1,000,000 in the case of Lincoln, Nebraska, and $1,400,000 in the case of Elko, Nevada, from the Highway Trust Fund, and not to exceed $2,000,000 in the case of Lincoln, Nebraska, and $2,800,000 in the case of Elko, Nevada, from money in the Treasury not otherwise appropriated, for carrying out the provisions of this section.

METRO ACCESSIBILITY TO THE HANDICAPPED

SEC. 149. The Secretary of Transportation is authorized to make payments to the Washington Metropolitan Area Transit Authority in amounts sufficient to finance the cost of providing such facilities for the subway and rapid rail transit system authorized in the National Capital Transportation Act of 1969 (83 Stat. 320) as may be necessary to make such subway and system accessible by the handicapped through implementation of Public Laws 90-480 and 91-205. There is authorized to be appropriated, to carry out this section, not to exceed $65,000.000.

NATIONAL SCENIC HIGHWAY SYSTEM STUDY

SEC. 150. The Secretary of Transportation shall make a full and complete investigation and study to determine the feasibility of establishing a national system of scenic highways to link together and make more accessible to the American people recreational, historical, scientific, and other similar areas of scenic interest and importance. In the conduct of such investigation and study, the Secretary shall cooperate and consult with other agencies of the Federal Government, the Commission on Highway Beautification, the States and their political subdivisions, and other interested private organizations, groups, and individuals. The Secretary shall report his findings and recommendations to the Congress not later than January 1, 1975, including an estimate of the cost of implementing such a program. There is authorized to be appropriated $250,000 from the Highway Trust Fund to carry out this section.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

SEC. 151. (a) To encourage the development, improvement, and use of public mass transportation systems operating vehicles on highways for transportation of passengers within rural areas, in order to enhance access of rural populations to employment, health care, retail centers, education, and public services, there are authorized to be appropriated $30,000,000 for the two-fiscal-year period ending June 30, 1975, of which $20,000,000 shall be out of the Highway Trust Fund, to the Secretary of Transportation to carry out demonstration projects for public mass transportation on highways in rural areas. Projects eligible for Federal funds under this section shall include highway traffic control devices, the construction of passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, and the purchase of passenger equipment other than rolling stock for fixed rail.

(b) In the acquisition of passenger equipment pursuant to this section, the Secretary shall require that such equipment meet the standards prescribed by the Administrator of the Environmental Protection Agency under section 202 of the Clean Air Act, as

amended, and shall authorize the acquisition, wherever practicable, of equipment which meets the special criteria for low-emission vehicles set forth in section 212 of the Clean Air Act, as amended.

(c) The Secretary shall assure that the provisions of subsection (a) of section 16 of the Urban Mass Transportation Act of 1964, as amended, relating to planning and design of mass transportation facilities to meet special needs of the elderly and the handicapped (as defined in subsection (d) thereof), shall apply to demonstration projects under this section.

SENATOR RANDOLPH COSPONSORS IMPORTANT HIGHWAY BILL; GIVES ITS CONSIDERATIONS HIGHEST PRIORITY IN PUBLIC WORKS COMMITTEE

Mr. RANDOLPH. Mr. President, the able Senator from Texas (Mr. BENTSEN) has reviewed in detail the provisions of the Federal-Aid Highway Act of 1973. I join with him in cosponsoring this important legislation.

Senator BENTSEN has assumed the chairmanship of the Subcommittee on Roads at an important time in the history of the Federal highway program. It is a challenging time that sees the approaching completion of the interstate highway system and a reappraisal by the Members of the Congress and the public of the proper role of the Federal Government in highway development. I know that Senator BENTSEN will find his new responsibilities rewarding as well as challenging. He brings to this assignment experience as a legislator, and as a businessman, and he possesses an incisive mind that is capable of coping with the complex issues of highway development.

I was particularly interested in Senator BENTSEN's remarks concerning impoundment of Federal highway funds. This is a matter that has disturbed me for several years, for I believe it is beyond the scope of authority of the Executive Department to withhold funds that have been properly provided by the Congress. For 6 years there have been repeated instances in which the executive branch chose, for its own reasons, to restrict spending for highway purposes. In the Federal-Aid Highway Acts of 1968 and 1970, there were strong expressions of congressional opposition to this practice. I have been gratified in recent weeks to see increased congressional concern over the impoundment of funds of all types, and I joined with the leadership of the Senate and other committee chairmen in legal action to halt impoundment. It is now before the courts in a case originating in the State of Missouri, because of the impoundment of highway funds. Since the question is now in litigation, I will not propose legislation at this time relating to highway fund impoundment.

There are several features of the highway program which are of particular concern to me. In 1970, I sponsored the special bridge replacement program which was enacted in that year. This much needed legislation was the outgrowth of a tragic bridge collapse in my State in 1967 in which 48 people died. This disaster made us realize that there are many thousands of old bridges in this country that are being made to carry traffic loads for which they are not designed. The 1970 act established the bridge replacement program and funded it at a level of $250 million for the first 2 years. While we were able to make a start in replacing old bridges, more money is obviously needed. This program will be continued with a larger authorization by the highway safety bill which will be introduced soon.

As last year's highway bill was developed, the major item of controversy was over proposals to use highway funds for public transportation. At that time I strongly supported and the committee agreed to, the inclusion of authorization for urban highway funds, to be spent on highway public transportation, including the purchase of buses. I did not then, and I do not now, believe that highway funds can properly be committed for rail mass transit construction. Not only would such authorization greatly dilute the amount of money available in any single community, it also would delude many people into thinking that the mass transit crisis had been resolved.

For the vast majority of American cities, public transportation is today, and in the future will be, provided by buses. The need for better bus service is urgent in communities throughout the country and made more urgent by the coming imposition of air pollution control plans that, in a number of major metropolitan areas, will probably include sharp restrictions on motor vehicle usage. The only way that we can compensate quickly for these restrictions on private motor traffic is to upgrade and expand public bus service. By using highway funds to do this, we are properly responding to the need, and we are providing facilities whereby our investments in highways can provide the greatest service to people. I will again support the use of highway funds for public transportation in this way, and I will do so with a new urgency that comes with the increased knowledge we have gained about the problem in the past year.

The very size and the immensity of the problem has forced us to concentrate on solving public transportation problems of urban areas. There exists, however, an equally critical need for many millions of Americans who live in sparsely populated rural areas. As a Senator from one of the most rural States in the country, I have had considerable experience in trying to help the people of West Virginia obtain, and keep, transportation services. There is not now a single Federal program which addresses itself to meeting the transportation needs of rural areas. In many cases, these needs are more acute than those of cities, for people often must travel great distances to obtain necessary services. Without public transportation they simply cannot do so.

I make no pretense that providing adequate bus service in lightly populated areas will be an easy accomplishment. The costs can be high and the operational procedures complicated. I believe, however, that we must make a start and for this reason, the bill Senator BENTSEN and I introduce today contains provisions for a demonstration program on rural public transportation. From such a program I am confident we can learn how best to extend the mobility that many of our citizens enjoy to those citizens who are restricted in their movements simply because they do not live in cities.

For several years, construction of the Highland Scenic Highway has been underway in the lovely mountains of eastern West Virginia. This road is planned to run through the Monongahela National Forest, opening the beauties of this vast land to travelers. Funding for the road's development, however, has been severely restricted, and last year I proposed that this road be designated a parkway so that its development could be accelerated. The bill introduced today contains similar provisions for this designation and includes the same restrictions that were approved last year to limit the use of this highway to noncommercial vehicles.

Mr. President, highway legislation has been made the first order of business by the Committee on Public Works. I know that under the leadership of the Senator from Texas (Mr. BENTSEN) the Subcommittee on Roads will move expeditiously in conducting hearings and preparing a bill for the consideration of the full committee.

Mr. BAKER. Mr. President, the Senator from Texas (Mr. BENTSEN) in his new position as chairman of the Subcommittee on Roads, has just introduced a modified version of the bill reported to the Senate last session, a bill developed after extensive hearings by the Subcommittee on Roads, and a total of 13 subcommittee and full committee executive sessions.

I supported most provisions of that bill and believe it, in general, represented sound highway legislation for the next 2 fiscal years. Congress did not enact a highway bill in 1972. There were major disagreements among members of the conference committee which delayed a compromise until the closing hours of the session. The compromise measure was passed by the Senate but died in the House for lack of a quorum. Failure to enact highway legislation threatens to disrupt highway construction in every State.

As I expressed to Secretary of Transportation Brinegar during his confirmation hearings before the Commerce Committee, there is one facet of the threatened disruption which particularly concerns me. I believe it is of the utmost importance that we proceed as quickly as possible to complete the Interstate Highway System, particularly the intercity routes which tie the Nation together. Serious safety hazards result from gaps in the Interstate System, where fast-moving, high-volume traffic is forced from completed multilane segments onto older, narrower roads. Tennessee—by no means unique in this respect—is all too familiar with tragic accidents on these obsolete highways which connect stretches of modern freeways.

Because it is essential to move as quickly as possible to complete these critical links, I am today introducing a concurrent resolution to authorize the Secretary of Transportation to apportion to States the Interstate funds already authorized by law for fiscal year 1974. Under normal circumstances, the

Secretary of Transportation would have apportioned to States by January 1 of this year interstate funds authorized for fiscal years 1974 and 1975, which States could immediately have begun to obligate. Some States have already exhausted interstate authorizations and several could lose up to a year in moving ahead with interstate construction, if fiscal year 1974 funds are not promptly made available.

This resolution is in no way intended as a substitute for comprehensive highway legislation, nor would its passage lessen the need for prompt action on a major bill. The distinguished chairman of the Public Works Committee (Mr. RANDOLPH) and I, as ranking minority member, intend to move as quickly as possible to bring a highway bill to the Senate for action. But the issues to be resolved in the Senate and House, and between the Houses in conference, are complex and will require thoughtful examination. One-year funding of interstate construction would simply allow work on the Interstate System to go forward while Congress works out the controversial issues.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a table showing, by States, the status of apportionments and obligational authority for the Interstate System and for the whole highway program.

I would be very glad to have any Member of the Senate who wishes to do so, join in sponsoring this proposal.

Mr. President, the comprehensive bill (S. 502) introduced today by Senator BENTSEN contains many progressive measures and provides an excellent focal point for new hearings and an examination of several major issues.

With regard to developing major highway legislation for 1973, I would suggest consideration of three major objectives: first, completion of the Interstate System at the earliest possible date; second, provisions to insure that cities and their suburbs receive a fair share of highway funds to be used in ways which will best serve both local and through traffic in those areas; and third, consideration of the Federal role in highway programs in the "post-Interstate" era.

I have already stated my reasons for believing it imperative that we complete the Interstate System as quickly as possible. My concern is shared by the chairman of the Public Works Committee and other members, and I would hope that in developing a highway bill, we will be able to set authorization levels and make such other provisions as will best expedite work on the system.

With respect to my second objective—that of allowing highway funds for urban areas to be used in a manner most beneficial to the area—I support the provision in the bill introduced today which leaves overall responsibility for coordinating transportation within the State to State agencies but gives increased authority to metropolitan areas for planning and developing systems of a local nature. I do, however, believe that greater flexibility—such as that provided by the Cooper-Muskie amendment passed by the Senate last year—should be given to urbanized areas to use highway funds for transportation projects which will best serve the needs of those areas.

Increased flexibility in the uses to which urban highway funds may be applied is, I believe, a necessary step toward removing Federal obstacles to comprehensive and rational transportation planning.

This brings me to my third and last objective: consideration of the Federal role in future highway and transportation programs. The Department of Transportation in its 1971 statement on national transportation policy said:

> There is a need to rethink the way this Nation should go about developing a transportation system. This would not be so if there were fewer people, if they were less affluent, if they had not increasingly clustered in large urban complexes, and if they were willing to put up with the noise and smoke of an earlier era. But for the next three decades, all indicators point to more people, more affluence, more urbanization and a rapidly escalating intolerance for undesirable environmental side effects. In the face of this, the practices and policies of the past will almost certainly be inadequate for the future.

The bill introduced today wisely refrains from establishing any major new Federal highway program which could commit us to current programs which may prove inadequate for the future. I would hope the Senate—through the Committees on Commerce, Banking, and Finance, as well as the Public Works Committee—and the House, would begin this year to develop a more creative and responsive Federal transportation program embracing all modes.

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

INTERSTATE HIGHWAY FUNDS, AS OF DEC. 31, 1972

State	Budgeted fiscal year 1973[1]	Unobligated[1]	Apportioned authorization remaining[2]
Alabama	$51,667,000	$5,269,069	$41,235,734
Arizona	51,501,000	26,002,377	69,860,221
Arkansas	13,844,000	7,058,959	5,263,389
California	207,721,000	97,767,626	38,244,814
Colorado	45,521,000	27,404,629	38,735,098
Connecticut	72,240,000	66,554,777	161,254,360
Delaware	9,244,000	374,546	3,725,142
Florida	70,579,000	38,924,181	21,698,307
Georgia	51,723,000	27,140,074	47,941,066
Hawaii	35,248,000	25,934,857	105,563,481
Idaho	13,844,000	10,554,308	15,323,952
Illinois	185,764,000	73,820,671	286,103,648
Indiana	39,041,000	14,554,994	18,178,756
Iowa	34,057,000	29,922,490	49,034,746
Kansas	29,074,000	10,034,102	1,975,514
Kentucky	38,903,000	38,844,049	3,538,511
Louisiana	83,620,000	32,679,768	46,597,664
Maine	13,844,000	4,806,310	9,241,931
Maryland	91,013,000	74,188,600	293,785,499
Massachusetts	97,105,000	81,110,146	273,808,012
Michigan	99,961,602	38,058,845	36,326,919
Minnesota	49,923,000	24,349,078	54,875,903
Mississippi	23,286,000	1,003,231	907,223
Missouri	56,208,000	27,586,349	22,280,910
Montana	31,842,000	2,869,595	36,600,554
Nebraska	13,844,000	708,434	12,583,233
Nevada	$13,844,000	$6,537,554	$6,474,291
New Hampshire	13,844,000	11,160,374	18,146,357
New Jersey	72,212,000	30,790,394	119,234,078
New Mexico	24,975,000	11,763,140	5,202,850
New York	195,372,000	114,399,365	450,749,861
North Carolina	47,791,000	34,560,402	56,914,637
North Dakota	13,844,000	2,969,246	8,696,699
Ohio	88,134,000	53,453,613	134,832,582
Oklahoma	20,185,000	10,822,514	814,470
Oregon	61,442,000	45,534,087	64,715,725
Pennsylvania	136,810,000	55,950,690	211,350,418
Rhode Island	28,935,000	28,192,551	61,317,715
South Carolina	19,908,000	3,276,447	6,479,783
South Dakota	13,844,000	3,799,814	8,677,982
Tennessee	33,088,000	29,567,270	2,433,378
Texas	110,423,000	14,432,316	4,875,618
Utah	38,183,000	21,032,434	37,630,006
Vermont	14,620,000	5,143,931	8,748,594
Virginia	73,354,000	69,337,506	0
Washington	82,291,000	58,667,713	79,853,314
West Virginia	84,368,000	53,173,365	56,233,596
Wisconsin	20,814,000	12,426,742	23,560,673
Wyoming	19,936,000	12,737,173	37,006,244
District of Columbia	50,283,000	51,995,479	206,447,697
Total	2,789,117,602	1,529,246,205	3,305,081,180

[1] Limitation on Federal-aid highway program obligation (FHWA table 7C).

[2] Unobligated balance of apportioned interstate funds (FHWA table 10).

By Mr. CHILES:

S. 503. A bill to protect the concept of neighborhood schools, to provide financial assistance to local educational agencies in each State in order to strengthen neighborhood schools and to increase the use of such schools as community, cultural, and educational centers, and for other purposes. Referred to the Committee on Labor and Public Welfare.

NEIGHBORHOOD SCHOOL ACT OF 1972

Mr. CHILES. Mr. President, in the last Congress I introduced two bills—S. 2508 and S. 3194—in an effort to protect the concept of neighborhood schools and to provide financial assistance to local educational agencies in each State to strengthen the neighborhood schools through the use of schools as community cultural and educational centers.

This morning I am introducing a bill which combines those two proposals into one legislative package, since I felt the two separate measures were closely related and dependent upon each other in concept and practical operation.

Nothing has caused more anger, more resentment, more frustration at the local level of government than the problem of how we are to educate our children.

American society is deeply committed to schooling because it is aware of the importance schooling leaves upon an individual in determining his future. For better or worse, formal education is one of the most important determinants of the lifetime opportunities of individuals. In large measure the schools select persons to fulfill the hierarchy of social, political, and economic roles of society. And those who receive more and "better" schooling are in a better position in a schooling-dependent society to obtain the highest earnings and the best jobs.

Central to our society"s commitment to education has been the idea of the neighborhood school. Today that concept is being destroyed in some areas and seriously threatened in others.

In Florida, as I am sure in other States, people are deeply concerned about the neighborhood school. So many people told me during my campaign walk in Florida that they had bought a home in a neighborhood, paying more than they could really afford to pay so that they could send their children to a particular school. And now they are having to put their children on buses—sometimes for as long as an hour and a half ride each way—many times on split sessions where one child in a family goes at 6 o'clock and another goes at 12. It is not surprising to me that this angers people. And it angers me that I am unable to explain to parents how this busing would help the education of their children. Both black and white are upset by the idea that they are being forced to bus their children just to have a mathematical formula of the races in the schools.

Title I of my bill would define the neighborhood school concept and would declare it to be the policy of the United States to encourage that concept so that students would be assigned to a public elementary or secondary school solely on the basis of residence within the geographic zone which that school served.

At the same time, however, it would also declare it to be the policy of the United States that no student would be denied the right to transfer and be provided transportation out of the neighborhood school if he were a member of a minority group and that minority group constituted at least 50 percent of the students enrolled in the neighborhood school.

This title would accomplish, I believe, the desirable goal of having parents and teachers and children close to each other. The plan would require children to spend less time getting to and from school; allow them the possibility of participating in extra-curricular activities; allow more time for home assignments; and would lower costs considerably.

And yet the title provides transportation to the student who prefers to attend a school other than the neighborhood school, if he is a member of a minority group and the group constitutes 50 percent of the neighborhood school enrollment.

Closing a school is not a solution—it is another indicator of a still-present problem. A school closing eliminates a community center; shuts off one of the best possibilities for community contact and tells the community's children in the most direct and painful way possible that they must go elsewhere to learn—leave the home, the neighborhood environment, in order to attain the education necessary for "success."

Closing a school and busing the children in the neighborhood to another school puts up an artificial dividing line between the home and community environment and the school environment—environments which ought ideally to work together to help shape and mold student achievement.

I believe there is little argument against the idea of a neighborhood school system. The attacks against it have been made in a sincere effort, I suppose, to provide a better education for those children living in an area served by an inferior school. Admittedly in the past, neighborhood school systems have not been equal school systems. There have been disadvantaged children who have had to go to schools that were not equal. And, in advocating a rededication to the neighborhood school concept I am in no way advocating a regression toward unequal or inferior education systems—but rather encouraging the best possible schooling in each neighborhood school. While my bill would allow anyone who wished to do so the right to transfer, if a student elected not to transfer, he would not be held at a disadvantage.

Congress needs to face squarely the problem of providing Federal funds for allowing a lower pupil-teacher ratio and providing support for guidance counselors, vocation-technical educational and recreational equipment in disadvantaged schools. Title II of this bill would key in on the disadvantaged schools and try to make prize schools out of them. This would allow children in a disadvantaged area to "catch up." It would attempt to meet the child's needs where he is, raise educational requirements and standards and provide for a center for the community, giving a point of pride from which to build the neighborhood itself and develop leadership.

Title II zeros in on the worst schools and affords them the financial aid that is one of the undeniable ingredients needed to make a prize school. I am fully aware of the controversy among educators and education specialists today over the question of whether or not dollars do make a difference in learning. It is obvious that many factors affect educational achievement and also obvious from even a cursory look at the recent studies—that an estimation of the independent importance of each of the determinants of student achievement requires data that is difficult to obtain and more difficult still to measure. But it is also apparent that dollars can make a difference if spent on those school inputs which influence student achievement. And I believe it would be foolhardy to conclude that changes in school facilities and curriculum do not affect student achievement.

My bill offers financial aid and provides that neighborhood schools be used as community cultural and educational centers. I think this is a workable plan which would be a good beginning toward making the neighborhood school a real point of pride—instead of shame—for the community.

Title VII of the Education Amendments of 1972, provides funds to upgrade educational quality in school districts which have adopted a comprehensive districtwide plan for the elimination of minority group isolation to the maximum extent possible in all its schools. The point of this eligibility requirement controlling these funds seems to be to eliminate, reduce, and prevent minority group isolation from occurring. Title II of my proposal provides the needed financial assistance to help protect the concept of neighborhood schools. No one could support the neighborhood school concept if the kind of education that neighborhood schools offered was below standard. If we are going to protect our traditional concept of our public educational system, we must improve it. We must be able to offer the children in these areas a real choice.

Title II defines a disadvantaged school as one where not less than 40 percent of the children enrolled are members of families with an annual income less than $4,000. It provides that schools considered disadvantaged would receive a Federal payment equal to the amount of 65 percent of the average per pupil expenditure in the State or in the United States, whichever is higher, times the enrollment of students in the particular school. These special funds are to be used only in disadvantaged schools, only for programs and projects designed to meet the special educational needs of educationally deprived children and for new or innovative school and community educational recreational programs. Disadvantaged children attend disadvantaged schools where there is often neither sufficient funds for equipment and facilities and little or no funds for recreational and cultural "extras," which can help turn a school into a "prize" school, that has the possibility of serving as a true center for the community—a vehicle for drawing people together because they are proud of what they have, rather than something that divides the community and is a source of shame.

One of my primary reasons for introducing this bill is to provide for a means of strengthening community involvement in a more effective use of the neighborhood schools. School facilities, particularly in disadvantaged schools, are in use a mere 6 or 7 hours a day. The buildings, as well as equipment in the school—if it is properly equipped—remain dormant for much of the day—in fact, much of the year. Schools are unused at night or on weekends, basketball courts remain dark and unused at night; library doors are closed. The money this proposal provides is especially directed toward remedial and other services to meet the special needs of the educationally disadvantaged children. It would allow the hiring of additional professional or other staff personnel with special emphasis on recruiting parents and other local community members to assist in achieving the educational goals of such schools.

Let me give you an example of the kind of program title II would encourage.

There is in Washington, D.C., a group called PEER—Parents Enhancing Education Readiness. It is, basically, a program to increase the readiness of children entering school, and seeks to accomplish this by increasing the knowledge and skills of the pupil personnel staff so that they, in turn, may help parents of preschool children become more aware and more competent teachers of their own children at home. The group conducts workshops in child development and facilitative techniques including demonstrations, films, discussions, field trips and workshops on human reproduction, readiness as it relates to developmental maturation, demonstrations of teaching and training techniques. The pupil personnel staff tutors the children going into homes for an hour per session to talk to, play with, read to children, and to model behavior for the parent, helping parents to understand how to teach their children in the home some of the basic skills necessary for successful school life. The preliminary sessions of the PEER program would be only one example of the kind of activity that could go on at a school after hours and on weekends if more funds were available where they were needed the most.

Funds provided in my bill would be available for comprehensive guidance, counseling, and other personal services for educationally disadvantaged children, development and employment of new instructional techniques, career education programs, and school/community educational recreational programs designed to stimulate further community interest and involvement with the education process. It would also include provisions for professional staff home consultations with parents and students where necessary, special administrative activities, and evaluation programs.

Funds provided through this proposal would be expended only in disadvantaged schools for the programs and activities for which such assistance is sought. I have tried to build in provisions to assure that such funds will not be mixed with State funds and will be used as intended, that is, to increase the level of money that would be available for the purposes I have just described. The Commissioner of Education will be authorized to see that good evaluation is made annually to assure the effectiveness of programs and activities encouraged through the program. The Commissioner could terminate further payments if he finds that the program or activity for which the grant was made has been changed to no longer comply with the act's provisions.

Mr. President, we are faced today with a situation in which many children choose to attend a school a good distance from home, because the level of instruction, the quality of education offered at his neighborhood school is low.

The bill I am introducing today is designed to meet the child's needs where they are. The parent and child and teacher could remain closer to each other, the child would not have to spend so much time getting to and from school, leaving more time for his homework and extracurricular activities; and most of all children would be allowed to attend their neighborhood school if they chose to. That choice would be made more real, more practical by the upgrading of that disadvantaged neighborhood school.

There are those who would seek to prey on the emotions and fears of our parents and children. We must remember that our courts represent the law of our land and interpretation of the U.S. Constitution as it is now written. I sincerely hope that parents will not seek to disobey the law and Constitution because of their dissatisfaction with the busing of their children. At the same time I hope my colleagues will give their serious consideration to the proposal I offer today—as a humane and workable alternative solution to a complex problem.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. JAVITS, Mr. BEALL, Mr. DOMINICK, Mr. EAGLETON, Mr. HUGHES, Mr. MONDALE, Mr. PELL, Mr. RANDOLPH, and Mr. STEVENSON):

S. 504. A bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive emergency medical services systems. Referred to the Committee on Labor and Public Welfare.

EMERGENCY MEDICAL SERVICES SYSTEMS DEVELOPMENT ACT OF 1973: S. 504

Mr. CRANSTON. Mr. President, I am pleased to introduce S. 504, the proposed Emergency Medical Service Systems Development Act of 1973, and am very gratified that so many of my colleagues on the Senate Health Subcommittee have again in this Congress joined me in sponsoring this legislation.

The legislation I am introducing today is almost identical to that I introduced last year in S. 3784, and which was adopted by the Senate in S. 3716. I have made three changes: first, to include a separate appropriations authorization for research in emergency medical services techniques, devices, methods and delivery; second, to include language similar to that in the House-passed bill last year, authorizing the Secretaries of each military department to enter into arrangements with communities for the establishment of MAST—Military Assistance to Safety and Traffic—programs; and third, to direct that the annual report required by the proposed legislation include a study of the legal barriers to the provision of emergency medical care.

Since the time the provision of emergency medical services became a legislative issue last year, increasing attention has been paid to the problems and potential solutions involved in this field by almost every element of the community related to these programs. Recently, some 15 national organizations met to discuss how these services could be improved and organized to better meet the Nation's needs. This group produced some very promising recommendations—for the most part similar to conclusions I had reached in developing the proposed legislation. I look forward to the contributions of these organizations in the consideration of this legislation.

DEFICIENCIES IN EMERGENCY MEDICAL SERVICES

One of the most serious deficiencies in the health system in many communities is the inability to respond immediately and effectively to emergency medical crises. The mounting numbers of deaths and disabilities resulting from medical emergencies which in many cases could be averted by adequate planning and organization of health resources is a matter of considerable concern today.

MORTALITY AND DISABILITY FROM MEDICAL EMERGENCIES

Projections from studies indicate that mortality from accidents alone could be reduced by from 10 to 20 percent by proper medical care at the scene of the accident or en route to an emergency facility. Thirty percent of cardiac deaths could be prevented if the public were educated to recognize the symptoms of heart attack and if ambulance attendants were adequately trained to provide immediate emergency treatment. Five thousand deaths each year from other causes such as poisonings, drownings, and drug overdoses could be prevented by immediate medical attention.

The National Academy of Sciences-National Research Council reports that on the basis of current surveys, it is estimated that only 65 percent of the more than 200,000 ambulance attendants of the Nation are trained to the level of the advanced first aid course of the American National Red Cross or higher levels, 25 percent are trained at a level less than the Red Cross course, and 10 percent have no training at all in the fundamentals of first aid.

The ultimate goal outlined in the guidelines established by the National Academy of Sciences-National Research Council and recommendations on the training of ambulance personnel is to create a nationwide corps of career ambulance emergency medical technicians who are qualified to carry out measures now applied by allied health personnel in emergency departments and by medical corpsmen in combat areas. It is estimated by the National Academy of Sciences-National Research Council that fewer than 35 percent of all ambulance personnel are now qualified at the recommended minimal basic level.

Accident is the fourth leading cause of death in the United States. In 1968 trauma resulted in more than 100,000 deaths, 10 million cases of temporary disability, and 400,000 of permanent disability. Trauma patients used more hospital days than all heart patients or all obstetrical patients and more than four times as many hospital days as all cancer patients.

AMBULANCE SERVICES

The adequacies of ambulance services vary widely throughout the Nation. In many communities, ambulance services are run by the local undertaker, in others, the ambulance service is a commercial enterprise—yet few of these find it a profitable business; more than a fourth lose money on ambulance services and depend on other sources for income to make up the loss. The average cost of ambulance service is $75 per trip. Few

emergency victims are able to pay that amount. Third-party insurance rarely covers the full cost; in many instances it covers none of the cost.

About one-fourth of the ambulance service in the United States is provided by the local unit of government—usually through a public safety organization such as the fire department, police department, or sheriff's office. Two percent of ambulance service is provided by hospitals.

The American College of Emergency Physicians reports that only 37 percent of ambulances in a recent survey met minimal design standards, and only 6 percent had facilities to communicate directly with a hospital emergency room. Many ambulances have little more room than that sufficient for a prone patient; forcing the attendant to crouch to minister to him. Frequently, life-saving equipment or even basic equipment such as splints, backboards, or poison antidotes, are not carried as standard equipment on the ambulance.

HOSPITAL EMERGENCY ROOMS

Increasing concern is being expressed regarding the heavy demands made upon a major element of any emergency medical system—the hospital emergency room. Hospital emergency rooms are increasingly called upon to provide outpatient care for the community. There has been over a 600-percent increase in the number of emergency visits in some hospitals in the last 25 years. Nationally the average is an increase of 10 percent a year. Last year there were approximately 50 million visits to emergency rooms.

In the critically underserved neighborhoods of densely populated urban areas, emergency medical services should more accurately be termed health services. Here, the distinction between emergency medical care and primary health care is very difficult to determine.

This increased reliance of the community on the services of the emergency room has vastly compounded the difficulties of providing medical care to the emergency victim.

In many communities the small hospital is particularly hindered by inadequate staffing and undertrained personnel and by equipment shortages. Rural communities serving underpopulated areas find it particularly difficult to maintain emergency medical services at the optimum staff and equipment level necessary to meet the infrequent need to provide critical care to an accident victim. According to a study of the National Academy of Sciences, 70 percent of motor vehicle deaths occur in rural areas and communities with a population under 2,500. Some of this tragic difference is caused by inability to reach the patient quickly in an isolated area, but some of it is caused by the inadequacies of emergency room facilities.

I believe a special problem faces the rural community on a seasonal basis. For a major part of the year, such communities have a small number of critical medical emergencies. However, during the peak of the resort season, the number of emergencies rises sharply. Frequently these areas have minimal health personnel or health facilities capable of dealing with these emergencies on a 24-hour basis. In such instances the need for areawide planning of emergency medical services and coordinaiton of such services with neighboring communities becomes a matter of necessity.

CAPABILITY TO CORRECT DEFICIENCIES EXISTING

Modern science has given us the means of overcoming many of the obstacles to providing immediate and effective emergency medical care. The development of portable equipment for the treatment of victims of heart attack, or other critical and sudden illnesses; the development of totally equipped and staffed mobile critical care units capable of bringing the expertise of the hospital to the scene of the emergency; developments in radio and telecommunications permitting electronic monitoring and transmittal of patient data to an acute care center; utilization of rapid means of transport such as helicopters where ground transportation access is poor or too slow—have provided us with the tools necessary to assure prompt response and reaction to a medical emergency.

COORDINATION IN PLANNING SYSTEMS OF EMERGENCY MEDICAL SERVICES

I feel the deficiencies of emergency medical services throughout the country are not impossible to correct. The technical information and the medical capacity to deal with these problems exist. However, to date, efforts to find solutions to them have been fragmented and uncoordinated. The greatest deficiency has been lack of coordinated planning efforts at both the local and the national levels. At the community level, methods must be developed of involving all elements related to the provision of emergency services in meeting community needs.

At the Federal level, governmental units in numerous agencies are concerned and involved with the provision of these services, yet coordination has been haphazard.

In drafting this legislation, I considered means of developing a system whereby these units could work together nationally and locally toward meeting their shared goals.

The proposed Emergency Medical Services Systems Development Act of 1973 is intended to provide the means by which this can be accomplished. The bill authorizes the Secretary of HEW to provide support to States, units of local governments, or combinations of local governments, comprising a SMSA to plan, assist in, improve and expand the provision of emergency medical services. A 3-year appropriations authorization for grant and contract support is included as well as a separate appropriations authorization for research in emergency medical services and systems development A basic requirement of any application for funding is the development of a comprehensive plan for the establishment of an emergency medical services system. Opportunity for participation in the development of the plan must be assured to all elements in the community having a relationship to emergency medical services, including consumers, public safety agencies, communications networks, private ambulance firms, representatives of Federal agencies, as well as health care providers, health facilities, and health education institutions.

The community must establish an area emergency medical services planning council whose membership will include representatives of these elements, and whose functions will include development of the plan, in consultation with the 314(a) and appropriate 314(b) planning agency, as well as continuous monitoring and evaluation of the operation of the emergency medical services system.

For the State or community to be eligible for Federal support, the plan must provide for certain essential elements.

TRAINING

To be eligible for a grant or contract the plan must include provision for the training of sufficient numbers of specialized professional and paraprofessional staff as well as providing for their continuing education.

Fully trained emergency medical services personnel are an essential element of any comprehensive emergency medical services system. I, therefore, feel that adequate programs of educating and training such individuals must be developed. The bill requires that these programs meet criteria and standards approved by the Secretary after due consultation with appropriate medical and educational interests. Since there will be an immediate demand that these programs be supported in sufficient numbers to provide the personnel necessary to permit the adequate functioning of EMS systems supported under this act I would hope the Secretary will make the development of these programs a first priority.

The bill specifies that all training and education activities developed under plans adopted be coordinated with programs authorized under titles III, VII, VIII, and IX of the Public Health Service Act. This coordination will insure the programs under other legislative authorities and should avoid the duplication of training activities.

The multidisciplinary approach to the provision of emergency medical services has proven its effectiveness in Los Angeles, Jacksonville, and the State of Illinois, among other communities having exemplary systems for the provision of emergency medical services. I believe that the training of emergency medical services personnel is particularly suited to the concept of team training provided within the concept of the total emergency medical services system.

Continuing education is of paramount importance to the paraprofessional as well as to the professional. I feel that any member of the emergency medical staff should be required to participate in regularly scheduled continuing education programs.

In order for EMS systems to be properly planned, developed, operated and evaluated, several types and levels of personnel will be needed and must be trained.

Currently, there are approximately 15,000 physicians providing emergency care on a full-time basis. In emergency

there were no postgraduate training programs for emergency physicians such as those under which other specialists are trained. There are now six such programs, and more are being developed. This expansion in the number of postgraduate training programs is promising and I hope the expansion will continue. Many more of these programs are needed to provide the numbers of full-time emergency physicians needed to adequately serve the Nation's communities. In addition, these physicians must have access to continuing education programs geared to their needs as emergency physicians.

Further, there is a need for all physicians in postgraduate training programs in other specialties and physicians practicing in other specialties to be able to handle common medical emergencies as well as those which arise in their specialties. Programs must be developed to provide training for these physicians to handle common medical emergencies and to maintain their competence in handling them when they go into practice.

The importance of adequate training of the paraprofessional, who in most instances, is the first person at the scene of the emergency, cannot be overemphasized. A number of standardized training programs have been developed, most notably the course developed by the Department of Transportation which consists of some 70 hours of training. I have been impressed by reports on the highly skilled paraprofessionals who have completed longer periods of training of 300 hours or more. These individuals, working in conjunction with a professional at the emergency room or other health facility by vote communication, are capable of providing lifesaving care and utilizing complex equipment essential to save the patient from death and protect him from serious disability.

The utilization of the former military medic in these systems seems particularly appropriate, and there has been some notable success by communities to recruit these individuals for these positions.

In addition, there is a need to develop and train other emergency medical personnel. Among members of the emergency medical services system staff are the emergency nurse, including the specially trained nursing associate who can carry out triage in certain circumstances and provide some element of treatment to the patient, the emergency physician's assistant, emergency medical technicians to work both in hospital emergency departments and at the scene of the emergency, emergency communications personnel knowledgeable about the development and operation of sophisticated communications networks, emergency department ombudsmen, community workers both within the emergency room and in the community who can relate to the needs of the patients as well as provide educational services on the use of emergency facilities.

In addition to the emergency medical personnel directly involved with patient care, I am impressed with the need for managers of emergency medical systems who can plan, develop, operate, and evaluate such systems. Ideally, these managers would have a background in both emergency health care and in health administration and management. Reports of the development of programs to educate such individuals at Ohio State University and at the University of Pennsylvania are very promising and I would hope their development will be pursued at other educational institutions.

The need for health managers or administrators is becoming more evident as medical services move from a nonsystem of fragmented care to one of coordinated and organized systems. There is a real need for these specialists in implementing a comprehensive emergency medical services system in a large community or a State.

The bill does not provide a separate authorization for training programs since it is our conviction that training for emergency medical services must be integrated with an emergency medical services system operating in a community. Provision for training programs and continuing education programs are required elements of any comprehensive plan submitted with an application for funding support.

COMMUNICATIONS

Mr. President, another requirement of any plan is the provision for a 24-hour communications system which provides the necessary linkage from the point of the emergency through a central point dispatching emergency personnel and vehicles, and on through all points of the system to the emergency medical facility and its highly specialized personnel and equipment. These communications systems should at the same time be compatible with the transmission of patient data to the critical care unit through radio and video transmission or other electronic monitoring systems.

In providing ready consumer access to an emergency medical services system, while the 911 dial system currently being advanced by the telephone companies within the United States is highly desirable, it is a time-consuming and expensive process, and alternative courses of action should be considered by communities as an interim or substitute measure prior to the installation of a 911 system. Another major problem involved in consumer access to the communications system is the ability of the dispatch center to locate the emergency geographically, when the consumer is a child, or a stranger to an area and unable to identify his location. Areas of technology must be pursued so that future capabilities can be established to help the central dispatch point identify the location of the call.

TRANSPORTATION

Another requirement of an emergency medical services system is adequate provision for transportation. Sufficient numbers of vehicles, equipped with the necessary life-saving equipment, accompanied by well-trained emergency personnel and meeting standards of safety and patient care recommended by nationally recognized organizations must be a basic element of any system. In many communities such vehicles are in use already, sometimes provided by commercial ambulance companies, sometimes by public safety agencies, sometimes by voluntary agencies, and sometimes by the community hospital. Where such resources already exist and where they meet standards of equipment and personnel recommended by the Secretary, they should be incorporated into and would form important components of a program for the comprehensive emergency medical services.

Transportation systems must be geared to the special geographical characteristics of the community. In some areas where road systems are inadequate or distances are great, the utilization of a helicopter has proven particularly appropriate in transporting emergency victims. The outstanding record achieved by the MAST pilot programs established in several communities is an example of the effectiveness of the helicopter as an element of an emergency medical services system. One of the great deterrents to greater utilization of helicopters is the heavy expense. I believe the involvement of public safety agencies, many of which utilize helicopters for other purposes, in the development of plans for community emergency medical services can offer opportunities for the joint and therefore more economical use of this method of transport.

FACILITIES

A fourth major element in any system for the provision of emergency medical services is adequate facilities, conveniently and strategically located, and available for utilization on a 24-hour basis. For the most efficient operation of an emergency medical services system and for the most efficient utilization of scarce financial and professional resources, planning for these facilities is essential. The potential organizational efficiency which could result from the application of the recommendations for categorization of facilities made by the Commission on Emergency Medical Services of the AMA makes them well worth consideration.

Adoption of such a categorization system in the communities would appear to provide a rational approach to the provision of emergency medical services while avoiding expensive and unnecessary duplication of equipment and facilities and poor utilization of scarce staff resources.

ADDITIONAL REQUIREMENTS

Other requirements of community plans include:

Access to specialized critical medical care units either within the community or in a neighboring community, and means of transfer to facilities and programs which can provide such followup care and rehabilitation as is necessary to bring about the patient's recovery.

Assurance that anyone in need of emergency medical care will be provided such care without regard to ability to pay or prior inquiry as to financial situation or insurance coverage.

come with emergency medical services

Provision for developing a program to

during mass casualties, natural disasters, or national emergencies.

Provision for a program of public education and information, stressing appropriate methods of medical self-help.

Provision for standardized patient recordkeeping systems.

ROLE OF COMPREHENSIVE HEALTH PLANNING AGENCIES

Since the 314(b) agency should be the logical entity to coordinate and plan for a well functioning health system, the proposed act requires involvement of the comprehensive health planning agencies established under section 314 of the Public Health Service Act in the development and implementation of any programs for area emergency medical services. Indeed, to be eligible for a grant, a governmental unit or combination thereof would have to comprise at least the area covered by an area-wide 314(b) planning agency unless the area proved to be incompatible to the development of a coordinated comprehensive system.

REPORTS AND RECORDS

A grantee must make such reports and maintain such records as the Secretary of HEW determines are necessary. To insure that grants and contracts awarded under the provisions of the proposed act are directed towards the implementation of plans for emergency medical services systems, the Secretary is expected to make every effort to require periodic reporting on progress achieved in the development, establishment, or expansion of components of such systems.

To assure the effectiveness of such systems, all components of an emergency medical services systems must meet standards and criteria established in regulations by the Secretary.

The bill provides for two alternative award mechanisms—grants and contracts. The indefinite nature and need for flexibility in the development of plans for emergency medical services systems in any given area are most appropriately addressed by the grant mechanism. A similar approach has also proven most effective in training programs.

However, in the actual implementation of a plan for an emergency medical services system and the development of its components, the utilization of the contract mechanism has special applicability. The contract mechanism provides a greater degree of assurance that implementation of the plan will more closely follow the original purpose proposed in the application and provides for greater control over compliance with requirements and quality standards prescribed by the Secretary.

Under the bill, utilization of the contract mechanism must be subject to the same review and approval procedures as the grant mechanism. There must also be sufficient flexibility to permit renegotiation of the contract should the local unit of government feel the original purpose for which the contract was awarded should be changed. Again, any such renegotiation should be subject to the same review procedures as used in the grant mechanism.

INTERAGENCY TECHNICAL COMMITTEE

At the Federal level, the bill establishes an interagency technical committee to coordinate Federal programs and activities relating to emergency medical services. Many successes have been realized in the MAST programs through coordinated activities of the Department of Defense, Department of Transportation, and the Department of HEW. The Inter-Agency Committee should result in further cooperative efforts at the Federal level. I hope that local community efforts also will be made to foster these coordinated arrangements at the local level.

A new provision of the bill would authorize the Secretaries of each military department (including the Secretary of Transportation as to the Coast Guard in non-war periods) to enter into agreements with communities for the establishment of MAST programs. These programs have been in effect in five communities with outstanding results, however, the Department of Defense General Counsel has expressed the need for authorizing legislation for the expansion of these programs to additional communities. This congressional authorization will enable MAST programs to be initiated in some 21 new sites which currently have the capacity to participate in MAST programs.

NATIONAL EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL

A National Advisory Council is established by the bill within HEW to review and advise on applications and to make recommendations to the Secretary on implementation of programs under the proposed act. Membership of this Council includes not only representatives from other Federal agencies, but also the Director of the National Institutes of Health and the Administrator of the Health Services and Mental Health Administration. I recognize that the development of effective emergency medical services system will depend on the coordination of the resources of both the research and the services components of the Public Health Service and for that reason specifically included the directors of these units on the Advisory Council.

REPORT TO CONGRESS

The bill requires an annual report to Congress which shall include an evaluation of the adequacy of emergency medical services throughout the Nation, a study of the legal barriers to the provision of such care, and recommendations on legislation which would correct any deficiencies. The provision of emergency medical services is affected in some States by inflexible laws on licensure, malpractice and liability. This seems to be an appropriate area for study in the preparation of the report.

RESEARCH

In addition to the basic elements of trained personnel, communication systems, transportation systems, and facilities, we need intensive research in the physiological changes produced by trauma, as well as research to utilize, to the fullest extent, technical knowledge in the development of sophisticated hardware and systems for emergency medical services as well as of equipment for monitoring or treating the patient.

Relatively little has been done in fundamental studies on acutely injured individuals in the areas of wound healing and infections, and psychological, metabolic, cardiac, and respiratory changes following trauma. A beginning has been made through the eight trauma centers supported by the National Institute of General Medical Sciences, but funding for these programs has always been quite limited. The substantial reduction in mortality and lasting disability from burns resulting from the establishment in recent years of specialized burn centers attests to the positive results that can be attained through applying concentrated medical efforts in a center where multidisciplinary teams can work together in developing optimum treatment capacities and an organized approach to providing specialized care.

As we turn from our massive research efforts in manned space exploration, the scientific capability developed for those programs could propitiously be transferred to improving our ability to provide emergency medical services.

Because of the need for research in areas related to emergency medical services systems, I have added a separate authorization of $5,000,000 annually for support of research programs. Such grants for research must be carried out in conjunction with area emergency medical services systems which have developed a plan meeting the requirements of this proposed legislation.

CONCLUSION

Mr. President, I believe that enactment of this legislation will insure the continuation and improvement of existing emergency medical services programs and will provide opportunities for the development of new programs on a comprehensive basis throughout the Nation.

I would like to express my appreciation for the assistance and support provided in the development of this legislation by the distinguished Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Labor and Public Welfare, and by the distinguished Senator from Massachusetts (Mr. KENNEDY), chairman of the Subcommittee on Health, as well as by the distinguished respective ranking committee and subcommittee minority members, the Senator from New York (Mr. JAVITS), and the Senator from Pennsylvania (Mr. SCHWEIKER). Joining with them as cosponsors of this bill with me are the Senator from Maryland (Mr. BEALL), the Senator from Colorado (Mr. DOMINICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Illinois (Mr. STEVENSON).

Mr. President, I ask unanimous con-

sent that the full text of the bill be printed in the RECORD at this point.

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

S. 504

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 "Emergency Medical Services Systems Development Act of 1973".

SEC. 2. (a) The title of part C of title VI of the Public Health Service Act is amended to read as follows:

"PART C—CONSTRUCTION OR MODERNIZATION OF EMERGENCY ROOMS AND DEVELOPMENT OF AREA EMERGENCY MEDICAL SERVICES SYSTEMS".

(b) Section 631 of the Public Health Service Act is amended by striking out "1971," and inserting in lieu thereof "1974,".

(c) Section 633 of such Act is amended to read as follows:

"AUTHORIZATION

"SEC. 633. To assist in, improve, and expand the provision of adequate emergency medical services in the Nation for the treatment of accident victims and victims of sudden illness, and handling of other medical emergencies, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1974; $100,000,000 for the fiscal year ending June 30, 1975; and $150,000,000 for the fiscal year ending June 30, 1976, for special project grants to and contracts with appropriate governmental entities for the planning and development or expansion of comprehensive area emergency medical services systems. Sums made available under this section may be used for planning, construction, training, and manpower development, communication, transportation, public education, coordination of services and facilities and other components necessary for the implementation of a plan submitted in accordance with section 635."

SEC. 3. Part C of such title is further amended by adding at the end thereof the following new sections:

"ELIGIBILITY FOR GRANTS AND CONTRACTS

"SEC. 634. Funds appropriated pursuant to this part shall be available for grants and contracts made by the Secretary, after consultation with the National Emergency Medical Services Advisory Council established by section 638, and funds available for grants and contracts under section 633 shall be provided on a matching basis of up to 75 per centum in accordance with criteria of need as determined by the Secretary pursuant to regulations he shall prescribe, to assist States, political subdivisions, or regional arrangements, compacts, or consortiums comprising the governmental jurisdictions for at least those areas included in a standardized metropolitan statistical area (as determined by the Office of Management and Budget) in the case of programs to be carried out in such standardized metropolitan statistical areas, presenting a plan for the provision of comprehensive and coordinated emergency medical services for a geographical area which encompasses an area at least congruent with an areawide comprehensive health planning agency as established under section 314(b) of this Act or multiples of such area, (unless the Secretary determines that such area cannot feasibly operate under a single plan in which event he may approve a plan submitted for a portion of such area), which plan must be approved by the Secretary and meet requirements consistent with the provisions of section 635 set forth in regulations prescribed by the Secretary.

"PLANS

"SEC. 635. Each plan submitted pursuant to section 634 must include the following—

"(a) reasonable assurance that there has been or will be established in or for the area with respect to which such grant is sought, an area emergency medical services planning council pursuant to the provisions of section 636;

"(b) proposals for programs (carried out in coordination with education and training programs assisted under titles III, VII, VIII, and IX of this Act and in a manner consistent with the appropriate provisions of such applicable title) for the training and continuing education of health professionals and paraprofessionals (with priority for the recruitment and training of veterans of the Armed Forces of the United States with training or experience in the health care field) in the provision of emergency medical services to victims of accident and sudden illness, which programs must meet criteria established by the Secretary in regulations and, in the case of the training of paraprofessionals, must include supervised clinical training for at least one-half of the program;

"(c) provision for a communications system including, at least, a central, areawide communications network linked with other appropriate area, State, and National networks, and with maximum accessibility for the public through a universal emergency telephone number and other means, which system shall allow transmission of information by voice, telemetry, or other electronic method and shall provide for cross-frequency patching capability;

"(d) provision for an emergency medical sevices transportation system, which shall include such airborne and waterborne transportation as is necessary to meet the individual characteristics of the area;

"(e) provision for the establishment of easily accessible, continuously operational emergency medical services facilities in sufficient numbers and situated at strategic locations in the area to meet the emergency medical services needs of the area;

"(f) provision for emergency access to specialized critical medical care units in the area, including provision for the necessary transportation systems for such access, and, where such resources are nonexistent or inadequate in the area, for access to such units in a neighboring area where access is feasible in terms of time and distance;

"(g) assurance that necessary emergency medical services, to the maximum extent feasible, shall be provided to all patients requiring sevices and shall be provided without regard to, or prior inquiry as to, ability to pay;

"(h) provision for developing for submission for approval by the Secretary, within one year of receipt of funds under this part, a plan assuring an operational system for providing emergency medical services during mass casualties, natural disasters, or national emergencies;

"(i) provision for transfer to facilities and programs providing such followup care and vocational rehabilitation as is necessary to effect the maximum recovery and restoration of the patient;

"(j) provision for a program of public education and information in the area served (taking into account the needs of vistors to the community to know or be able to learn immediately the means of obtaining emergency medical services), stressing appropriate methods of medical self-help;

"(k) provision for periodic, comprehensive, and independent review and evaluation of the extent and quality of the emergency medical services provided in the area; and

"(l) provision for a standardized patient record-keeping system meeting standards established by the Secretary in regulations, which records shall cover the treatment of the patient, from initial entry into the system through discharge from the emergency medical services system, and shall, to the maximum feasible extent, be consistent with ensuing patient records used in followup treatment and rehabilitation of the patient.

"AREA EMERGENCY MEDICAL SERVICES PLANNING COUNCIL

"SEC. 636. (a) The composition of the Area Emergency Medical Services Planning Council to be established in accordance with the plan submitted under section 635 shall include representatives of the State agency and appropriate areawide health planning agency or agencies (if any) established under section 314, of the regional medical program established under title IX of this Act in the area, of all public safety agencies having responsibilities within the area, of hospital councils, public, voluntary, and nonprofit private agencies, institutions, and organizations concerned with health or health education, of the local government or governments or units thereof exercising jurisdiction in the area, of uniformed services of the Federal Government operating installations in the area, of the Veterans' Administration medical facilities in the area, of communications networks, mass media, and public utilities, of firms, organizations, and other entities having responsibilities related to the provision of emergency medical services, and of the general public who are not related to the provision of health care and who shall comprise at least one-third of the Council's voting membership.

"(b) The functions of such Council shall include development, in consultation with the congruent areawide comprehensive health planning agency or agencies established pursuant to section 314(b), of the plan described in section 635(h) for areawide emergency medical services and shall include continuous monitoring and evaluation of the operation of the emergency medical services system with a view to making recommendations for the improved effectiveness of its operation.

"INTERAGENCY TECHNICAL COMMITTEE ON EMERGENCY MEDICAL SERVICES

"SEC. 637. (a) The Secretary shall establish an Interagency Technical Committee on Emergency Medical Services which shall be responsible for coordinating those aspects and resources of all Federal programs and activities relating to emergency medical services to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain the necessary coordination and effectiveness of such programs and activities. The Secretary or his designee shall serve as Chairman of the Committee, which shall include appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, the National Academy of Sciences, the National Science Foundation, the Office of Science and Technology, the Federal Communications Commission, the Office of Emergency Preparedness, and such other Federal agencies, and parts thereof (including components of the Department of Health, Education, and Welfare), as the Secretary determines administer programs directly affecting emergency medical services functions or responsibilities. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(b) The Secretary of each military department (or his designee), as such term is defined in section 101(8) of title 10, United States Code, is authorized to enter into agreements with emergency medical services systems under which agreements, equipment, and personnel of the armed force under the Secretary's jurisdiction may, to the extent it will not interfere with the primary mission of that armed force, provide transportation and other services in emergency situations.

"NATIONAL EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL

"SEC. 638. (a) The Secretary shall establish a National Emergency Medical Services Advisory Council with which he shall consult on a continuing and regular basis in administering this part. The Council shall consist of the Secretary or his designee, who shall serve as Chairman, the Director of the National Institutes of Health and the Administrator of the Health Services and Mental Health Administration in the Department of Health, Education, and Welfare, all other members of the Interagency Technical Committee established under section 637, and eighteen members appointed by the Secretary, nine of which appointed members shall be members of the general public who are not related to the provision of emergency medical services, and nine shall be individuals experienced in the provision or development of, or the training of, personnel to provide emergency medical services.

"(b) The functions of the Council shall be to review and advise the Secretary (through a subgroup which it shall appoint) on applications received for grants and contracts under this part and to make recommendations to the Secretary with respect to carrying out the provisions of this part.

"(e) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term; and

"(2) of the members first appointed after the effective date of this part, six shall be appointed for a term of four years, six shall be appointed for a term of three years, and six shall be appointed for a term of one year, as designated by the Secretary at the time of the appointment. Appointed members may serve after the expiration of their terms until their successors have taken office.

"(d) A vacancy in the Council shall not affect its activities, and fifteen members of the Council shall constitute a quorum.

"(e) Members of the Council who are not officers or employees of the United States shall receive for each day they are engaged in the performance of the functions of the Council compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5702, title 5, United States Code, for persons in the Government service employed intermittently.

"GRANTS FOR RESEARCH

"638a. (a) The Secretary is authorized to make grants to public or private nonprofit agencies, organizations, or institutions for the support of research in emergency medicine techniques, methods, devices, and delivery to be carried out in conjunction with the implementation of a plan submitted in accordance with section 635.

"(b) For the purpose of making payments pursuant to grants under this section, there are authorized to be appropriated $5,000,000 each for the fiscal year ending on June 30, 1974, and the next two fiscal years.

"SEC. 639. (a) No application for a grant or contract under this part shall be approved unless—

"(1) the State comprehensive health planning agency established pursuant to section 314(a) and the areawide health planning agency established pursuant to section 314 (b) have had an opportunity to comment thereon, within ninety days of the submission to those agencies of copies of such application, and the applicant has submitted to the Secretary a reply to any such comments with a view toward accommodating any objections by and remedying any differences with such agency or agencies.

"(2) the applicant agrees to maintain such records and make such reports to the Secretary as the Secretary determines are necessary to carry out the provisions of this part.

"(3) The application is submitted in such form and such manner and contains such information as the Secretary shall prescribe in regulations.

"PAYMENTS AND CONDITIONS

"SEC. 640. (a) Grants under this part shall be paid in advance or by way of reimbursement in such installments and on such conditions as in the judgment of the Secretary will best carry out the provisions of this part.

"(b) Nothing in this part shall limit or otherwise restrict the use of funds which are granted under other provisions of this Act or other Federal law and which are available for the conduct of emergency medical transportation and services programs from being used in connection with programs assisted through grants and contracts under this part where the former programs meet the standards and criteria established by the Secretary under this part.

"(c) Contracts may be entered into under this part without regard to sections 3648 and 3707 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) No grants or contracts may be made under this part in support of an emergency medical services system except where all components of such system meet standards and criteria established in regulations by the Secretary after taking into account standards established by appropriate national professional or technical organizations.

"REPORTS

"SEC. 640a. The Secretary shall prepare and submit to the Congress, one year after enactment of this part and every year thereafter, a report on the administration of this part, which shall include an evaluation of the adequacy of the provision of emergency medical services throughout the Nation including a study to determine the legal barriers to the effective provision of medical care in emergency situations and the extent to which the needs for such services are being adequately met through assistance under this part and otherwise and his recommendations for any legislation necessary to promote the provision of and provide emergency medical services throughout the Nation at a level adequate to meet such needs."

Mr. EAGLETON. Mr. President, I am pleased to join today in sponsoring the Emergency Medical Services Systems Development Act of 1973. This bill, modeled closely on provisions contained in S. 3716, which passed the Senate in the 92d Congress, is designed to provide the kind of planning and coordination in the provision of emergency medical services which is so urgently needed in many communities across the Nation.

Our experience in Missouri is very likely typical of the situation in other parts of the country. In each of the major metropolitan areas in the State, Kansas City and St. Louis, there are several public and private agencies which provide emergency medical services. While each of these agencies strives to provide adequate services to the best of its ability, there is little comprehensive planning and coordination. Consequently, services are often not organized and delivered in the most efficient manner, nor are they available to all of our citizens who may have need of them.

In many rural Missouri communities the situation is even worse. There are hundreds of thousands of Missourians for whom emergency medical services simply do not exist. In many such areas, the local funeral director was able to provide emergency services in the past but was forced to eliminate them because of an inability to meet the costs associated with medicare regulations covering the training of personnel and the kind of equipment employed.

Over the years we have spent billions of dollars in this Nation in establishing modern hospital facilities. By comparison, we have invested only pennies in providing emergency medical services. Yet, the evidence is quite clear that the early treatment given a patient involved in an auto accident or stricken with a heart attack is often decisive in determining the final outcome of that patient's case—regardless of the excellence of the hospital facilities where the patient is subsequently treated.

The legislation being introduced today, if enacted and funded, would go a long way toward rectifying this situation—not through a massive Federal program of hardware purchases, but rather through an emphasis on planning and coordination in the use of existing services and supplementation of such services where necessary.

I am particularly pleased that the bill contains a specific authorization for continuation and enlargement of the MAST program, under which Armed Forces equipment and personnel may be used as part of a coordinated system established to render emergency services to civilians. I would hope that the program can be shaped in such a way as to permit its expansion, not only to those communities near bases with Regular Armed Forces emergency units, but also to other communities as well—possibly through the use of Armed Forces Reserves.

Mr. KENNEDY. Mr. President, I am delighted to be able to join the distinguished Senator from California (Mr. CRANSTON) in the introduction of this vital bill on emergency medical services. I believe that it is quite crucial if we are ever to get our health care delivery system functioning properly in America.

Accidental death is the great neglected disease in our society today. In fact, lack of adequate emergency medical services is the major cause of avoidable premature death today. Indeed it is the leading cause of death among all people between the ages of 1 to 38. Each year more than 52 million U.S. citizens are injured and of those more than 110,000 die, 11 million require day bed care for a day or more, and 400,000 suffer lasting disability. Of the more than 700,000 deaths from heart disease each year, the majority are due to acute myocardial infarction and more than half of these deaths occur before reaching a hospital. Approximately 40 million persons seek care each year in hospital emergency departments as a result of accidents, heart disease, stroke, poisoning, diabetic coma, conclusive disorders, and many other illnesses.

The enormity of these figures helps to demonstrate the great need that

American citizens have for emergency medical services. And yet emergency medical services is one of the weakest links in the delivery of health care in the Nation. Every year thousands of lives are lost through the lack of systematic applications of the established principles of medical care. Far too often those who arrive at the site of, for example, a highway accident, are ludicrously untrained and unable to cope with the human disaster they face. Recent surveys have shown that only 65 percent of the country's present 200,000 ambulance assistants have training to the level of the Red Cross advanced first aid course or higher, 25 percent have a lower level of training and 10 percent have none at all. The chances of the victim of a traffic accident being tended by a man who has little or no idea how to deal with the restoration of breathing, with control of hemorrhage or even with the splinting of fractures is therefore terrifyingly high.

Not only are the ambulance personnel insufficiently trained: 20,000 of the country's 25,000 ambulances are of the hearse or limousine type. These are nearly always too cramped and underequipped; they do not give the victim the best possible chance of survival. Only 7 percent of all ambulances have radio communication with the hospitals in the area and thousands have no communication even with their dispatcher.

Even when and if the victim finally does arrive, still alive, despite the inadequate care he has received on his way from the scene of the accident, at the hospital, he cannot expect much better treatment. In most cases, he arrives at the emergency departments without prior notification, and the personnel and equipment are not properly prepared to receive him. The situation is exacerbated by the fact that most emergency departments in the Nation lack not only facilities and personnel but are also overtaxed by millions of nonemergency cases for whom ancillary outpatient facilities should be provided. Whereas there are many excellent facilities for the definitive care of illness throughout America, there are tragically few for the care of the critically ill or injured.

In the last few years great efforts have been made by professional and other non-Government organizations to improve the delivery of emergency medical care in the country. In some areas, which have adopted a comprehensive EMS program, great and laudable progress has been made. But what is needed is concerted Government action and in recent years Federal agencies just have not moved fast enough to update emergency medical procedures. Within the Department of Health, Education, and Welfare, for example, the support given to research and development of EMS procedures can be described at best as only patchy. Indeed, the report issued by the National Academy of Sciences and the National Research Council in March 1972 declared specifically that:

> While most of the agencies have resources that could and should be used in the development of a system of EMS, the most efficient role that each agency may play in an overall program is reduced severely because there are no Federal focal points of responsibility.

This, along with the terrifying statistics of accidental injury and death which I have already quoted, seems to me to be an indictment of the way in which EMS is provided in this country today. EMS is very much the poor relation in health care delivery today. This must be changed. The bill we are introducing today provides $300 million over the next 3 fiscal years for the improvement of almost every aspect of EMS procedures in this country today. These funds, and others, are available on a matching basis of up to 75 percent to those entities which present a plan for a coordinated EMS system for a geographic area. These plans must include a number of basic provisions. Among them: the establishment of an EMS planning council, proposals for training personnel at all levels, a central communications system, universal access to all EMS services, regardless of ability to pay, plans for followup and rehabilitation capability, and public education in the subject.

The function of the council is to develop areawide EMS programs and monitor and evaluate the EMS system when it is underway. The council must include representatives of all officials and professional interested parties but one-third of its voting membership must be members of the general public—the consumers of EMS.

I believe that this excellent bill will provide just the sense of focal point of responsibility that the National Academy of Sciences and the National Research Council felt was so lacking today. It is an essential bill, Mr. President, and I am confident that it will pass and will be of enormous benefit to our society.

As chairman of the Senate Health Subcommittee, Mr. President, I want to take the opportunity to indicate that my subcommittee will begin hearings on this bill next week. I consider this measure to be of the highest priority.

By Mr. CRANSTON:

S. 505. A bill to extend to certain recipients of annuity or pension under the Railroad Retirement Act the treatment accorded to certain social security recipients under section 249E of the Social Security Amendments of 1972. Referred to the Committee on Finance.

PROHIBITION AGAINST LOSS OF MEDICAID ELIGIBILITY AS THE RESULT OF THE 20-PERCENT INCREASE IN RAILROAD RETIREMENT BENEFITS

Mr. CRANSTON. Mr. President, I am introducing today a measure designed to amend section 249E of Public Law 92–603 (H.R. 1), to include recipients of railroad retirement benefits—in the same way as is presently the case for social security recipients—in the requirement which mandated the States to deem eligibile for medicaid those public assistance recipients also receiving social security who would have lost eligibility because the recent 20-percent social security increase would have raised their income above the maximum allowable.

We all remember the somewhat chaotic circumstances under which we operated in the concluding days of the last Congress. In the concern for the larger issues reflected in the consideration of the "Social Security Amendments of 1972," it seems understandable that there were several unfortunate oversights contained in the final version of H.R. 1 as signed by the President.

Having served as chairman of the Subcommittee on Railroad Retirement for the 92d Congress, I am pleased to introduce a measure today—really in the nature of a technical amendment—to correct one such oversight. I have been advised by the Finance Committee that had the issue been raised railroad retirees would have been included in the provisions of section 249E of H.R. 1.

In recent years, benefit increases in social security and railroad retirement have been linked, with a comparable railroad retirement increase following closely behind each social security increase. The 20-percent increase in railroad retirement benefits contained in Public Law 92–460, enacted on October 4, 1972, was necessary and desirable in order to keep pace with the 20-percent increase in social security benefits contained in Public Law 92–336. Simple equity requires that we provide railroad retirement annuitants with similar protection against the inadvertent loss of medicaid coverage which we provide in H.R. 1 for social security recipients.

Section 249E provides that no social security recipient who is also a recipient of aid to the aged, blind, or disabled, shall lose his or her medicaid coverage because of the 20-percent increase in social security benefits. In the Senate Finance Committee report on H.R. 1 (No. 92–1230) the committee stated:

> As a result of this increase an estimated 190,000 aged, blind, and disabled persons will lose their eligibility for cash assistance and will be moved off the cash assistance rolls.

Concurrent with the loss of public assistance entitlements is frequently a loss of eligibility for medicaid benefits. The Railroad Retirement Board estimates that there are approximately 30,000 railroad retirees—in addition to the 190,000 social security beneficiaries—who have been moved off the cash assistance rolls as the result of the 20-percent increase in their annuities. The unfortunate side effect is the loss of medicaid coverage

The railroad retirement system is a vital income maintenance program for the over 984,000 current beneficiaries and 611,000 active railroad men and women who are now contributing to the system and are relying on its stability at the time they qualify for benefits. In my own State of California, there are some 75,000 railroad pensioners and approximately 40,000 active railroad employees.

In my capacity as ranking majority member of the Subcommittee on Aging, I have been greatly concerned about the plight of our retired citizens—who have already contributed their productive lives to the economic strength of this Nation—who should be entitled to live with dignity and a reasonable assurance of an adequate retirement income in their later years.

During the 92d Congress, we were able to enact measures—the 20-percent railroad retirement increase over a Presidential veto—reflecting a very real responsiveness by Congress to the very real

needs of hundreds of thousands of elderly Americans. I feel sure that the 93d Congress will be equally responsive and will approve the measure I have introduced today.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

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

S. 505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 249E of the Social Security Amendments of 1972 is amended—

(1) by inserting ", or was a recipient of a monthly payment of annuity or pension under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935," after "was entitled to monthly insurance benefits under title II of such Act"; and

(2) by inserting ", or (in the case of a recipient of such a monthly payment of annuity or pension) the increase in such payment," after "increase in monthly insurance benefits under title II of such Act".

By Mr. STAFFORD (for himself, Mr. CHILES, Mr. JAVITS, Mr. HATHAWAY, Mr. PERCY, and Mr. STEVENSON):

S. 511. A bill to provide for disclosures designed to inform the Congress with respect to legislative measures, and for other purposes. Referred to the Committee on Government Operations.

OPEN GOVERNMENT ACT

Mr. STAFFORD. Mr. President, today I introduce a bill designed to give Members of Congress and the American public a better chance to identify the private forces that seek to influence the shape of Federal legislation and to examine the activities of those private forces.

The Open Government Act would require full and public disclosure of virtually every aspect of congressional lobbying. It would replace a present law which is inadequate. Where we now have only estimates and rumor, we would have facts and truth. In place of shadow, we would have light. In place of suspicion, we would have information.

We have all been told that no one can measure the extent of the efforts or of the influence of legislative lobbyists in Washington. Are there really 10 lobbyists for each Member of Congress, as has been estimated? Do lobbyists spend an average of $10,000 annually for each of the 535 Members of Congress, as has often been written? Who are the lobbyists? Who are the lobbied? This bill is an effort to establish a system that will help us get the answers to those questions.

This bill is not designed to halt or even to curtail legitimate lobbying activities. The bill I introduce takes extreme care to preserve the constitutional rights of all Americans to petition their Government and to freely express their views.

At the same time, it is a disclosure bill designed to inform the public and the Congress about the spending and other activities of persons who, for pay, seek to influence Federal legislation. The information would include a full accounting of what kind of lobbying is going on. It would make available to the public and to the Congress the names of the individuals and of the companies and organizations doing the lobbying. It would require details about how much money is being spent on lobbying and of the specific issues involved. It would identify who is being lobbied as well.

The bill I introduce today is identical to a bill, S. 3773, that I introduced in the 92d Congress. It is similar to a measure approved in the 92d Congress by the Committee on Standards of Official Conduct of the House of Representatives. My bill is more demanding of disclosure than the House measure. Although the "Open Government Act" did not get to the committee hearing stage last year, I am hopeful that our newfound interest in congressional reform will result in action on my proposal this year. Surely we must put our own house in order if we are to help the Congress regain its constitutional role of parity with the executive branch of our Government.

To regain its rightful position of equality with the executive branch, the Congress must win greater public confidence than it enjoys at present. I fear we may have been losing public confidence because so much of our work and decisionmaking is carried on away from public view.

Secrecy builds suspicion, and suspicion weakens public confidence in a government that requires the trust of its citizens to function effectively. I feel strongly that we will strengthen our Government and win increased confidence in our efforts if we in the Congress provide the public with more information about ourselves and about our activities.

For that reason, I am once again supporting measures to open up committee meetings of the Congress to the public and to require full disclosure of the financial circumstances of all Members of Congress. It is why I am reintroducing the "Open Government Act."

I ask unanimous consent that a summary of the "Open Government Act" and the text of the bill be printed in the RECORD.

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

S. 511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act, divided into sections and subsections according to the following table of contents, may be cited as the "Open Government Act."

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SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds—

(1) that the preservation of responsible representative government requires that the fullest opportunity be afforded to the people of the United States to petition their Government for a redress of grievances and to express freely to individual Members of Congress and to committees of Congress their opinion on legislation and on current issues;

(2) that, to achieve legislative results which will be in the public interest, the facts and opinions expressed to Congress by the advocates of one result should be balanced against the facts and opinions of those having opposing views or interests, and all such facts and opinions should be available to Congress; and

(3) that the identity and activities of persons who, for consideration, engage in efforts to persuade Congress to arrive at specific legislative results, either by direct communication to Congress or by solicitation of others to engage in such efforts, should be publicly and timely disclosed.

(b) PURPOSE.—It is, therefore, the purpose of this Act to provide for the disclosure of the activities, and the origin, amounts, and utilization of funds and other resources, of and by persons who, for consideration, seek to influence the legislative process.

SEC. 3. DEFINITIONS.

(a) COVERED COMMUNICATION TO INFLUENCE LEGISLATION.—For purposes of this Act, the term "covered communication to influence legislation" means any direct communication (other than an exempt communication) by any person for or on behalf of another person to influence legislation.

(b) EXEMPT COMMUNICATIONS.—For purposes of this Act, the term "exempt communication" means—

(1) any communication by any individual,

acting solely on his own behalf, for redress of his grievances or to express his own opinion;

(2) any communication by any person which constitutes only an inquiry or statement as to the existence, status, purpose, or effect of legislation;

(a) any communication by any person to a department, agency, establishment, or instrumentality of any branch of the Federal Government (including a corporation owned or controlled by the Federal Government) or the government of the District of Columbia or of the Commonwealth of Puerto Rico, in the exercise of a right of petition granted by section 553(e) of title 5, United States Code.

(4) any communication by any governmental official or employee, acting in his official capacity;

(5) any practices or activities in the form of or relating to contributions and expenditures in connection with campaigns for Federal elective office;

(6) any appearance by any person before a committee of Congress in public session in connection with any measure or matter before such committee and any written statement submitted by any person in connection with such measure or matter and accepted for inclusion in the records of the committee;

(7) the publication, distribution, or dissemination, in the ordinary course of business, of news items, featured newsstories, articles, columns, editorials, comments, books, book reviews, letters to the editor, advertising, and other matter, by—

(A) a newspaper, magazine, or other regularly published periodical which is distributed to the general public,

(B) a licensed radio or television broadcasting station,

(C) any book publisher or other organization engaged in the sale or distribution of books and publications, or

(D) any owner, officer, editor, or employee of any of the foregoing,

(8) any communication by any person in connection with such person's support of or opposition to the candidacy or candidates for election or nomination for election of any individual or group of individuals to public office;

(9) any communication by any individual in connection with his candidacy for election or nomination for election to public office; and

(10) any communication by or authorized by—

(A) any national political party of the United States or any national, State, or local committee or other organizational unit of such national political party, or

(B) any political party of a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States or any committee or other organizational unit of such political party,

regarding its activities, undertakings, policies, statements, programs, or platforms.

(c) OTHER DEFINITIONS.—For purposes of this Act, the term—

(1) "person" means an individual or a corporation, partnership, trust, committee, society, foundation, association, or any other organization.

(2) "Congress" means the Congress of the United States or either House thereof.

(3) "Member of Congress" or "Member" means a United States Senator, a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico.

(4) "committee of Congress" means any committee of the Senate or House of Representatives or any subcommittee of any such committee or any joint committee of Congress or any subcommittee of any such joint committee.

(5) "Comptroller General" means the Comptroller General of the United States.

(6) "legislative agent" means any person who, for any consideration, is retained, in a capacity other than as an officer or employee of the person by whom he is retained, to make covered communications to influence legislation, acting either by himself or through any other person acting for him.

(7) "legislation" means any bill, resolution, amendment, report, nomination, or other matter in or before Congress or proposed to be presented to, or introduced in, Congress.

(8) "influence legislation" means to promote, effectuate, delay, or prevent the introduction, consideration, amendment, passage, approval, adoption, enactment, or defeat of legislation by Congress, or any Member or any committee of Congress.

(9) "direct communication" means—

(A) all methods of direct address to Congress, to any Member or committee of Congress, or to any officer or employee of Congress, of any Member, or of any committee of Congress; or

(B) the solicitation of—

(i) a department, agency, establishment, or instrumentality of any branch of the Federal Government (including a corporation owned or controlled by the Federal Government), or

(ii) the government of the District of Columbia or of the Commonwealth of Puerto Rico,

to make any direct address described in subparagraph (A).

(10) "filing period" means, as applicable—

(A) the period beginning on January 1 and ending at the close of June 30 in any calendar year; or

(B) the period beginning on July 1 and ending at the close of December 31 in any calendar year.

(11) "income" means—

(A) any gift, donation, payment, advance, loan, funds, services, or other thing of value received; and

(B) any contract promise, or agreement, whether or not legally enforceable, to receive any item referred to in subparagraph (A).

(12) "expenditure" means—

(A) any purchase, payment, distribution, loan, funds, advance, services, or other thing of value made, disbursed or furnished;

(B) any contract promise, or agreement, whether or not legally enforceable, to carry out any transaction of any kind referred to in subparagraph (A).

(13) "voluntary membership organization" means any association or other organization which is composed of persons who are members thereof on a voluntary basis and who regularly pay dues, subscriptions, or other sums to such association or other organization as a condition of membership therein.

SEC. 4. FILING OF NOTICES OF REPRESENTATION.

(a) FILING OF NOTICES OF REPRESENTATION BY LEGISLATIVE AGENTS.—Each legislative agent shall, within five days after making his initial covered communication to influence legislation, file a notice of representation with the Comptroller General.

(b) INFORMATION CONTAINED IN NOTICES OF REPRESENTATION.—Each notice of representation shall be in such form and detail as the Comptroller General shall prescribe and shall include, but not be limited to, the following information:

(1) an identification of the legislative agent filing such notice;

(2) an identification of each person by whom such legislative agent is retained as a legislative agent;

(3) an identification of each person on whose behalf such legislative agent is to perform services as a legislative agent;

(4) the financial terms and conditions (including any contingent fee arrangement) on which such legislative agent is retained;

(5) each specific area of legislative activity with respect to which such legislative agent is retained; and

(6) an identification of each person who makes a covered communication to influence legislation, acting for such legislative agent, in each specific area of legislative activity with respect to which such legislative agent is retained.

Nothing in this section shall be construed to require the disclosure of the membership rolls or the organizational dues structure of any voluntary membership association.

(c) AMENDMENTS TO NOTICES OF REPRESENTATION.—If, at any time, the information contained in a notice of representation filed by a legislative agent is not completely current, accurate, and up to date in all respects because of any change in circumstances or conditions with respect to such legislative agent (including termination of his status as a legislative agent), such agent shall file with the Comptroller General, within five days after such change has occurred, such amendment or amendments to such notice as may be necessary to make the information contained in such notice completely current, accurate, and up to date in all respects.

SEC. 5. RECORDS.

(a) PERSONS REQUIRED TO KEEP RECORDS.—Each of the following persons shall maintain and preserve the records required by subsection (b):

(1) a legislative agent;

(2) any person who retains a legislative agent in any filing period, except that a person shall not be considered as being within the purview of this paragraph solely by reason of being a member of a voluntary membership organization which may itself be a legislative agent;

(3) any officer or employee of any person (other than a legislative agent), if such officer or employee receives pay for his services as such an officer or employee and if he makes six or more covered communications to influence legislation for or on behalf of such person in any filing period;

(4) any person (other than a legislative agent) who employs any officer or employee within the purview of paragraph (3);

(5) any person who, for any consideration received by or promised to him, or acting on behalf of another person as a paid officer or employee of such other person, or through the use of funds contributed to him, solicits (other than as provided by paragraph (6)), orally or otherwise, other persons to influence legislation by direct communication, if—

(A) such solicitation reaches, or with reasonable certainty may be expected to reach, at least one thousand persons, or

(B) such solicitation is made to at least twenty-five persons who, for their efforts to influence legislation by direct communication, are paid, or are promised the payment of, any consideration by the person who has made the solicitation or by any other person acting for him;

except that this paragraph shall not apply to the reproduction or retransmission of a communication from any other person who is required by this subsection to maintain records if such reproduction or retransmission specifically identifies such other person; and

(6) any person who, in the ordinary course of business, publishes, distributes, or circulates, as the publication of such person, a house organ, or a trade, labor or trade union, or commercial journal, or any other publication having the same general purposes as a house organ or a trade, labor or trade union, or commercial journal, if such publication—

(A) is not distributed to the general public as a usual and customary practice; and

(B) contains any matter soliciting the reader to influence legislation by direct communication;

except that this paragraph shall not apply to the reproduction or retransmission of a communication from any other person who is required by this subsection to maintain records if such reproduction or retransmission specifically identifies such other person.

(b) MAINTENANCE, CONTENT, AND PRESERVATION OF RECORDS.—Each person required by subsection (a) to maintain records shall—

(1) maintain records, covering each filing period, in the form of books of account, in accordance with generally accepted accounting principles, which—

(A) reflect total income received in the filing period to make covered communications to influence legislation;

(B) include the name and address of, and amount received from, any person from whom income is received for such purpose in the filing period; and

(C) reflect total expenditures made in the filing period to make covered communications to influence legislation, including an itemization of any expenditure of at least $50 in value;

(2) preserve any records maintained under paragraph (1) for a period of six years after the close of the filing period covered by the report based on such records; and

(3) upon request of the Comptroller General make any records required to be maintained and preserved by this section available for inspection by him.

SEC. 6. FILING OF REPORTS.

(a) TIME OF FILING REPORTS COVERING FILING PERIODS.—Each person who is required by section 5(a) to maintain records for any filing period shall file with the Comptroller General a report covering such filing period. Each such report shall be filed not later than the close of fifteenth day following the filing period covered by the report.

(b) FORM AND CONTENT OF REPORT.—Each report shall be in such form and detail as the Comptroller General shall prescribe and shall include, but not be limited to, the following information:

(1) an identification of the person filing such report;

(2) an identification of each person by whom the person filing such report is employed or retained to make covered communications to influence legislation and each specific area of legislative activity with respect to which any such communication was made;

(3) an identification of each Member, committee, or employee of Congress to whom a covered communication is made; and

(4) all of the information contained in the records required to be maintained under section 5(b) (1) of this Act, except that—

(A) a person shall not be required to report the name and address of (or otherwise identify) and person from whom income of less than $25 in value is received in the filing period to make covered communications to influence legislation, but the report shall contain the number of such persons together with the aggregate of such income;

(B) in the case of a voluntary membership organization—

(i) the organization shall not be required to report the name and address of (or otherwise identify) any member whose payments in the filing period to the organization for making covered communications to influence legislation did not exceed 5 per centum of the total expenditures of the organization in the filing period for such purposes,

(ii) the Comptroller General shall waive the requirement that the organization report the name and address of (or otherwise identify) any member whose payments in the filing period to the organization for such purposes exceeded 5 per centum but did not exceed 30 per centum of the total expenditures of the organization in the filing period for such purposes if the Comptroller General determines that the waiver of the requirement to report such name and address will not impede the purpose of this Act, and

(iii) the organization shall report the number of members referred to in clause (i) and the number of members referred to in clause (ii), together with the aggregate of the amounts received from each class of members referred to in clauses (i) and (ii); and

(C) if any item of income or expenditure is attributable in part to covered communications to influence legislation and in part to other purposes, such item may be reported, at the option of the person filing the report and in conformity with regulations prescribed by the Comptroller General—

(i) by a reasonably accurate allocation which sets forth that portion of the item received or expended to make covered communications to influence legislation and the basis on which the allocation is made, or

(ii) by showing the amount of the item together with a good faith estimate by such person of that part of the item reasonably allocable to the classification of income or an expenditure to make covered communications to influence legislation.

(c) FORMULA FOR ALLOCATION OF DUES OF MEMBERS OF VOLUNTARY MEMBERSHIP ORGANIZATIONS USED TO MAKE COVERED COMMUNICATIONS TO INFLUENCE LEGISLATION.—In determining—

(1) for purposes of subsection (b)(3)(A), whether a member of a voluntary membership organization is a person from whom at least $25 in value is received in any filing period to make covered communications to influence legislation, and

(2) for purposes of subsection (b)(3)(B), whether payments by such a member in any filing period exceed 5 per centum of the organization's total expenditures in such filing period to make covered communications to influence legislation,

a member of a voluntary membership organization shall be treated as having paid to the organization in such filing period, for the purpose of making covered communications to influence legislation in such period, an amount which bears the same ratio to the total dues, subscriptions, or other sums paid by such member in such filing period to the organization as a condition of membership as the total expenditures in such filing period by such organization for covered communications to influence legislation bears to the total expenditures in such filing period by such organization for all purposes.

SEC. 7. RELATED FILING PROVISIONS.

(a) OBLIGATION TO FURNISH INFORMATION TO OFFICER OR EMPLOYEE.—Any person referred to in section 5(a)(4) shall furnish any officer or employee of such person within the purview of section 5(a)(3), upon his request, such information as may be necessary to enable such officer or employee to comply with section 5(a)(3).

(b) JOINT FILING OF REPORTS.—The Comptroller General, under regulations prescribed by him, may permit the joint filing of reports under section 6.

(c) MAILING OR DELIVERY OF NOTICES OF REPRESENTATION, AMENDMENTS, AND REPORTS.—Each notice of representation, amendment thereto, or report which is filed under this Act with the Comptroller General shall, at the option of the person required by this Act to file such notice, amendment, or report—

(1) be transmitted—

(A) by registered or certified mail, or

(B) by any other special mail service which is provided by the United States Postal Service and which provides written proof of time of mailing; or

(2) be delivered out of the mails to the Comptroller General by such person, or by his employee, agent, or messenger, in accordance with applicable law governing the carriage of matter out of the mails; and the Comptroller General shall provide to the party making delivery under this subparagraph a receipt of such delivery showing the time of delivery.

For the purposes of this Act, any such notice, amendment, or report shall be treated as having been filed with the Comptroller General—

(i) in the case of transmission by registered or certified mail—at the time specified in the registration or certification,

(ii) in the case of transmission by other special mail service—at the time of mailing specified in the written proof of time of mailing, and

(iii) in the case of delivery out of the mails under paragraph (2)—at the time of delivery shown in the receipt provided by the Comptroller General.

SEC. 8. EFFECT OF FILING ON CERTAIN DETERMINATIONS UNDER THE INTERNAL REVENUE CODE OF 1954

Compliance with the filing requirements of this Act shall not be taken into consideration in determining, for purposes of the Internal Revenue Code of 1954, whether a substantial part of the activities of an organization is carrying on a propaganda, or otherwise attempting, to influence legislation.

SEC. 9. ADMINISTRATION; DUTIES OF COMPTROLLER GENERAL

(a) ADMINISTRATION BY COMPTROLLER GENERAL.—The Comptroller General shall administer the provisions of this Act.

(b) EXECUTIVE STAFF MEMBER.—In carrying out his duties under this Act, the Comptroller General may—

(1) appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, an executive staff member;

(2) prescribe the duties of such staff member;

(3) fix his annual rate of pay at a rate not to exceed the annual rate of basic pay, as in effect from time to time, of level IV of the Executive Schedule of section 5315 of title 5, United States Code; and

(4) terminate his employment without regard to chapter 75 of such title (relating to adverse actions).

(c) SPECIFIC DUTIES OF COMPTROLLER GENERAL.—In carrying out his duties under this Act, the Comptroller General shall—

(1) develop and prescribe forms and standards for the notices of representation, amendments thereto, and reports filed by persons required by section 5(a) to maintain records;

(2) compile in a manner reflective of the disclosure intent of this Act, information contained in notices of representation, amendments thereto, and reports filed, with respect of each filing period, by persons; summarize, information, by person, in categories of activity such as, but not limited to: research, printing, media, travel, salaries and fees, entertainment, telephone and telegraph, postage; and itemize the percentage of spending that occurred for specific legislative efforts;

(3) report such information, as so compiled, summarize information, by person, in categories of activity after the end of each such filing period, or if Congress is not in session, then as soon as possible after Congress reconvenes;

(4) make available for public inspection at reasonable times in the General Accounting Office in the District of Columbia, for a period of six years following the date of filing, all notices of representation, amendments thereto, and reports filed by persons required by section 5(a) to maintain records (or reproductions thereof by any process referred to in section 11) and all information as compiled and summarized pursuant to paragraph (2);

(5) have each notice of representation and each amendment thereto which is filed by any legislative agent published in the Congressional Record within three days after each such notice is received by the Comptroller General, or if Congress is not in session when such notice is so received, then as soon as possible after Congress reconvenes; and

(6) ascertain whether any person required by section 5(a) to maintain records has failed to file a report, or has filed an incomplete or inaccurate report, and promptly notify such person to file or amend such report in order to satisfy the requirements of this Act or regulations prescribed by the Comptroller General under this Act.

(7) prepare a special study and report upon the request of any Member of the House of Representatives or the Senate from information in the records of the Comptroller General; or, if such records do not contain the necessary information, but the information would fall under the scope of information required by the Act, may inspect the records of the appropriate parties and prepare the report, provided that such special inspection can be completed in a reasonable time before the information would normally be filed.

SEC. 10. REGULATIONS.

(a) AUTHORITY OF COMPTROLLER GENERAL TO PRESCRIBE REGULATIONS.—The Comptroller General shall prescribe such regulations as he considers necessary or appropriate to effectuate the provisions, and accomplish the purpose, of this Act.

(b) PROCEDURES GOVERNING FORMULATION AND ISSUANCE OF REGULATIONS.—The following procedures shall govern the formulation and issuance of all such regulations of the Comptroller General, and all changes therein, and the effective dates thereof:

(1) The Comptroller General shall formulate his proposed regulations, or changes therein, and transmit the same for publication in the Federal Register and in the Code of Federal Regulations, together with a statement, which shall be printed in boldface type at the beginning of such proposed regulations or changes therein, to the effect that such proposed regulations or changes are being so published in order that they may be available to provide opportunity, until the close of the thirtieth day following the date of publication, to interested parties to submit to the Comptroller General their comments, suggestions, and views with respect to such proposed regulations or changes therein.

(2) The Comptroller General shall give full opportunity, until the close of the thirtieth day following the date of publication of his proposed regulations or changes as provided in paragraph (1) to interested parties to submit to him their comments, suggestions, and views, including reasonable opportunity for the holding of conferences attended by interested parties and representatives of the Comptroller General for such purpose.

(3) After consideration of the comments, suggestions, and views submitted by interested parties pursuant to paragraph (2) of this subsection, the Comptroller General, as he considers advisable, may transmit, prior to the close of the fifteenth day after the thirty-day period referred to in paragraphs (1) and (2) any revisions or modifications of the proposed regulations or changes therein for publication in the Federal Register and the Code of Federal Regulations, together with a statement printed as provided in paragraph (1) to the effect that the Comptroller General will receive written comments, suggestions, and views regarding his proposed revisions or modifications until the close of the tenth day following the date of publication but will not make further revisions or modifications of his proposed regulations or changes therein. Before the close of the seventh day after such ten-day period, the Comptroller General shall transmit, on the same day, to the Committee on Standards of Official Conduct of the House of Representatives and the Committee on Government Operations of the Senate the text of his proposed regulations, or changes therein, together with the text of his revisions or modifications thereof made pursuant to this paragraph (but without any further revisions or modifications), and all comments, suggestions, and views which have been submitted to him under this subsection.

(4) If, after consideration of the comments, suggestions, and views submitted by interested parties pursuant to paragraph (2), the Comptroller General considers that any revisions or modifications of his proposed regulations or changes therein should not be made, he shall transmit, on the same day and prior to the close of the fifteenth day after the thirty-day period referred to in paragraphs (1) and (2) of this subsection, to the Committee on Standards of Official Conduct of the House of Representatives and the Committee on Government Operations of the Senate the text of his proposed regulations, or changes therein, together with all comments, suggestions, and views which have been submitted to him under paragraph (2).

(5) The regulations, or changes therein, submitted to the Committee on Standards, of Official Conduct and the Committee on Government Operations pursuant to paragraph (3) or paragraph (4) (including any revisions or modifications made therein pursuant to paragraph (3)) shall become effective at the beginning of the first filing period which commences after the close of the first period of thirty calendar days of continuous session of Congress after the date on which the same are transmitted to such committees, unless, before the close of such thirty-day period, either of such committees, by majority vote of its full membership, has adopted a resolution disapproving such regulations, or changes therein, submitted to it. For the purpose of this paragraph—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

All such regulations, or changes therein, as finally effective under this section, shall be printed promptly in the Federal Register and the Code of Federal Regulations, together with a statement designating the first filing period with respect to which such regulations, or changes therein, will be effective.

SEC. 11. RETENTION OF COPIES IN LIEU OF ORIGINALS.

The Comptroller General may retain, in lieu of notices of representation, amendments thereto, and reports filed under this Act, reproductions thereof made by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing the original.

SEC. 12. SANCTIONS.

(a) ENFORCEMENT BY COURT ORDER OF OBLIGATION TO COMPLY WITH THIS ACT.—If any person fails to comply with any provision of this Act or any regulation prescribed by the Comptroller General under this Act, the Attorney General of the United States may, upon the request of the Comptroller General, initiate and maintain a civil action in appropriate United States district court for an order of the court requiring such person to comply with any such provision or regulation with respect to which compliance is sought.

(b) CRIMINAL PENALTY FOR WILLFUL FAILURE BY LEGISLATIVE AGENT TO FILE NOTICES OF REPRESENTATION AND AMENDMENTS THERETO.—Any legislative agent who knowingly and willfully violates section 4 shall be fined not more than $5,000.

(c) CRIMINAL PENALTY FOR WILLFUL FALSIFICATION OF NOTICES OF REPRESENTATION, AMENDMENTS, AND REPORTS.—Any person who knowingly and willfully falsifies all or part of any notice of representation, amendment thereto, or report which he files with the Comptroller General under this Act shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

(d) CRIMINAL PENALTY FOR WILLFUL FALSIFICATION OF COVERED COMMUNICATIONS TO INFLUENCE LEGISLATION.— Any person who knowingly and willfully falsifies or forges all or part of any covered communication to influence legislation shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 13. REPEAL OF FEDERAL REGULATION OF LOBBYING ACT.

The Federal Regulation of Lobbying Act (60 Stat. 839–842; 2 U.S.C. 261 et seq.), and that part of the table of contents of the Legislative Reorganization Act of 1946 which pertains to the Federal Regulation of Lobbying Act (60 Stat. 813), are repealed, effective on the date on which the regulations to carry out this Act first become effective.

SEC. 14. EFFECTIVE DATE.

The provisions of this Act shall take effect upon the date of its enactment, except that any person required by section 5(a) to maintain records shall not have any duties or obligations under this Act until the date on which the regulations to carry out this Act first become effective.

SUMMARY OF THE OPEN GOVERNMENT ACT

This act has been painstakingly prepared for over a year. It is primarily based on the work of the Committee on Standards of Official Conduct of the House. Many hands have gone into the drafting and redrafting of the language to insure its internal consistency, elimination of loopholes, and compatibility with former constitutional case law in the field.

SECTION 1 SHORT TITLE

SECTION 2 FINDINGS AND PURPOSE

It is of paramount importance that the citizens of the United States be able to petition their government, that their voices be heard and balanced by the decision-makers, and that to be weighed judiciously the identity and activities of those who, for consideration, attempt to affect the results of Congressional activity be known.

SECTION 3 DEFINITION

Communications which are covered are defined as all communications for or on behalf of another person except those specified.

Exempt communications include the individual acting on his own behalf, simple inquiries, communications under the Administrative Procedures Act, contacts by government employees, contacts under the campaign statutes, committee appearances in public, press communications, and communications about candidates.

Several other technical definitions are contained in this section.

SECTION 4 NOTICES OF REPRESENTATION

It is necessary for legislative agents to file a notice of representation with the Comptroller General, containing specified information including the name of his employer. He must keep these notices up to date.

SECTION 5 RECORDS

Those who are required to keep records are specified, and the manner, content and preservation of records are made specific.

SECTION 6 FILING OF REPORTS

It is required that within fifteen days of the end of the filing period (twice a year)

a report must be filed with the Comptroller General and shall include, among other things, an identification of filer, identification on issues concerned, members or staffs contacted, and names and addresses of persons paying for services, with some exceptions for minor contributors to large organizations. A specific formula for allocations of dues to organizations which lobby in part is laid out.

SECTION 7 RELATED FILING PROVISION

These provisions relate to an obligation to furnish information to an officer or employee who has to file, permits joint filing of reports, details mailing and delivery procedures.

SECTION 8 TAX PROVISION

It is stated that compliance with information in the act shall not affect responsibilities under the Internal Revenue Code.

SECTION 9 DUTIES OF COMPTROLLER GENERAL

This section includes staff arrangements, requirements to provide data in certain specified form to make it useful, provision that upon request of a Member, a special study should be undertaken, and detailed requirements on non-filers.

SECTION 10 REGULATIONS

Provides the Comptroller General with the authority to make regulations and details the intricate procedures he must follow in developing these regulations.

SECTION 11 COPIES OF DATA

Permits copies rather than originals of data for retention purposes.

SECTION 12 SANCTIONS

The Attorney General may maintain a *civil* action in a United States District Court to compel compliance with the statute.

A willful violation is subject to a $5,000 penalty, and criminal penalty of $5,000 and/or two years imprisonment for willful falsification of information.

SECTION 13 REPEAL OF FORMER STATUTES

SECTION 14 EFFECTIVE DATE

By Mr. MOSS:

S. 512. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel. Referred to the Committee on Labor and Public Welfare.

TRAINING FOR NURSING HOME PERSONNEL

Mr. MOSS. Mr. President, I am today introducing a bill to provide in-service training for nursing home employees. This bill was before the last Congress as S. 3556 and received wide support from organizations in the field of care for the elderly. Its enactment would help solve many of the problems which arise in nursing homes because of reliance on untrained nursing personnel.

There are well over 500,000 nursing home employees in the United States. The majority are untrained aides and orderlies. Since these individuals are paid the minimum wage to perform perhaps the most difficult job in the world, it is understandable why the turnover rate is near the 75-percent level.

I would be the first to point out that most of these employees work hard and attempt to ease the burdens of the infirm elderly. However, there are too few of them to care properly for these needs. The difficulties are compounded by the fact that few nurses aides or orderlies receive any sort of training for their work.

The example provided by the investigator of the Better Government Association who testified at Senate subcommittee hearings on nursing homes in Chicago is classic. He applied for a job as a janitor at a Chicago nursing home and within 20 minutes he had the keys to the narcotics cabinet on his belt and was at work passing medications.

Testimony from other nursing home hearings substantiates these conclusions: first, nursing homes are desperate for personnel but can only offer the minimum wage which results in securing only untrained nursing home personnel, and there is a high turnover rate; second, physicians for all intents and purposes tend to ignore nursing homes; third, some 90 percent of the medical care in nursing homes is given by the nursing personnel; and fourth, the nurse in charge—be she R.N. or an L.P.N.—is so busy with paperwork and administrative responsibilities that she can do little actual nursing. This all adds up to the fact that it is the untrained aides and orderlies, who are constantly changing, who are called upon to provide the medical care in nursing homes.

For all of these reasons it is in the direct interest of the people of the United States to provide some training programs for nursing home personnel. President Nixon has proposed the short-term training of 20,000 of these assistants this year and for the training of 21,000 more next year. In addition, funds have been made available to the American Nurses Association, the American Medical Association, and other professional organizations in the field of long-term care to provide seminars for the training of their membership. But a comprehensive training program for nursing home personnel is still lacking.

My bill, which addresses this important problem, provides grants of up to $100,000 to assist public and nonprofit private schools of nursing to meet the costs of developing in-service training programs—not to exceed 6 months—for nurses aides and orderlies in nursing homes. I have asked for an appropriation of $1 million a year for this effort for the next 2 years.

In recognition of this pressing need, Senator PERCY and I introduced in the last Congress a series of omnibus amendments to H.R. 1, the social security bill, the most important of which then provided a full scale training of nursing home personnel financed by the Federal Government. This amendment passed the Senate but was lost in conference. The urgency remains, and I am hopeful the bill I am introducing today can be enacted in the near future.

By Mr. MOSS:

S. 513. A bill to amend section 232 of the National Housing Act to authorize insured loans to provide fire safety equipment for nursing homes. Referred to the Committee on Banking, Housing and Urban Affairs.

LOANS FOR NURSING HOME FIRE SAFETY EQUIPMENT

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to amend section 232 of the National Housing Act to authorize insured loans to provide fire safety equipment for nursing homes.

I previously introduced this bill in the 92d Congress in December 1971, in recognition of difficulties nursing homes are having in financing equipment to meet higher Federal fire safety standards.

The continuing chronicle of fires in long-term care facilities has caused many States and the Federal Government to tighten up on the enforcement of fire stafety standards. Inevitably, this becomes expensive, particularly for older facilities. In some instances, the necessity of complying with standards has driven many facilities to the brink of bankruptcy.

My bill makes available FHA insured loans to purchase the fire safety equipment, including sprinklers, smoke detection, and alarm systems.

This bill is essentially noncontroversial. It was accepted as an amendment to last year's omnibus housing bill which cleared the Senate last March 3. Congressman KEATING of Ohio was successful in having an identical amendment included in the House version of the bill. Unfortunately, the omnibus housing bill cleared the House Banking and Currency Committee late in the session and was never brought to the floor of the House for a vote.

This bill (S. 2923 of the 92d Congress) enjoys the enthusiastic support of the American Nursing Home Association and other groups concerned with the safety of patients in long-term care facilities. I urge its prompt approval.

By Mr. MOSS (for himself and Mr. ABOUREZK, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. CHURCH, Mr. CRANSTON, Mr. DOMENICI, Mr. DOMINICK, Mr. EAGLETON, Mr. EASTLAND, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HASKELL, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUMPHREY, Mr. JAVITS, Mr. KENNEDY, Mr. MANSFIELD, Mr. McGEE, Mr. McGOVERN, Mr. McINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MUSKIE, Mr. PELL, Mr. PERCY, Mr. STAFFORD, Mr. STEVENSON, Mr. THURMOND, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, Mr. YOUNG, Mr. HANSEN, and Mr. BUCKLEY):

S. 514. A bill to amend the Act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data. Referred to the Committee on Interior and Insular Affairs.

PROTECTION AND RECOVERY OF ARCHEOLOGICAL SITES

Mr. MOSS. Mr. President, I introduce for myself and Mr. ABOUREZK, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. CHURCH, Mr. CRANSTON, Mr. DOMENICI, Mr. DOMINICK, Mr. EAGLETON, Mr. EASTLAND, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HASKELL, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUMPHREY, Mr. JAVITS, Mr. KENNEDY, Mr. MANSFIELD, Mr. McGEE, Mr. McGOVERN, Mr. McINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MUSKIE, Mr. PELL, Mr. PERCY, Mr. STAFFORD, Mr. STEVENSON, Mr. THURMOND, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG, a bill to

provide for the protection and recovery of scientific, prehistorical, historical, and archeological data which might be affected through alteration of the terrain by any Federal, federally assisted, or federally licensed activity or program. It amends the Act of June 27, 1960 (74 Stat. 220).

The bill I am introducing is identical to the one which was passed unanimously by the Senate last session, but which died in the House. House proponents of the bill inform me there is a good chance of getting early consideration of a bill there in this session of the Congress.

Mr. President, the Nation faces an archeological resource crisis. The land is being altered, and our archeological data is being destroyed at an alarming rate. We must assure that enough of the past is preserved to enable archeologists of the future to make adequate interpretations of it. This bill presents one last opportunity to meet this objective in an adequate way. It is, therefore, essentially a conservation measure.

Preserving the past through archeological data is, of course, not a Federal problem alone. The archeological profession, and the Federal, State, and private agencies through which they operate, must all develop approaches to protecting our archeological resources. But the Federal Government is in a preeminent position to take action, and this bill will assure that it does. Without it, a majority of our archeological sites will be damaged or destroyed within the next 25 years.

The bill has the strong support of the Society for American Archeology, the Committee for the Recovery of Archeological Remains, and of many other private and State archeological groups and individuals. It is the logical next step.

The National Park Service has maintained for more than 20 years a program of cooperative agreements with State and local institutions for recovery of archeological data about to be lost through flooding behind dams. The 1960 act—Public Law 86-523—required Federal agencies building dams or licensing the construction of dams to notify the Secretary of the Interior of such intentions and formalized the ongoing reservoir archeological salvage program.

Unfortunately, there has never been any provision for the recovery of archeological and historical data being lost as a result of Federal programs, other than dam construction. These losses far surpass those resulting from the building of dams.

The bill amends and broadens the 1960 act as follows:

First. Coverage is extended to all Federal and federally assisted or licensed programs which alter the terrain and thus potentially cause loss of scientific, prehistorical, historical, or archeological data.

Second. Federal agencies are directed to notify the Secretary of the Interior if in their operations archeological or other scientific data are revealed or threatened.

Third. The Secretary of the Interior, upon notification by any responsible authority that a Federal program is threatening, damaging, or destroying such data, shall evaluate the situation and cause a survey or other investigation to be made to the extent necessary to protect the public interest.

Fourth. Federal agencies whose programs are causing damage or destruction of scientific, prehistorical, historical, or archeological data are authorized to transfer to the Secretary of the Interior, as a nonreimbursable item, not more than 1 percent of the program funds to protect or recover such data prior to its loss.

Enactment of the bill would enable archeologists to select the sites upon which to concentrate their efforts on the basis of scientific need, rather than being restricted to sites which are being destroyed by dam construction or reservoir flooding. In the past much extremely valuable scientific data has been lost because there were no funds or personnel to be used at the critical time. By authorizing the transfer of the necessary funds from the program which threatens destruction at the time of the threat, it would be possible to tie in directly and immediately archeological skills and funds when they are needed.

Under the bill the responsibility for initiating action rests with the archeologists and the Federal agencies involved would not be burdened with unnecessary administrative problems or expense.

I ask that the full text of the bill be carried at the close of my remarks in the CONGRESSIONAL RECORD.

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

S. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam", approved June 27, 1960 (74 Stat. 220), is amended to read as follows:

"That it is the purpose of this Act to further the policy set forth in the Act entitled 'An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes', approved August 21, 1935 (16 U.S.C. 461—467), and the Act entitled 'An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes,', approved October 15, 1966 (80 Stat. 915), by specifically providing for the preservation of scientific, prehistorical, historical, and archeological data (including relics and specimens) which might otherwise be irreparably lost or destroyed as the result of (1) flooding, the building of access roads, the erection of workmen's communities, the relocation of railroads and highways, and other alterations of the terrain caused by the construction of a dam by any agency of the United States, or by any private person or corporation holding a license issued by any such agency; or (2) any alteration of the terrain caused as a result of any Federal, federally assisted, or federally licensed activity or program.

"SEC. 2. Before any agency of the United States shall undertake the construction of a dam, or issue a license to any private individual or corporation for the construction of a dam it shall give written notice to the Secretary of the Interior (hereinafter referred to as the 'Secretary') setting forth the site of the proposed dam and the approximate area to be flooded and otherwise changed if such construction is undertaken: *Provided*, That with respect to any floodwater retarding dam which provides less than five thousand acre-feet of detention capacity and with respect to any other type of dam which creates a reservoir of less than forty surface acres the provisions of this section shall apply only when the constructing agency, in its preliminary surveys finds, or is presented with evidence that scientific, prehistorical, historical, or archeological data exist or may be presented in the proposed reservoir area.

"SEC. 3. (a) Whenever any Federal agency finds, or is made aware by an appropriate historical or archeological authority, that its operation in connection with any Federal, federally assisted, or federally licensed project, activity, or program adversely affects or may adversely affect significant scientific prehistorical, historical, or archeological data, such agency shall notify the Secretary, in writing, and shall provide the Secretary with project, program, or activity. Such agency (1) may request the Secretary to undertake the recovery, protection, and preservation of such data (including preliminary survey, or other investigation as needed, and analysis and publication of the reports resulting from such investigation), or (2) may, with funds appropriated for such project, program, or activity, undertake the activities referred to in clause (1). Copies of reports of any investigations made pursuant to clause (2) shall be made available to the Secretary.

"(b) The Secretary, upon notification by any such agency or by any other Federal or State agency or appropriate historical or archeological authority that scientific, prehistorical, historical, or archeological data is or may be adversely affected by any Federal, federally assisted, or federally licensed project, activity, or program, shall, if he determines that such data is being or may be adversely affected, and after reasonable notice to the agency responsible for such project, activity, or program, conduct or cause to be conducted a survey and other investigation of the areas which are or may be affected and recover and preserve such data (including analysis and publication) which, in his opinion, are not being but should be recovered and preserved in the public interest. The Secretary shall initiate action within sixty days of notification to him by an agency pursuant to subsection (a), and within such time as may be agreed upon with the head of the responsible agency in all other cases. The responsible agency upon request of the Secretary is hereby authorized to assist the Secretary and to transfer to the Secretary such funds as may be necessary, in an amount not to exceed one per centum of the total amount appropriated for such project, activity, or program, to enable the Secretary to conduct such survey or other investigation and recover and preserve such data (including analysis and publication) or, in the case of small projects which cause extensive scientific, prehistorical, historical, or archeological damage, such larger amount as may be mutually agreed upon by the Secretary and the responsible Federal agency as being necessary to effect adequate protection and recovery: *Provided*, That the costs of such survey, recovery, analysis, and publication shall be considered nonreimbursable project costs.

"(c) The Secretary shall keep the responsible agency notified at all times of the progress of any survey or other investigation made under this Act, or of any work undertaken as a result of such survey, in order that there will be as little disruption or delay as possible in the carrying out of the functions of such agency.

"(d) A survey or other investigation similar to that provided for by subsection (a) or (b) of this section and the work required to be performed as a result thereof shall

so far as practicable also be undertaken in connection with any dam, project, activity, or program which has been heretofore authorized by any agency of the United States, by any private person or corporation holding a license issued by any such agency, or by Federal law.

"(e) The Secretary shall consult with any interested Federal and State agencies, educational and scientific organizations, and private institutions and qualified individuals, with a view of determining the ownership of and the most appropriate repository for any relics and specimens recovered as a result of any work performed as provided for in this section.

"SEC. 4. In the administration of this Act, the Secretary may—

"(1) accept and utilize funds transferred to him by any Federal agency pursuant to this Act;

"(2) enter into contracts or make cooperative agreements with any Federal or State agency, any educational or scientific organization, or any institution, corporation, association, or qualified individual;

"(3) obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code; and

"(4) accept and utilize funds made available for salvage archeological purposes by any private person or corporation.

"SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act."

By Mr. BELLMON:

S. 515. A bill to amend title IV of the Agricultural Act of 1970 so as to extend the provisions of such title to the 1974 crop of winter wheat. Referred to the Committee on Agriculture and Forestry.

EXTENSION OF PRESENT WHEAT PROGRAM FOR 1 YEAR

Mr. BELLMON. Mr. President, today I am reintroducing legislation which will extend the present wheat program for 1 year. I do this realizing that while some segments of agriculture will not be immediately affected by delay in enacting a new farm bill, the winter wheat producer will certainly suffer again as he has in the past.

Mr. President, repeatedly winter wheat growers have gotten a raw deal. The present farm program became law months after winter wheat growers had planted their crops. At planting time they had no way of knowing what the regulations would be and a serious economic hardship resulted.

The Russian grain sale occurred after much of this country's winter wheat was harvested. Many producers, faced with the need for operating capital and believing USDA reports that any sales to Russia would involve feed grains went ahead and sold. As a result they received a much lower price for their crop than growers farther north. Now, long after the winter wheat planting season is past, the USDA has eliminated the requirement for "set-aside." This will help the spring wheat areas but it is too late to mean much in the winter wheat areas.

There is no excuse for Congress to legislate in a way that requires the winter wheat producer to plant without knowing what the exact provisions of the program may be, or whether there will be any program at all. The distinguished chairman of the Senate Agriculture Committee has forcefully expressed his intention to see that a new farm bill will be passed in a timely manner. However, if we can judge from past history, again in 1973 the time for planting winter wheat will have come and gone by the time a new farm bill is passed.

Mr. President, I come from one of the principal winter-wheat-producing States, and I fear that winter wheat farmers throughout the midwest will be held in a state of suspended animation as they were in 1970—awaiting action on the new farm program. For this large number of food producers, the information as to the number of acres of winter wheat which they are allowed to plant and the number of acres which they must set aside is a matter of great importance. It is information which they should have no later than July 1 of every year.

It may not be fully understood by some Members of the Senate that the crop year for winter wheat growers begins in June—almost a full year before the harvest. It is then that they must begin tillage operations leading up to planting which begins in September.

Mr. President, winter wheat growers deserve to know the laws under which they will be planting their crop for harvest in 1974 before they begin preparation for planting in June 1973. They need this information so they will know how to plan their tillage and fertilizer operations and for the efficient management of their farms.

Mr. President, America owes a tremendous debt to agriculture and especially the winter wheat growers. These food producers have provided American consumers and our friends abroad with abundant food through war and peace. I sincerely hope, due to the immediate need for this legislation, that the Congress will act swiftly to enact this bill.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

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

S. 515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Agricultural Act of 1970 (Public Law 91–524) is amended by adding at the end thereof the following new section:

"SEC. 411. Notwithstanding any other provision of law, all of the provisions of this title shall be applicable with respect to the 1974 crop of wheat in the same manner and to the same extent that such provisions are applicable with respect to the 1971, 1972, and 1973 crops of wheat." Unless a new farm bill shall have been passed by Congress and signed by the President prior to July 1, 1973.

By Mr. ROBERT C. BYRD:

S. 516. A bill to amend title VI of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a 4-year term for the appointment of the Director of the Federal Bureau of Investigation. Referred to the Committee on the Judiciary.

Mr. ROBERT C. BYRD. Mr. President, I am today introducing a bill to amend section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 (Public Law 90–351, June 19, 1968, 82 Stat. 236), requiring Senate confirmation of the Director of the Federal Bureau of Investigation every 4 years.

On May 14, 1968, by a vote of 72–0, the Senate amended section 532 of title 28 of the United States Code requiring the FBI Director to be appointed by the President by and with the advice and consent of the Senate. The amendment did not apply to then Director J. Edgar Hoover, and since Mr. L. Patrick Gray was named Acting Director, the new mechanism has yet to be used.

Prior to the 1968 amendment, the FBI Director was appointed by the Attorney General without Senate confirmation.

In passing the 1968 amendment, the Congress was reacting to a growing fear of unchecked power in the Bureau and the ability of a Director to build up such tenure that a new President would face grave difficulties in replacing him.

However, in amending the law and making the Director subject to Senate confirmation, the section is ambiguous in that there may be some question as to whether the newly appointed Director would serve at the pleasure of the President or could serve beyond the term of the President appointing him.

My bill would serve to clarify the congressional intent by requiring Senate confirmation of the Director of the FBI every 4 years.

In this era of sophisticated law-enforcement techniques and public sensitivity to the criminal problems in this country, it is imperative that the Senate have the opportunity to question and explore the directions being undertaken by such a powerful organization as the FBI at least once every 4 years.

Keeping in mind that the Senate must ever be vigilant to prevent any intrusion into the political process by an organization with such an intelligence-gathering network and computerization capability as the FBI and the ever-increasing use of executive privilege by the executive branch to avoid congressional scrutiny of the activities of the executive departments and agencies, I feel that the clarifying legislation that I offer today will be one more step forward in the Congress reestablishment of its constitutional prerogatives and duties.

Mr. President, I ask unanimous consent to have the text of the bill printed in full at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

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

S. 516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) Effective after January 3, 1973, the term of service of the Director of the Federal Bureau of Investigation shall be four years."

By Mr. YOUNG (for himself, Mr. DOLE, Mr. EASTLAND, Mr. BELLMON, and Mr. CURTIS):

S. 517. A bill to extend titles I, II, III, IV, V, VI, and VII of the Agricultural

Act of 1970 for 5 years. Referred to the Committee on Agriculture and Forestry.

Mr. YOUNG. Mr. President, this bill is cosponsored by the distinguished Senators ROBERT DOLE of Kansas, JAMES EASTLAND of Mississippi, HENRY BELLMON of Oklahoma, and CARL T. CURTIS of Nebraska. All of the sponsors are members of the Senate Agriculture Committee.

This bill would extend present price support programs and Public Law 480, the food for peace program, for 5 years. The bill is exactly as the present, law, but it would extend without change wheat, feed grain, cotton, and wool supports.

These farm price support programs are very necessary and have not only made possible better and more equitable farm income, but have resulted in the greatest abundance of food and at more favorable prices to consumers of any major nation in the world. If we continue to greatly expand exports and with better farm prices, the cost of the price support programs under the present law will automatically be reduced considerably.

Some modifications and changes in this bill, I believe, will be necessary and desirable, but the changes we should make can better be determined after hearings by the Senate Agriculture Committee have been completed.

The Senate Agriculture Committee will commence hearings soon with reference to writing new price support legislation or extending the present one. Using the present program as a basis to work from is the simplest and most effective way of dealing with future price support legislation. There are great advantages in continuing the present program rather than to embark upon a new program, with all the complications which always makes it difficult for farmers to understand and live with.

Mr. President, the present program which expires with this year's crop was approved by Congress 2 years ago and signed by the President. I cannot help but feel since the President approved of the present program and with its widespread support, he would again sign a bill that basically extends these provisions.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. YOUNG. I yield to my able friend.

Mr. CURTIS. I am happy to have the privilege of joining with the distinguished Senator from North Dakota in the introduction of this bill. I believe that the present Farm Act is operating in a very satisfactory way. I would be the last person to contend that there were not details about it that were unsatisfactory to many people. On the other hand, it has some excellent features in it.

I recall the months that the committees of Congress worked upon that bill when it was formulated back in 1970. It ended up pretty much as the bill and the program that had been recommended by the Nixon administration, through the then Secretary of Agriculture, the Honorable Clifford Hardin.

There were many critics of that program at the time it was enacted. Many of those people have changed their minds. It has worked better than some people thought it would.

I find that all farm programs fall short of wthat we would like, but I actually believe that there is a wider acceptance of the present program than any program I can remember as having been enacted.

I think also we should keep in mind that there is a danger that we fall into erroneous ways in our thinking. Right now farm prices are better than they have been. They are not high enough; they are better. And there is a tendency on the part of some to say that now is the time to abolish farm programs. This would be a mistake. The best authority that I can find for that statement is that to do so would cut farm income by about 20 percent. That is not all. It would cut net farm income by about 50 percent. And farm prices are far below what they were 25 years ago. We have made considerable progress. As I say, the program is probably acceptable to a greater number of farmers than any program that we have had prior to this time.

It is my understanding that there are certain details and changes that the administration would like to make. I think it certain that they will come in with some suggestions. I believe many Senators will propose modifications and changes. Nevertheless, I know of no better starting point than the extension of this act. It should be extended for a period of years.

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

May I also suggest that we move as rapidly as possible? The last farm bill was months too late and it affected wheat long after winter wheat had been planted.

I commend my distinguished colleague for moving quickly on this bill, which will speed up the process, and I hope we can come out with a farm bill that will go on benefiting the men and women and families who live on American farms.

Mr. YOUNG. Mr. President, will the Senator yield for a brief comment?

Mr. CURTIS. Yes. The Senator yielded to me. I yield.

Mr. YOUNG. I want to commend the distinguished Senator from Nebraska for the statement he made with respect to the present farm program. I was one who was a bit skeptical about its workability and its acceptability to farmers. But it has worked out far better than we expected it to.

Mr. BELLMON. Mr. President, it is a genuine pleasure to join as a cosponsor of the bill to extend the Agriculture Act of 1970 for another 5 years. I do so for one reason—because the Agriculture Act of 1970 has been good for farmers, good for consumers, and good for taxpayers.

If a farm bill should have a single objective, that objective should be to increase farm income. The Agriculture Act of 1970 has met that objective better than any farm program ever enacted by Congress. Both farm income and prices for farm products reached record high levels in 1972.

Even though farm prices rose to record high levels in the last 3 years, the relative costs to consumers went down. We spend less than 16 percent of our take-home pay for food today—the lowest percentage in history, and it is one of the lowest percentages of any country on the face of the earth. Thanks to the American farmer, this Nation is being fed better and cheaper than any place on earth.

COMPARING CONDITIONS IN 1972 WITH THOSE OF 1969

First. Net farm income has risen to $19 billion, an increase of over $2 billion, or 13 percent, in just 4 years.

Second. Net income per farm has risen to $6,700, up 18.5 percent in 4 years.

Third per capita disposable income for farm residents rose from $2,400 to more than $3,000, an increase of more than 27 percent in 4 years. This increase raised disposable farm income to about 80 percent of the income of nonfarm people compared to 76 percent in 1969. So it apparently still has a long way to go.

While the income position of our farm population is still not nearly good enough it is improving rapidly. The general economic well-being of the Nation, strong consumer demand for farm products, foreign purchases of grain in large amounts, and other factors have contributed to the improvement of farm income, but the Agriculture Act of 1970 provided the foundation and remains the primary reason farmers are better off today than 4 years ago.

The thrust of the act has been to give farmers greater freedom and more management opportunities; it has permitted farmers to raise the crops they grow most efficiently. The current program is geared toward greater income earned from the market place. Tight controls have been lifted, returning decision-making options to the farmers instead of leaving them in the hands of Federal bureaucrats.

Restrictive, backward-looking planting restrictions have been lifted, allowing farmers to plant the crops that gave them the greatest opportunity for profit.

Farmers took advantage of these opportunities—and as a result, farm income has improved substantially.

The Agriculture Act of 1970 is a positive farm program. It has done more to improve the lot of American farmers than any previous farm program—and it deserves to be continued in substantially its present form.

Mr. President, I congratulate the distinguished Senator from North Dakota (Mr. YOUNG) for the leadership he has given to the committee and to the Congress in introducing this legislation in this kind of way.

Mr. DOLE. Mr. President, when the Agricultural Act of 1970 was passed in November of that year, the winter wheat crop to be harvested in June 1971 was already planted and growing. While Congress debated the program, wheat farmers were forced to proceed with planting that crop even though they had no firm assurance of what the program's features would be when finally approved. When the program, at last, was passed by Congress, these wheat farmers had to adapt their operations to meet the requirements of the program, and they did not have

adequate time to study its provisions and evaluate the choices it provided.

PASSAGE BEFORE PLANTING

Today, I join with the Senator from North Dakota (Mr. YOUNG) in sponsoring an extension of the 1970 farm program. In fairness to America's farmers a repetition of the 1970 difficulties should be avoided, and farm legislation should be acted upon promptly this session, so, prior to their September planting season, farmers will be provided adequate time to appraise the program under which they will be required to operate in the coming year.

OPTIONS IMPROVE INCOME

Since passage of the 1970 program, many farmers have told me of their preference for the flexible set-aside approach in contrast to the rigid controls of previous programs. The set-aside provisions allow farmers to plant the crops they feel will bring them the best return on their investment; and this result—improvement of farmers' net income—should be the primary aim of any farm legislation. Our farmers earn only 75 percent as much income as other workers in the American economy, and adequate reward for their great contribution to our way of life is a just and reasonable expectation on their part as well as a sound goal of Federal legislative policy.

HEARINGS ON WEAKNESSES

The wide divergence in farming practices from one corner of the Nation to the other make administration of any farm program difficult, and in the past 3 years some difficulties have been encountered with this program—such as with the reduction in payments to wheat farmers resulting from the Russian wheat sale last summer. But the provisions of the law which produced this inequity will be closely investigated through forthcoming hearings before the Senate Agriculture Committee, so we can prevent similar occurrences in the future.

Even though the program does have some weaknesses and shortcomings, its primary emphasis on flexibility to accommodate local cropping practices has received general acceptance and support from the farmers of America.

FIVE-YEAR EXTENSION

The bill we introduce today will extend the Agricultural Act of 1970 for 5 years and early congressional action will afford adequate time to make necessary adjustments in the program while providing continuity in the effort to improve the net income of this Nation's farmers. The bill includes extension of the wheat, feed grain, and cotton set-aside provision; the food for peace program—Public Law 480; the Wool Act, and the dairy program.

I urge my colleagues to support prompt passage of this legislation.

By Mr. ERVIN (for himself and Mr. ROBERT C. BYRD):

S. 518. A bill to provide that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate. Referred to the Committee on Government Operations.

CONFIRMATION OF DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET

Mr. ERVIN. Mr. President, I introduce for appropriate reference a bill to require that the Director and the Deputy Director of the Office of Management and Budget be subject to confirmation by the Senate.

The Director of OMB in many respects is the deputy President of the United States, for this Agency has become the arm by which the President exercises power over every facet of the executive branch.

The decisions made by the OMB Director are fully as important as those made by the President himself, yet neither the Director nor his deputy are accountable to the Congress. Their appointments are not subject to confirmation by the Senate, and the custom has been to protect them from testifying before Congress by exercising executive privilege. OMB has come to possess unbridled power.

In effect, it exercises life and death power over the statutory departments and agencies—even the independent agencies—from within the White House walls. It has undertaken to revise the budgets of the departments, to impound lawfully appropriated funds, and even to terminate programs that have been authorized and funded by Congress. Often these actions are taken without prior consultation with the Federal officials whose programs are effected. As Senator METCALF said recently, OMB can and does "emasculate" what Congress has done.

The growth of OMB as a superagency accentuates the concentration of power in the executive, and it demonstrates the urgent need to make the Director subject to confirmation by the Senate. This issue is part and parcel of the great separation of powers debate that is raging in the Congress at the present time.

Also serving to make this legislation necessary is the controversy that has enveloped President Nixon's choice as Director of OMB, Roy Ash. Regardless of the merits of Mr. Ash's appointment, the circumstances surrounding it should be examined by the Senate. I do not intend to comment on the controversy surrounding Mr. Ash's appointment at this time, but the allegations, and the administration's rebuttal, can be found in newspaper articles that I will insert in the RECORD at the close of these remarks. If Mr. Ash were subject to confirmation, then the Senate would have an opportunity to examine his background and qualifications, and he would have an appropriate forum to explain and defend his record.

Certainly the Congress and the American people should have an opportunity to scrutinize any official who will exercise powers as extensive as those possessed by the OMB Director, and to pass on his qualifications. If we require the confirmation of every second lieutenant in the Armed Forces of the United States, then we should exercise our constitutional authority in connection with the appointment of what has evolved into the second most important position in the executive branch.

Originally created in 1921 as the Bureau of the Budget, OMB was to assist the President in coordinating budget activities and managing the execution of programs and policies. In addition to being the budget agency of the Federal Government, when directed by the President, it was to make detailed studies of the departments and establishments so that the President, by means of such studies, would be able to determine what changes should be made to secure greater economy and efficiency in the conduct of the public service.

Over the years, the Bureau acquired additional responsibilities and powers, such as: First, the improvement of management and organization in the executive branch; second, the improvement of financial management and accounting systems in the Federal agencies; third, coordination and clearance of legislative proposals and Executive orders; fourth, the development of the planning-programing-budgeting system in Federal agencies; and fifth, coordination and improvement in governmental statistical activities.

This description of some of the functions of OMB makes it appear as a very useful and necessary management tool for the President. However, the Budget and Accounting Act of 1921, as amended, does not spell out the fact that this so-called management tool has become a supercabinet agency, and that its Director has come to wield tremendous Presidential powers. The Director, in effect, exercise life and death control over all of the executive branch departments and agencies, as well as over all of the policies and programs enacted by the Congress. He even rides herd over the budgets of the independent agencies, which are not part of the executive branch but are designed to be extensions of the Congress. Power over an agency's budget—like the power to tax—is the power to destroy.

When the 1921 statute was enacted, the Director's position was considered personal to the President, and the Congress deemed it best to let the President have full authority in this appointment. Accordingly, exercising its authority under article II, section 2 of the Constitution, the Congress vested the appointment exclusively in the President.

As I have said, the time has come to require the Director of OMB and his deputy to be subject to scrutiny by the Senate, just as we require of lesser Federal officials. If we are to have an official vested with powers second only to those of the President, then I believe we owe a duty to the American people to make certain that this official possesses the requisite qualifications and integrity to exercise such great powers.

Mr. President, I ask unanimous consent that four articles from the Washington Post, an article from the Wall Street Journal, and an editorial from the New York Times be inserted in the RECORD, and that the text of the bill be printed, at this point.

[From the Washington Post, Dec. 20, 1972]

OMB CHOICE CALLED MISTAKE

(By Morton Mintz)

Navy cost-cutter Gordon W. Rule said in testimony yesterday that President Nixon

made "a mistake" in turning over the Office of Management and Budget to Roy L. Ash, former chief executive of Litton Industries, which has more than a half-billion dollars in disputed contract claims pending against the Navy.

And Ash made "a worse mistake" in agreeing to take the post, "probably the most important job in the government, next to the President," Rule told a congressional joint economic subcommittee hearing.

Dwight Eisenhower "must be twiching in his grave," Rule said.

He recalled the late President's warning against "the military-industrial complex" and commented, "I frankly think we've added a new dimension . . . it's almost a military-industrial-executive department complex."

Ash, a friend and close adviser of President Nixon, began work last week in the Old Executive Office Building. He is to take over formally as OMB director in January.

Ash has said he does not intend to insulate himself from Navy budget decisions. Regrettably, Rule said, Ash will not be questioned on Capitol Hill, because his appointment does not require Senate confirmation.

Rule, whose mission in the Navy Materiel Command is to "challenge, question" and, when necessary, "disapprove" procurement contracts, has long spoken candidly when called to Capitol Hill.

Despite a steady erosion in the importance of his assignments and his authority, Rule has held his job. Expressing admiration for his courage, Sen. William Proxmire (D-Wis.), the subcommittee chairman, told Rule that he is "the most unusual, frank, public servant who . . . has come before this committee."

Rule said he doubted he would be testifying again. He appeared yesterday without a prepared statement, saying he would have had to ask the Navy for clearance. "I don't think they'd clear it," he said.

Openly contemptuous of bail-outs of defense contractors who claim to be accepting the risks supposedly inherent in a capitalist system, Rule told Proxmire that the government lacks "the guts to tell the taxpayer free enterprise is out and socialism is in."

Rule said Congress might well be forewarned to expect the Nixon administration to ask for legislation to bail out the shipbuilding enterprises of contractors including Litton Industries and Lockheed Aircraft Corp.

He based his testimony on the minutes of a "summit meeting" last June 6 between senior Navy officials and Litton executives, including Ash, at company headquarters in Beverly Hills, Calif.

The minutes, given by Navy sources to The (Washington) Evening Star-News for a story last Sunday, disclosed that Ash "indicated he had discussed" the subject with then-Treasury Secretary John B. Connally. The minutes went on to say:

"Mr. Connally was quoted as saying such a program should be positively persented, on a grant program scale—make it bigger than Congress."

Ash, confirming the minutes to reporter Orr Kelly, said, "It is just prudent and in the government interest to resolve these claims."

The claims made by Litton include $30.6 million for purported late delivery of government materials needed to build nuclear attack submarines at Pascagoula, Miss. The Navy has said it owes nothing on this claim, which has been referred to the Armed Forces Board of Contract Appeals.

Proxmire, in a letter to Navy Secretary John W. Warner on Nov. 30, said he had learned that Litton had been overpaid for completed work on the same submarines by "as much as $30 million."

Yesterday, the senator told the hearing that a team of investigators from the Navy Ship Systems Command is looking into a "serious possibility of fraudulent misrepresentation" in the pending claims as well as in the overpayments.

Proxmire told reporters he learned of the investigation from Navy sources who cannot be identified lest their jobs be imperiled. In addition, Rule testified that Adm. Hyman Rickover, the "father" of the nuclear submarine program, has characterized certain of Litton's claims on the subs as almost amounting to fraud.

A Litton spokesman said that "no question has ever been raised as to fraud or misrepresentation," and that the company is aware of no investigation into allegations of either. The Navy had no immediate comment.

Under Secretary Frank Sanders, in a letter released by Proxmire, acknowledged that Litton was "overpaid" for completed work between June, 1968, and September, 1972.

Sanders said the cumulative overpayment amounted "at its maximum" to $7.6 million. But Proxmire said this figure is shown to be greatly understated by reports in his possession from the Defense Contract Audit Agency.

Sanders said the total of excess progress payments fell to $1.7 million by last Sept. 4, and that sum was fully refunded by Litton by Sept. 13.

Assistant Secretary Charles L. Ill II was expected to testify in today's session, but canceled yesterday. The reason given by an aide to the subcommittee was the same one cited earlier by the Chief of Naval Operations, Adm. Elmo Zumwalt, and three other admirals: "Public testimony could have a very serious effect on . . . very sensitive negotiations."

An unexplained cancellation came from E. Clinton Towl, board chairman of Grumman Corp., who was scheduled to testify today about a contract to build Navy F–14 fighters.

Grumman says it can go on building the aircraft only if the government puts up an extra $500 million. Rule charged that Grumman had reduced its bid by about that same amount in order to shut out a competitor. He termed this "the most flagrant buy-in I have ever seen."

Proxmire inquired if there was a merit in Grumman's claim that it is a victim of inflation and other unexpected costs. "Absolutely not," Rule said. "They're not kids. They know how to bid on a contract."

Rule also charged that the Navy was "sold a bill of goods" when it signed a contract with Litton to build nine landing helicopter assault ships at the firm's "shipyard of the future" in Pascagoula, Miss., for $133 million each.

As things stand now, each of five ships will cost $237 million; Litton has filed claims, resisted by the Navy, that would increase the price to $294 million, and deliveries will run 23½ months to 32½ months late.

The modular construction method, which assembles separately built components in Litton's highly automated yard, is excellent for standardized commercial ships, but unsuited for individualized men of war, Rule testified.

The modular method so frustrated one veteran Litton shipbuilding executive that he built a container ship in the old-fashioned way, the subcommittee was told by Dean L. Girardot, coordinator for the AFL–CIO's metal trades department in Pascagoula.

He testified that when top Litton executives in California learned of this they ordered the ship cut in two and then welded back together, so they could claim to have built it by the modular method.

A Litton spokesman later told the Washington Post that Girardot's account of the incident was inaccurate.

[From the Washington Post, Jan. 2, 1973]

1950's Suit Linked Ash to False Affidavits

(By Morton Mintz)

Los Angeles.—In the early 1950's the Air Force was unknowingly paying millions of dollars extra to Hughes Aircraft for weapons-control systems.

The parent Hughes Tool Co., owned by multi-millionaire Howard Hughes, was in ignorance, too. Hughes Tool, like the Air Force, was getting phony financial reports from the Hughes Aircraft Division.

The irregular practices set off an epic executive suite struggle in which one of the principals was Roy Lawrence Ash, the man picked by President Nixon a few weeks ago to be director of the Office of Management and Budget.

Ash's principal antagonists were several high-ranking certified public accountants who finally quit rather than go on working for him and his boss, Charles B. (Tex) Thornton.

Later, Ash and Thornton left, going on to found Litton Industries, the giant conglomerate now in disputes with the Navy over hundreds of millions of dollars in shipbuilding claims. Howard Hughes went on to become the most publicized recluse in history.

The struggle took place more than 20 years ago. But it is destined to be re-enacted here this spring, when there will be a retrial of a libel suit brought against Thornton and Litton Industries by Noah Dietrich, who for 32 years was Howard Hughes' chief executive officer.

The suit is but one of a half-dozen, dating back to 1959, that detail the key role played by Roy Ash in the revolt of the Hughes Aircraft CPAs. This maze of litigation had its bizarre aspects, and these drew sporadic publicity. But the involvement of Ash appears to have attracted negligible public attention.

The following account was reconstructed from records in Superior Court and the Court of Appeal, including trial transcripts, depositions, exhibits, lawyers' briefs and judges' rulings:

The story begins at the end of World War II. Roy Ash got out of the Army Air Corps. He was 27. He had no college degree but he had served in a unit that was revamping military procurement along business lines. He entered Harvard's Graduate School of Business Administration and was graduated in 1947, first in his class. He then joined the statistical department of the Bank of America in San Francisco.

In Dearborn, Mich., meanwhile, Thornton had been jockeying for the chance to run Ford Motor Co. and had aroused hostility from certain other executives. He had found that his timetable for climbing the executive ladder didn't coincide with Henry Ford II's and was preparing at age 35, for a parting that everyone concerned wanted to be amicable, outwardly.

The parting came in 1948, when Howard Hughes hired him on the recommendation of Ira C. Eaker, a retired Air Force General who was the Hughes Tool vice president in charge of Aircraft Division operations.

Executive titles are not always a reliable guide to the levers of power. They weren't at Hughes Aircraft. On the organization chart, Eaker was at the top. A fellow retired Air Force general, Harold George, had the title of general manager. Thornton's title was assistant general manager. Ash's was assistant comptroller (although he is listed as "chief financial officer" in an entry he supplied for "Who's Who in America" and in the recent White House press release on his appointment to head the federal budget bureau).

The reality was much different. No one

has been blunter about this than Noah Dietrich who, reigning from the peak of the Hughes Tool Co. pyramid, was the man closest to the Howard Hughes sphinx.

Eaker and George were mere "customers' relations" men, according to Dietrich. Himself a CPA, he said that neither of the generals was knowledgeable about accounting, nor, for that matter, about corporate management. Eaker, in his own testimony, described his job as "liaison" with Hughes Tool.

As for George, he was "not running the plant," Dietrich said. In a memo to Dietrich in September, 1953, an expert in corporate management, Prof. Harold Koontz, spoke of the general as a sort of "pleasant spiritual leader who has furnished a symbol of unity . . ."

A setup of this sort "invariably sets the stage where some aggressive individual runs with the ball," Koontz said. "We know, of course, that Thornton has been this individual. . . ." Thornton once acknowledged that the real power was his. "Most administrative and business management decisions were made in my office," he said in a letter to Howard Hughes.

Ash, on the organization chart, was subordinate to division comptroller William B. McGee. Actually, Ash was Thornton's man, reporting to him directly—not through McGee—several times each week. Thornton belatedly made it official in October, 1951, when he designated Ash "acting comptroller."

Long before this, Thornton had put Ash in charge of all accounting at Hughes Aircraft although Ash is not an accountant. "I was in charge of accountants," Ash has said. Among them were the CPAs who eventually revolted.

One of them was James O. White, chief accountant in the comptroller's organization throughout 1951. An authority on aerospace accounting, who has taught the subject at four universities, he was responsible for the general ledger and supervised 300 men through six department managers.

During the summer of 1951, White began to notice irregularities in record keeping. He reported them to McGee, his nominal boss. Initially, McGee thought that the irregularities "could be errors, . . . but gradually he became convinced, as we became convinced, that they were deliberate," White has recalled.

White kept on complaining to McGee until it "became obvious that this was doing no good." Finally, McGee told him that "Roy Ash was now in charge" and that he should "accept his orders."

For a time, White did just that, to the point of becoming an admitted accomplice in accounting practices he regarded as improper.

"Ash is one of the world's great talkers," White has said. ". . . he would go into the oratory . . . that we weren't ever really cheating the government . . . and there were even times when I went away believing it—momentarily."

The spell didn't last, giving way finally to violent arguments not only between Ash and White, but also between Ash and White's supervisor, C. E. (Bill) Ryker, manager of accounting.

Some of the arguments concerned Ash's orders to over-credit inventory accounts, that is, to record larger withdrawals of materials than actually had occurred. White testified that the purpose was to enhance the appearance of authenticity of false affidavits supporting applications to the Air Force for payments for work completed.

White said Ash told him that over-crediting "will enable us to get more money from the Air Force." Eventually, Hughes Aircraft repaid $43 million to the Air Force.

By over-crediting inventory accounts, the division also caused a fictitious inflation in the costs of selling the weapons system. The result was a reserve of profits hidden in the inventory accounts, which enabled the division to claim to the Air Force that it was operating within the 10 per cent profit limit agreed to in the contract.

The process caused some accounting nightmares. Certain inventory accounts were showing "credit balances" that more went out than was there—a signal to accountants that something is wrong. This went on for months on end, meaning, said White, "that either sombody is deliberately putting wrong entries" in, "or is completely ignoring what might be actual error."

ORDERED "IMPOSSIBLE"

White said he told Ash it would be impossible to make additional entries in such accounts. "Make the entry anyway," he said Ash told him. "That was it."

Under questioning by attorneys for Thornton, White said Ash make it clear he was carrying out Thornton's orders. If White or other CPA's would say, "Well, gee, he is not the boss," Ash would counter with, "Oh, yes, he is," or, "He is really running this show," White said.

In the monthly reports to Hughes Tool, White testified, Ash turned around 180 degrees and told White to post entries that would cover up the over-crediting and thereby make the Aircraft Division's profit performance look brighter. Without a piece of paper to support it, White said, Ash might order an entry debiting inventory and crediting cost of sales.

"They were entries that were just false entries," White said. Ash's cost accountants handed them to White's people, who posted them. "I have heard Roy Ash say, 'Make an entry debiting so-and-so and crediting so-and-so,' " White said. "Half-an-hour or two hours later or so the entry was in my hands, and they were just figures needed to balance a predetermined profit."

White said Ash turned away protests by saying about such entries, "You've got to make them. Thornton promised the Tool Co. he'd make so much money this month and we're to make it. So here's the entry . . . you put it in the books."

White obeyed. On many occasions, he and Bill Ryker "argued rather violently that it wasn't right," but Ash prevailed. He said "that we shouldn't be questioning these things, that . . . they weren't our responsibility . . . that I ought to take my orders like a good company man does and like he did." White also recalled Ash saying, "You should be loyal to the division" and to him and Thornton. Loyal to the division over the parent company? White couldn't swallow that.

DENIED IN COURT

In a courtroom appearance Ash denied White's charges. He testified that he had never been ordered by Thornton to have improper entries made and had never issued such orders.

Ash was asked if he had ever made a statement that he himself had objected to the practice at Hughes Aircraft of "hiding profits in inventory." His answer was, "Never made the statement."

Lawyer Harold Rhoden then tried to show that Ash had impeached himself because the answer was inconsistent with deposition testimony in which they had had this exchange, slightly abbreviated here:

"Q. Did Mr. White ever say that he objected to hiding profits in inventory or use that expression?

"A. He may have objected to me just as I was objecting on the same points . . .

"Q. . . . you also objected to it?

"A. I did . . ."

In a second deposition, Ash affirmed those answers.

But confronted with them in court, he said, "I think I was confused . . . tricked . . ."

Gorden MacDonald, an accountant who actually made the disputed entries, denied in court that he had ever heard White or Ryker arguing with Ash against overcrediting the inventory accounts. MacDonald was reminded that in a deposition earlier, he had not only heard such arguments, but had quoted Ash as saying "You run the general books. Cost people will worry about the cost accounting. Keep out of this function."

His memory refreshed, MacDonald said it was his deposition testimony that was correct. In this way, he became a reluctant witness against Ash.

Sometime in 1951, Ash ordered an end to physical control of the inventory, in which storekeepers in locked, caged areas issued parts in exchange for requisitions. He replaced this system with another in which the parts were made accessible to the workmen, who then were supposed to fill out requisitions and drop them in a specified box. But after a time a check showed that far more parts had been taken than had been requisitioned.

The check demonstrated the lack of an adequate inventory control system which, White said, "always results in excessive usage of parts," and, as a result, higher costs to the ultimate customer—in this case, the Air Force.

White said Ash met the situation by bringing in a large number of his cost-accountants nights and on a weekend "to cover up the shortages."

Working overtime under Gordon MacDonald's supervision, White told Thornton's lawyers, the accountants made a list of the parts for which requisitions had not been submitted, then prepared thousands of new ones.

CLOCKS SET BACK

These "midnight requisitions" were stamped by time clocks set back to various dates and were signed by Ash's men, White said.

"The people deliberately dirtied them, threw them on the floor, wrinkled them, handled them with dirty hands in order to make them look as though they had been prepared and processed by shop personnel," White said. "They were complete forgeries."

White said he protested to Ash that there had been a "proper way" to handle the problem: "prepare inventory shortage reports and write the inventory shortage off." "What did Ash say?" White was asked. "He said he wanted to do it this way."

As for the affidavits to the Air Force, White had seen some that overstated the percentage of work completed. Ash, White said, "admitted" that inflated percentages were being reported "so we can get the money . . . Tex wants to get the money, and we're to do it any way we can get it." Ash testified he had signed some of the affidavits.

Sometime in mid-1951, White, Ryker and three other CPAs became convinced that further complaints to Ash were futile because he, as White put it, was "merely a henchman . . . for Thornton"; that Ash and Thornton both had to go, and that if they didn't the CPAs would quit rather than jeopardize their professional and personal reputations any longer by allowing themselves to be used to defraud the government.

The CPAs secretly contacted Frederick J. (Jack) Strickland, who only recently had gone to work for Roy N. Sherwood, comptroller of Hughes Tool's West Coast operations. During the first half of 1951, Strickland had been in charge of a team for Haskins & Sells, an independent firm of CPAs, that audited the Aircraft Division's records.

RECORDS SMUGGLED OUT

At the time of the audit certain crucial records were missing—now, however, Strickland got these and other records from the division CPAs, who smuggled them out.

Strickland relayed his preliminary findings to Sherwood and Executive Vice President Noah Dietrich, who was getting addi-

tional indications of irregularities from Malcolm Devore of Haskins & Sells and from A. V. Leslie, Hughes Tool's vice president for finance.

Dietrich sent Strickland to the aircraft plant to gather more evidence. He also called in Thornton to tell him that the CPAs, orally and in writing had reported they were being required to credit inventory accounts that already had credit balance and to engage in other improper accounting activities.

Thornton told him, Dietrich testified, that the Air Force contract limited profits to about 10 per cent and that the books, as a result, were indeed adjusted as necessary to indicate that rate of profit. "He admitted it," Dietrich testified.

As for himself, he said, he was "concerned and alarmed" to learn that inventory accounts were being over-credited—a practice Thornton had kept secret from him. As a CPA, Dietrich said, he recognized the ultimate impact to be fraudulent: ". . . you are improperly borrowing money from the Air Force on which you are not paying interest."

By September, the CPAs had assurances that Ash and Thornton would be fired. The assurances were taken seriously. Dietrich, after all, was the one man with access to the elusive Howard Hughes even if he lacked authority on his own to fire the executives.

In the interim, the CPAs were asked to stay on. They did so, expecting Ash and Thornton to be fired quickly so that they could, in White's words, "come back and straighten out the mess." But a hitch developed: Hughes refused for almost two years to give Dietrich the firing authority he wanted.

In October, Dietrich said, he confronted Thornton with a copy of a request of a progress payment backed by a false affidavit on costs. Thornton contended that all defense contractors were doing the same thing and he saw nothing wrong with it, Dietrich testified. Dietrich ordered a halt to the practice.

On Nov. 1, Ash, having learned of the CPA's contracts with Strickland, barred him from the plant.

On Dec. 4, Haskins & Sells gave Dietrich a summary memo listing "observations . . . based on statements made to us by Aircraft personnel" and on the condition of division records. The memo was harsh on Thornton, expressing the belief that he "is unprincipled and ruthless and is universally disliked; cannot be trusted." Ash, the memo said, "appears to be rather deeply involved, directly or indirectly, in the deception."

The memo also registered the belief that division management regards its interests as "separate and apart" from Hughes Tool; discloses as little information as possible to "outsiders," including Gen. Eaker; employs "obfuscation" as the device that "best serves their policy of nondisclosures," assumes that "any desired objective justifies any necessary means."

CLEAN AUDIT REFUSED

Finally, Haskins & Sells warned that the records were in a state that it might have to qualify its certification of them (ultimately, the firm did refuse to give the division a "clean" audit; the Mellon National Bank then refused to renew a $35 million loan.)

On Dec. 20, Bill Ryker, in a memo to Comptroller McGee, said that a three-month effort to find the basic defects in the cost-accounting system had isolated 23 of them, including an apparent attempt to "pad" certain costs. He looked forward to remedying the situation "if we receive the promised cooperation and authority."

He never got it. On the first Sunday in January, 1952, Ryker and White drafted an "ultimatum" letter to Dietrich. The next day Jan. 7, they told a Haskins & Sells official that they intended to resign en masse.

The "ultimatum," delivered on Jan. 11, had five signers—Ryker; White; J. N. Barker, supervisor of fixed price cost accumulation; H. J. Johnston, supervisor of the general ledger section, and cost analyst H. C. Waken. The letter briefly recited the irregularities and recalled the September promise of swift corrective action.

If the delays continued, the five warned, they would resign rather than "jeopardize our reputations as certified public accountants."

Dietrich called the CPAs in. He testified they told him the Air Force had been overcharged millions of dollars by "improper practices." One of them told him, "You can't rule out the possibility of fraud. . . ."

Dietrich asked the CPAs to stay for at least a month or two, admitting he still lacked the authority from Howard Hughes to grant their one implacable demand: to fire Ash and Thornton. Dietrich couldn't do it.

PLACE TO HIDE IT

Dietrich summoned Thornton for more talks. Finally, he said, Thornton told him: "Noah, I want to tell you in confidence that we are actually making more than 30 per cent on this contract, and in order to keep it, we are going to have to hide it some place, and the best place to hide it is in the inventory account."

As for the affidavits that made excessive claims on the Air Force, Thornton "didn't see anything wrong" in the practice, saying it was "generally indulged in by military contractors," Dietrich testified.

He confronted Thornton with the CPAs' evidence of fake financial statements made by the Aircraft Division to Hughes Tool. "He didn't deny it," Dietrich said.

Thornton was also told of the CPAs' threat to resign, and "took the position that the plant had autonomy and that I should keep my hands out of it," Dietrich continued.

Gen. Eaker asked Ash to bring the five CPAs to his office.

Later in January, Eaker, who along with Gen. George was credited with "good personal integrity" in the Haskins & Sells memo, talked to the men, one at a time. It was to no avail. The five sent Eaker resignation letters on Jan. 23, 1952.

"I am unable to accept your request that I be a 'good company man' since this term was used to indicate that I was to be loyal to the division and its policies rather than being loyal to the Tool Company," James White told Eaker.

Two more CPAs followed, including H. Bradshaw, supervisor of the Aeronautical Cost Group. "Inasmuch as the use of the word 'fraud' is apparently ill advised," he said in a memo to Barker and Ryker, "I will say only that the clean and workable accounting system it was our end purpose to effect is not considered desirable by top management."

Thornton and Ash stayed on. Dietrich, trying to bounce them, tried to get permission from Hughes. No response.

June brought a counterthrust: Thornton, Gen. George and scientists Simon Ramo and Dean E. Woolridge sent a letter to Hughes through Gen. Eaker. Dietrich, they charged, was trying to "seize personal power without regard to the consequences to this company" and had engaged in a "plot" that could have "seriously injured our national security."

Dietrich and Thornton, meanwhile, were having another dispute about refunds to the Air Force.

REFUND MADE

Dietrich decided early in 1952 that he wanted a "token" refund of $5 million made, pending a determination by Haskins & Sells of the true amount owned. Thornton, he said, resisted.

Early in 1953, an Air Force contracts official, Barry Shillito, now an Assistant Secretary of Defense, threatened legal action if a refund were not made. In the summer about $5 million was actually paid over. Thornton claimed the refund was voluntary. Dietrich said it wasn't.

The audit was completed by Haskins & Sells, that fall, on Oct. 31, 1952. The report said Hughes Aircraft had overcharged the Air Force by $43.4 million; Hughes paid the balance during late 1953 and early 1954.

In mid-1953, by Dietrich's testimony, he had finally gotten Howard Hughes' permission to tell Thornton and Ash to resign or be fired. They resigned—they said voluntarily. Thornton testified that Dietrich even asked him to withdraw his company, and "be a candidate to succeed him." Dietrich, who was 65 at the time of the resignation, denied he had said anything of the sort.

Ash and Thornton, as has been noted, went on to found Litton Industries. The litigation that put the Hughes Aircraft case on the public record was born at Litton.

A man named Emmett T. Steele participated with Ash and Thornton in the founding. In 1959 Steele filed a suit accusing Litton Industries and Thornton of fraud in depriving him of certain stock allegedly promised him in an oral contract.

A jury awarded Steele $7.6 million. The case was appealed and remanded for a new trial. The upshot was a settlement of $2.5 million.

In 1962 in preparing for the trial that led to the $7.6 million award, Steele's lawyer, Harold Rhoden, took a deposition from Dietrich. Answering questions as a prospective witness, Dietrich recounted the CPA's revolt episode and told of other matters involving Thornton.

In December of that year, Thornton charged in a press release that Dietrich had been "maliciously defamatory" in his deposition. Thorton filed a $40 million slander suit.

CALLED FALSE

At the same time, Litton sent a letter to 12,000 employees, accusing Dietrich of "irresponsible and malicious attacks" and denouncing as "completely false" a charge attributed to Dietrich that the Air Force had been overcharged several million dollars as a result of improper accounting methods at Hughes Aircraft.

The Thornton slander suit was rejected by the Superior Court of Los Angeles and then by the Court of Appeal in September of 1966. Dietrich, meanwhile, had filed a libel suit against Litton and Thornton, in which he asked 40 cents in actual damages and $1 million in punitive damages. This action was tried in early 1968 in Superior Court.

AWARDED $6 MILLION

After a two-month trial, a jury awarded Dietrich punitive damages of $5 million against Thornton and of $1 million against Litton.

Judge Bayard Rhone, who had said he would set aside any verdict that was not what "I think is an obvious correct decision," set it aside.

He said he would grant a motion for a new trial, and did when one was made later.

Rhoden, appealed with a 531-page brief accusing the judge of "unabashed bias and patent prejudice" against Dietrich.

The Court of Appeal, in a decision in November, 1970, said that Rhone, who is now dead, erred in overturning the jury verdict. But the court ordered a new trial, saying it could reverse a motion for a trial "only when, as a matter of law, there is no substantial evidence to support a contrary judgment."

The new trial may begin in April.

[From the Washington Post, Jan. 3, 1973]

NIXON HAS FULL FAITH IN ASH, AIDE MAINTAINS

(By Carroll Kilpatrick)

President Nixon has complete confidence in Roy L. Ash, whom he has appointed di-

rector of the Office of Management and Budget, despite allegations that Ash manipulated financial records 20 years ago, the White House said yesterday.

Acting press secretary Gerald L. Warren declined to discuss incidents described in a Washington Post report yesterday on court records in which Ash is named.

Asked if the White House was aware of the accusations before Mr. Nixon appointed Ash to the OMB, Warren said Ash discussed "various business questions with individuals on the White House staff" before his appointment.

When asked if the President has complete confidence in Ash, Warren replied: "Of course."

Asked if the White House accepted the Ash version of the case or had made an independent investigation, Warren said he did not have "any report to give you on the discussions Mr. Ash had with the White House. I have said the President has confidence in Mr. Ash."

Warren added that the FBI had conducted a full investigation into Ash's record as it does of all appointees.

Ash is scheduled to become OMB director after Caspar L. Weinberger, the present director, is confirmed as Secretary of Health, Education and Welfare.

Ash has been working in the Executive Office Building for several weeks familiarizing himself with the job, and when Mr. Nixon was in Florida before Christmas Ash used the President's Executive Office Building office.

It has been alleged that Ash falsified company records when he was working with the Hughes Aircraft Division of Hughes Tool Co.

[From the Washington Post, Jan. 11, 1973]

MALEK NAMED DEPUTY OMB DIRECTOR

(By Carroll Kilpatrick)

President Nixon yesterday named Frederic V. Malek as deputy director of the Office of Management and Budget with broad powers to make certain that administration policy is carried out in all federal agencies.

Together with Roy L. Ash, the new OMB director, Malek, known as a tough personnel and management expert, will ride herd on the agencies to see that goals the President sets are met at the most economical cost.

The White House confirmed reports that the President had accepted the resignation of Miles W. Kirkpatrick as chairman of the Federal Trade Commission.

Lewis A. Engman, a presidential assistant and member of the Democratic Council, is believed in line to succeed Kirkpatrick.

Kirkpatrick, a Philadelphia antitrust lawyer, succeeded Casper W. Weinberger as chairman of the consumer protection agency in September, 1970. Kirpatrick had headed an American Bar Association study of the much-criticized agency. The study recommended that FTC be abolished if radical changes were not made.

Kirkpatrick is largely credited with bringing new blood and new ideas to the commission and presiding over its general revitalization. Its often innovative approaches to law enforcement have occasionally incurred the wrath of business groups and White House aides.

The White House said Kirkpatrick will stay on until a successor is confirmed.

Malek will succeed Frank C. Carlucci, who has been nominated Under Secretary of Health, Education and Welfare.

A native of Illinois and a graduate of West Point and the Harvard Business School, the 36-year-old Malek was a highly successful businessman before joining the Nixon administration in 1969 as Deputy Under Secretary of Health, Education and Welfare.

He has been special assistant to the President for personnel since October, 1970 and has played a major role in the hiring and firing that have taken place in recent months.

In announcing Malek's appointment, White House deputy press secretary Gerald L. Warren said he would play "an especially large role in directing the day-to-day activities of OMB."

Another official said the President told Ash and Malek to concentrate on the management aspects of their job to make certain the government is more responsive and more effective in making better use of available money.

Neither Ash nor Malek is to spend the majority of his time on strictly budget matters, the official said, but leave budgetary matters largely to other officials while they concentrate on operation of the government.

The President thinks of the management responsibility of OMB not as a housekeeping role but as a means of translating his basic objectives into sepcific directives and seeing that they are carried out, an official said.

In other words, it was explained, OMB will work with federal departments and agencies in seeing that the things the President wants done are done effectively and on time.

[From the Wall Street Journal, Jan. 28, 1971]

SEAT OF POWER—FEDERAL BUDGET OFFICE, REORGANIZED BY NIXON, PLAYS A WIDENING ROLE

(By Richard F. Janssen)

WASHINGTON.—Now what do the Government's budget men do?

At 12 noon today the massive Federal financial plan will be delivered to Congress and their most visible business will have been completed for another year. But now they're going to be busier than ever.

For under the reform President Nixon ordered last summer, the old Budget Bureau has grown into the Office of Management and Budget. And as intended, it is going well beyond the old chiefly financial functions to become a sort of elite mini-Government—overseeing tiny details out in the field as well as offering often-decisive advice to the President on sweeping domestic issues.

CARRYING OUT MANDATE

Even during the arduous final months of budget preparation, the OMB has been carrying out Mr. Nixon's mandate for greater "coordination and evaluation" in ways that include:

—Rallying relief efforts on the scene for survivors of 38 men killed in a coal mine explosion in Hyden, Ky.

—Giving a last-minute nod for Mr. Nixon's uncharacteristic attack on a steel price boost.

—Assuring the veto of a major public-jobs-for-the-idle bill that Labor Department aides had nervously shephered through Congress.

—Challenging the Government's many statistical agencies to speed up the numbers they report periodically—or else scrap them.

"I can't say we've altered the course of the Republic," admits associate OMB Director Arnold R. Weber, but he does believe his outfit has already sparked a new "sensitivity to management issues" in the bureaucracy. Even as the OMB copes with crises thrust upon it by the White House, he says, it's engaged in "institution-building" intended to lead the whole Government to respond more efficiently.

The OMB's burgeoning role is far from universally welcomed, however, and in fact, is stirring bitter criticism. Other agencies feel it's running roughshod over them. Congressional men find it blind to grass-roots realities or complain that its' partly immune to Capitol Hill influence; the President's appointment of the powerful OMB chief is not subject to Senate confirmation.

GRIPES FROM INSIDE

And many of the office's insiders gripe that proliferating layers of politically oriented executives are destroying the Budget Bureau's tradition of crisp professionalism. "Ever since they added the word 'management,'" sums up one staffer, "We've been doing a poorer job of it."

The image of the OMB isn't readily separable, of course, from that of Director George P. Shultz, who was already a Nixon favorite when he was moved from being Labor Secretary to take over the new OMB last July. Physically, though, Mr. Shultz is quite separate from the OMB, maintaining his personal office in the White House. And although that is only across one narrow, sealed-off street from the OMB's location in the Old Executive Office Building, the gulf has much to do with the grumbling by the insiders.

Some senior OMB careerists appear pleased that their boss is at the President's elbow, to be sure. "Now when we call another agency," one says, "they know we've got some real clout."

But many of the bright, younger professionals who form the OMB's backbone find the relative inaccessibility of Mr. Shultz demoralizing. And it is through this crack corps of some 200 "budget examiners" that the Government traditionally has shaped each department's budget and submitted its operations to specialized year-round supervision.

"I used to see the Budget Director about twice a week," one staff man reports, "but I've only seen Shultz twice in six months."

Instead of gaining swift entry into the Director's office for an on-the-spot decision, others assert, an examiner often has to send written memos through seven or eight other offices. Mr. Shultz's reply, they add, retraces the same route and finally returns to the examiner with so many additional "inputs" that he can't be sure of the answer.

SOMETIMES IT'S TOO LATE

As a result, key officials in other agencies complain, the quick, sure guidance the old Budget Bureau could provide in a single telephone call is a thing of the past. "It takes much longer to get a decision from them now," says one eminent Nixon appointee. He adds that sometimes the delay stretches for weeks or even months so that by the time an answer comes it is simply too late. The OMB "has not worked out like it was supposed to," charges one departmental budget officer, who says he's "very confused" by the new setup.

Such complaints will fade once the OMB's shakedown period passes, the more optimistic officials stress. They note that it wasn't until December that Congress came across with money to start adding 70 management experts to its total staff of about 550 persons.

Other officials aren't so sanguine, however. "These new people are box-oriented," says one, and another glumly elaborates: "Shultz seems to think that once he's drawn a line between two boxes on an organization chart, he's solved a problem and can forget about it." Indirectly attesting to the chart-consciousness, a high OMB official retorts that the quality of decisions must be better now because in the old set-up "21 boxes reported directly to the Director."

To the dismay of old-line defenders of the idea that Budget personnel should be nonpartisan "untouchables," the decisions that emerge from the new apparatus often have a political tinge. But this is quite deliberate, Nixon aides say. One of their earliest unhappy discoveries was the great power wielded by anonymous civil servants in the Budget Bureau, especially because what a Budgeteer would advance as an "objective" view often appeared to the Nixon newcomers as liberal obstructionism.

Now almost everything must funnel through three politically attuned (but nonetheless expert) Assistant OMB Directors: James Schlesinger for defense and international functions; Donald Rice for economics,

science, technology and natural resources, and Richard P. Nathan for human resources and general government. Each has a button on his telephone linking him directly to the White House switchboard.

The politicization of the Budget office should help President Nixon govern better, advocates argue. In contrast to the old system in which only the Budget Director was a distinctly political appointee, one official says, the new setup's "deeper level of political leadership" (including Deputy Director Caspar W. Weinberger on the budgetary side and Associate Director Weber on the management side) will enhance the usefulness of the OMB staff.

How President Nixon intends to use the growing OMB isn't exactly clear, but aides discovered one way on the New Year's weekend following the Kentucky coal-mine disaster. Blocked by bad weather from flying immediately to the scene himself, Mr. Nixon asked OMB boss Shultz to see to it that all the survivors received "one-stop service" from the Government.

Mr. Shultz summoned William H. Kolberg, Assistant Director for Program Coordination, to start enlisting high Washington officials of the Federal agencies involved, such as the Social Security Administration, Interior Department, Veterans Administration and the Defense Department (which quickly flew home a dead miner's son from service in Vietnam).

But the OMB went further and dispatched to the scene program implementation chief William A. Boleyn to act as the President's representative in rounding up people from Federal field offices as well as state and county authorities. Within 48 hours, officials report, paperwork that might have dragged out over weeks and months had been completed, and benefit checks were hand-delivered on Jan. 12. (Not, however, without drawing a charge—which OMB men declare is baseless—from consumer advocate Ralph Nader that the haste may have short-changed some widows.

GUARDING AIRLINERS

The "crisis management" assignment first became evident last September when Mr. Nixon picked the OMB to rapidly marshal enough armed guards to foil the wave of airliner hijackings. This role was reinforced when he chose the agency (over such logical alternatives as the Office of Emergency Preparedness) to arrange a Federal takeover of the railroads in case the abortive early-December strike lasted long enough to warrant.

To deal with future riots or other local crises, the OMB is strengthening a network of 10 regional councils of Federal agencies' field offices; it is also taking on the less dramatic task of seeing that the bureaucracy actually follows through on things the President heralds in his public messages.

Many other OMB activities, too, reflect high-level concern that in today's big Government there's too much tendency to let things drift. Going beyond earlier admonitions for speedier statistics, for instance, the OMB is insisting that any agency with a report that emerges more than 30 days after the period covered must "please tell us why it shouldn't be abolished." The office is trying to get its own house in better order, an official quickly adds, by readying a "rolling budget"—a constant computerized updating of the way Congressional action and other events are altering Federal spending prospects.

Some of OMB's accomplishments are necessarily negative ones of fighting off further bureaucratic sprawl and overlap. Thus the Federal Aviation Agency was barred from "getting into the police business" by operting the new force of "sky marshals"; though the FAA is bearing the cost, the Treasury, which has long had law-enforcement duties, got the job of training and supervising the men.

MORE POSITIVE ACHIEVEMENTS

Other achievments are of a more positive sort, officials report. After Mr. Nixon was upset at seeing how little had been done to rebuild riot-torn areas of the nation's capital since the April 1968 disorders, he had an OMB team deal toughly with other agencies so that now "some money is moving."

The OMB is especially suited for getting action out of other agencies both because of its usual power over their purse strings and because of the unusual power of Mr. Shultz. Previous Budget chiefs would meet as equals in the economic-policy "troika" with the Treasury Secretary and Chairman of the Council of Economic Advisers. But now, one official notes, the OMB director "speaks directly for the President."

Hence Mr. Shultz's grudging go-ahead was deemed vital before the White House would go to the point of attacking Bethlehem Steel Corp.'s recent price rise. (Even Mr. Shultz, however, apparently was unable to dissuade White House Press Secretary Ronald Ziegler from using tough language in denouncing the boost as "enormous" and thus causing more stir than economic officials sought.)

The OMB also appears to have more say than the old Budget Bureau in the shaping—and scuttling—of other agencies' programs. Labor Department aides thought they were safe in concurring late one night with a Congressional panel's plan for a $2 billion subsidy for creating 200,000 local-government "public service" jobs; they had even roused an OMB political-level man—Mr. Nathan—for a sleepy consent. The final version passed with language changes that deepened Mr. Shultz's misgivings, however, and he's credited with spurring Mr. Nixon's surprise veto of Dec. 16.

ECONOMETRIC MODELS AND MISERY

(Before things came to that, though, Congressional backers of the public-jobs bill were marveling at the "narrow outlook" of high OMB emissaries. One Democratic staffer recalls that the legislative crowd was seized with a "we've got to do something" attitude about the human misery of mounting unemployment, while an OMB man "talked about econometric models and kept asking what our supply curve would be.")

But in its achievements both negative and positive, the OMB has clearly awed most Government departments. "No Cabinet officer is willing to take on Shultz, because he won't win," says one recent Administration drop-out.

That's not entirely true, of course. The Shultz camp was very chilly to the whole idea of Government intervention to save rail passenger service, and the President went for Transportation Secretary Volpe's "Railpax" plan anyway.

That episode nevertheless has some chilling implications for other agencies. Fully aware that the OMB had slashed a New Orleans-Los Angeles route from the Transportation Department's original passenger-service proposal, the Interstate Commerce Commission dared to urge publicly the inclusion of that route in the subsidized network. Before that display of independence by the legally independent ICC, Budget Deputy Weinberger had okayed an increase in the ICC's next budget; after the ICC's defiance, Mr. Weinberger told the agency to brace for an outright cut in its budget.

[From the New York Times, Jan. 8, 1973]

THE ASH APPOINTMENT

Roy L. Ash, former president of Litton Industries, a major defense contractor, has already assumed the post to which President Nixon named him as director of the Office of Management and Budget. That position is one of the most important in the United States Government; its occupant has more power than virtually any other member of the Cabinet or any single member of Congress. Yet the President can install whomever he wishes in the budget post without Congressional hearing and without obtaining the advice and consent of the Senate.

Senators Proxmire of Wisconsin and Metcalf of Montana and Representative Melcher of Montana have introduced bills that would require Senate approval of the director of the Office of Management and Budget. Such legislation has become necessary to protect constitutionally implied Congressional checks over the executive branch.

When the Bureau of the Budget was set up in 1921, its director was considered a technician—a term that scarcely defines the role of Mr. Ash. The evolution of the office during the past half-century has steadily brought it greater power and influence in the actual formulation of governmental policies and of specific legislation.

It is particularly urgent that Congress now review the Ash appointment, because serious potential conflict of interest is involved when the Government's top budget and management officer is a man who has served as president of a major defense contractor currently engaged in disputes with the Government over huge cost overruns. Litton is asking the Navy for almost $544 million above the original estimates on several ship contracts.

On one of these, relating to nuclear submarines, Vice Admiral Hyman G. Rickover last summer accused Litton Industries of "misrepresentation, if not fraud" in trying to blame the Navy for the cost overruns. On another contract for landing helicopter assault ships—for which Litton is claiming $270 million in additional cost—the company is already two years behind schedule because of production and personnel problems. Mr. Ash has sharpened the conflict-of-interest issue by implying that as budget director he would not separate himself from dealing with defense contracts, including those of Litton. Furthermore, grave questions have been raised about Mr. Ash's own managerial record at Litton and earlier in his business career.

These questions deserve the most careful examination by the Senate if Mr. Ash is to serve as budget director. The military-industrial complex cannot be permitted to be expanded to a military-industrial-Executive branch complex.

S. 518

A bill to provide that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective on the day after the date of enactment of this Act, the Director of the Office of Management and Budget and the Deputy Director of that Office (originally established by section 207 of the Budget and Accounting Act, 1921, and redesignated by section 102 of Reorganization Plan Numbered 2 of 1970) shall be appointed by the President by and with the advice and consent of the Senate, and no individual shall hold either such position thirty days after the date unless he has been so appointed.

OMB DIRECTOR SHOULD BE SUBJECT TO SENATE CONFIRMATION

Mr. ROBERT C. BYRD. Mr. President, I have joined the distinguished Senator from North Carolina (Mr. ERVIN) in introducing a bill to require the Director and Deputy Director of the Office of Management and Budget to be subject to confirmation by the Senate.

The necessity for this legislation has come about due to the tremendous im-

pact that the office now has on all facets of the governmental departments and agencies.

When the Bureau of the Budget was created in 1921, its function was to assist the President in coordinating activities and managing the execution of programs and policies. It was to be the President's staff to aid in preparing the budget, and, as such, its Director's position was considered personal to the President. Accordingly, the Congress vested that appointment exclusively in the President.

However, when the Congress failed to disapprove Reorganization Plan No. 2 of 1970 transferring the Bureau of the Budget to a new Office of Management and Budget, the entire thrust of the department was also changed. As the President said in his transmittal message:

> Creation of the Office of Management and Budget represents far more than a mere change of name for the Bureau of the Budget, it represents a basic change in concept and emphasis.

The Office of Management and Budget has become the chief administrative office of the Government. It determines budget limitations for each agency, even those that are regulatory arms of the Congress.

It is the OMB that puts together the program of impounding funds appropriated by the Congress for the various departments and agenices.

The OMB resolves interagency conflicts of priorities. In short, the Office of Management and Budget has become a substantive, and, by the use of impoundment, legislative arm of the Government.

It is for these reasons that, at the very least, the Congress must make its Director and Deputy Director subject to Senate confirmation hearings. In this way, there will be at least one avenue by which the Congress can attempt to break through the shield of executive privilege that so often cloaks key executive personnel from the investigative powers of the Congress. If the Congress is to avoid surrendering all control of its own creatures, the Government agencies, it must be able to question the direction in which the OMB is pointing those agencies.

I will introduce, shortly, legislation requiring the Director and Deputy Director of OMB to be confirmed every 4 years, but today I am pleased to join with those colleagues of mine who are as concerned as I am about the eroding of congressional power by the executive branch, and I feel that this is one more step that we in the Congress can take to reassert our constitutional responsibilities.

By Mr. SCHWEIKER:

S. 519. A bill to amend chapter 17 of title 38, United States Code, to authorize the treatment of certain veterans suffering from drug or alcohol addiction or drug or alcohol dependency. Referred to the Committee on Veterans' Affairs.

Mr. SCHWEIKER. Mr. President, drug and alcohol abuse have enormous implications for our society. They generate a major health problem, a great deal of pain and suffering for families, as well as those directly involved, and, of course, a major crime problem.

The Veterans' Administration has a major capability to attack the problem of alcohol and drug abuse, at least among our veterans population. The bill that I introduce today, the Veterans Drug and Alcohol Rehabilitation Act of 1973, would authorize the VA to improve and expand this capability by providing, within their available resources, drug and alcohol abuse treatment to any veteran who volunteers for such treatment, regardless of the character of his discharge, and to his immediate family when that treatment is deemed necessary to the rehabilitation of the veteran.

Veterans' Administration benefits have been given to veterans based upon the character of their discharge. I do not disagree with this principle. But in the case of drug and alcohol abuse, it is society at large which will benefit, perhaps even more than the individual veteran who will gain medical treatment as a result of this bill. Drug and alcohol abuse is a problem with such a grave impact upon our society, that any feasible measure aimed at its reduction ought to be thoroughly explored.

The two changes my bill would make in existing law—permitting treatment of veterans regardless of the character of discharge, and permitting treatment of immediate families, when this is necessary for the rehabilitation of the veteran—are both desired by the Veterans' Administration. However, although giving the VA additional authority, my bill would not require added funding, for these additional measures would be carried out within the scope of existing VA facilities and personnel. If, after gaining some experience with these two additional groups, veterans who were previously disqualified by virtue of the character of their discharge, and immediate families of veterans receiving drug or alcohol rehabilitation treatment, the VA decides it is helpful and cost-effective to expand their capabilities in this area, they can return to the Congress with a request for additional funds.

My bill, therefore, would fulfill two important functions: first, it would extend the authority of the VA to provide treatment in a way that is both desired by the VA and generally felt to improve the quality of the available treatment, at no additional cost. Second, it would permit significant testing of whether or not these measures do improve the drug and alcohol rehabilitation capabilities of the VA, and to what extent. This would add to the available data base upon which the VA requests and the Congress allocates funds for drug and alcohol rehabilitation.

This bill is very similar to legislation I have introduced in the past. It incorporates recommendations of the Department of Defense Task Group on Drug Abuse Policy. It provides only that the VA may treat veterans who have previously not qualified because of the character of their discharge, if they volunteer for such treatment, and also only if they agree to certain requirements to be set by the Administrator. This bill will authorize him to: First, require the veteran seeking treatment to agree in writing to a minimum period of time which may be required to complete treatment, second, set any "terms and conditions" for treatment in order to insure a thorough and effective rehabilitation program, and third, refuse further treatment to any veteran who violates the terms of any agreements and conditions under which the treatment began.

I want to emphasize that this is a voluntary program for the individual veteran. We are not forcing drug and alcohol abusers into veterans' facilities. We are, however, opening the resources of our veterans program to those individuals who seek help in eliminating drugs and alcohol, and the need for them from their lives.

I feel that the serious problems of drug and alcohol abuse must be handled at all levels of society. There must be cooperation between Federal, State, and local governments; there must be coordination between public and private groups; and there must be continuity between military and civilian education and rehabilitation efforts.

The vast resources of the Veterans' Administration are available. The VA would like to make these two changes, and believes that they will improve the quality and effectiveness of their drug and alcohol rehabilitation programs. I, therefore, recommend this bill to the careful study, and hopefully, favorable consideration, of my Senate colleagues.

By Mr. CRANSTON (for himself, Mr. MATHIAS, Mr. MCINTYRE, Mr. STEVENSON, Mr. PASTORE, Mr. BROOKE, Mr. MOSS, Mr. THURMOND, Mr. JAVITS, and Mr. HUGHES):

S. 520. A bill to establish Capitol Hill as a historic district. Referred to the Committee on the District of Columbia.

Mr. CRANSTON. Mr. President, I introduce, for appropriate reference, a bill to establish Capitol Hill as a historic district. This bill is identical to the one I introduced in the 92d Congress with the cosponsorship of Senator MATHIAS of Maryland. I am delighted that he again joins me as cosponsor of this bill along with my distinguished colleagues from New Hampshire (Mr. MCINTYRE), Illinois (Mr. STEVENSON), Rhode Island (Mr. PASTORE), Massachusetts (Mr. BROOKE), Utah (Mr. MOSS), South Carolina (Mr. THURMOND), New York (Mr. JAVITS), and Iowa (Mr. HUGHES).

Capitol Hill is a unique area. It is anchored by public buildings of unequaled significance to Americans—the Capitol Building, the Supreme Court, and the Library of Congress. With the exception of the White House, no other landmarks have equal power in capturing the public imagination. This is true now, and will be especially true in 1976, when in honor of the bicentennial of the American Revolution, people from across the country will come to Washington to get a sense of themselves as descendants of the American past and participants in its future. Certainly, a celebration of the birth of our Nation begins with a visit to Capitol Hill.

Besides being the seat of the Nation's

Government, Capitol Hill is an area of historical and cultural significance. It contains landmarks listed on the National Register of Historic Places, such as the Frederick Douglass Memorial House, the Folger Shakespeare Library, and Christ Church; residence of Senators, Congressmen, and Supreme Court justices, and other public officials, who, in the 19th and early 20th century, clustered on Capitol Hill. It also has singular attractions like the Eastern Market and the Congressional Cemetery. Its neighborhoods display almost every style of 19th century architecture, much of which has been restored to its former beauty to the delight of visitors and residents alike.

But Capitol Hill is noteworthy for another reason—because it is an area within the District which is experiencing rebirth. Washingtonians recall that during the 1930's, some of the District's worst slums buttressed the Capitol. Housing had changed hands and deteriorated, and a jarring disparity existed between the poor blacks living in the shadow of the Capitol and the gleaming houses of Government.

Now, like Georgetown and San Francisco's Russian Hill, Capitol Hill is undergoing transformation. Individuals with money to finance costly restoration are buying property on Capitol Hill. Old townhouses have been returned to their former charm, and whole blocks have been rejuvenated. New construction is going on—deliberately in 19th-century style to conform with neighboring houses. People are putting down roots. "The Hill" has once more become a desirable address.

A sign of the vitality of Capitol Hill are the citizen groups that have organized to respond to community issues. Last summer, one such group came out in force to oppose the demolition of century-old houses on East Capitol Street—which already has a special landmark designation—so as to make way for a parking lot. These residents could not stop the leveling of three Victorian houses, and the preservation of the rest of the block is not assured.

As a Washington Post editorial of August 12, 1972, ably pointed out, the events on East Capitol Street could be a portent of things to come unless we provide mechanisms to shield our cultural heritage from the wrecking ball.

Mr. President, I ask permission at this time that the Washington Post editorial of August 12, 1972, be printed in the RECORD.

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

LANDMARKS AND PARKING LOTS

With three down and nine to go—nine charming, century-old houses, that is—the Capitol Hill Metropolitan Baptist Church and the citizens of Capitol Hill have reached an uneasy truce in a battle that, in the end, affects the future of this city's past. The church owns all but one corner property on the north side of the 500 block of East Capitol Street which officially has been declared a National Capital Landmark. Despite this designation, which has no legal standing, the church decided to demolish this row of Victorian townhouses, in part, it seems, because the trustees found their maintenance too expensive, and in part because it has some vague plans for expansion. Some trustees said they needed more parking space during the Sunday services, despite the fact that the church already owns an ample and underused parking lot alongside its church building and that street parking is freely available on Sundays. Other trustees hinted at building a youth hostel and, perhaps a home for the elderly. Over 400 residents of Capitol Hill signed a petition opposing these designs and their representatives met with church officials, urging them to postpone the demolition until the church had worked out its plans and secured the funds for new, permanent buildings. The chairman of the trustees rejected this citizen recommendation and without any further ado called in the bulldozers. A street demonstration on the part of the citizens, armed with such signs as "Jesus Does Not Need a Parking Lot," called the controversy to city-wide attention, but could not prevent the hasty demolition of the first three buildings. The parking lot is an accomplished fact. It is, said the Rev. C. Wade Freeman Jr., "in the best interest of the church." The vigorous citizen protest did, however, result in the promise that the church would discuss its further plans with the community. The truce now gives both the church and the city time to reflect on basic issues involved in the dispute. Just where do we want our city to go?

The church might, more specifically, ponder the question whether it is possible to love your neighborhood any less than you love your neighbor. We should think that the two go hand in hand. It was, after all, the people, the neighbors on Capitol Hill, who gave of themselves, their civic pride and their sense of beauty to build those houses and other buildings (including the Metropolitan Baptist Church), which now return these intangible values by giving the people who live there a sense of belonging and an identity. It is the physical neighborhood that engenders the strong neighborhood spirit you find on Capitol Hill.

The City Council and the Zoning Board, meanwhile, might do well to ponder ways to give the landmark designation some practical meaning. At the very least the regulations should provide that the capital expansion plans of churches should be, like those of any other tax-exempt institutions, subject to review by the Board of Zoning Adjustment so that their effect on the surrounding community can be publicly considered. Demolition permits of buildings that have been designated landmarks or that are part of a landmark environment, furthermore, should not be granted without full public hearings. The authorities now presume that any building whose owner claims that it is not making a profit is guilty and must be destroyed. Let landmarks be presumed innocent unless their owners can prove that there is no way to save them. Unless the will to preserve what we can of our past is anchored in legislation and zoning and building regulations, it will soon be entirely gone. And a city given over entirely to parking lots and unloved money-making buildings surely doesn't have much of a future.

Mr. CRANSTON. Mr. President, it is out of this sense of urgency that I introduce my bill to establish Capitol Hill as a historic district, for as the seat of the Nation's Government, the location of unique historical and cultural landmarks, and as a residential sector which is critical to the vitality of the District, I believe that Capitol Hill deserves the protection that such a designation affords.

My primary desire is to protect the fabric of Capitol Hill from brutal ruptures, like parking lots or high-rise office buildings. But, this is not the sole purpose of my bill. I do not believe that Capitol Hill should be preserved as a historic district in order to solidify it in its present state. Rather, I hope that my bill will encourage innovation and the application of talent and energy to the problem of developing the area within a historical context.

For this reason, my bill goes beyond the designation of Capitol Hill as a historic district but requires that a comprehensive plan be created for the area to guide future growth. One of the requirements of the comprehensive plan is that the District government, in cooperation with the National Capital Planning Commission, develop strategies to encourage the continuation of a racial and economic mix in the historic district.

Pending before the Department of Housing and Urban Development is a District application for Federally Assisted Code Enforcement—FACE—a program that provides grants and loans to lower income residents to correct code violations and to perform modest home improvements. The application would affect a sizable portion of Capitol Hill.

I am pleased to see that the District government has plans for improving housing for long-time residents so they will be encouraged to stay on Capitol Hill. Code enforcement is a useful tool, but I urge the District government and the National Capitol Planning Commission to develop other strategies for assisting families to remain. Otherwise, I fear that without assistance, Capitol Hill will come full circle.

Poor families—mostly black—will be displaced and the area will become almost exclusively middle and upper income. In my view, the shift from an all-black population to all white—which took place in Georgetown and which intensified the housing problems for blacks in other sections of the city—should be prevented. The District as a whole will, I believe, be healthier if its neigborhoods retain racial and economic diversity.

My bill, which draws upon examples of historic district zoning, particularly the Old Georgetown Act of 1950—Public Law 808—has several features that I want to emphasize. First, the National Capital Planning Commission, after determining the boundaries of Capitol Hill and after performing a historical and cultural survey of the area, will recommend that Capitol Hill be nominated to the National Register, maintained by the Secretary of the Department of the Interior. This nomination will bring Capitol Hill under the protection of the National Historic Preservation Act of 1966—Public Law 89-665—and will enable the District government to take advantage of matching grants-in-aid provided by that act.

Second, my bill divides responsibility between the National Capital Planning Commission and the Office of Planning and Management within the District government for the survey of Capitol Hill and the comprehensive plan for the conservation, development, or redevelopment of the historic district. The intent is to capitalize on the special capabilities of each and to enhance those capabilities. By requiring the cooperation of

these planning bodies, I hope a more unified approach to historic preservation will take form in the District.

The National Commission of Fine Arts was given authority under the Old Georgetown Act to review plans for construction, alteration, reconstruction, or razing of structures within Old Georgetown. It was not given authority to review plans for demolition. The events on East Capitol Street demonstrate that this is a serious weakness. My bill gives the Fine Arts Commission authority to comment on demolition. Further, it requires that the District delay demolition for 90 days, so that if the Commission finds the structure to have historical or architectural significance, there will be time for public discussions, and there will be time to develop possible ways of saving the structure. This provision is extremely important if historical preservation is to have success.

In addition, I have urged the Fine Arts Commission not to preclude the approval of contemporary design when it is compatible with older styles of architecture. To assist the Fine Arts Commission in its review, I have authorized the District government to appoint four residents of Capitol Hill who are knowledgeable in historic preservation as advisers to the Commission.

Last, my bill provides two special authorizations: $280,000 for the restoration of the Eastern Market, and $50,000 for minor beautification of public places within the historic district.

The livability and vitality of a city depends upon the character of its neighborhoods. Significant structures play an important role in forming and maintaining a neighborhood. In my own State of California, I have sought to continue the usefulness of historic buildings, such as the San Francisco Mint and the Mission Inn in Riverside.

But while structures often generate a neighborhood sense, other factors that make a neighborhood work, factors that coalesce to give satisfactions to its residents, are not always perceived. I believe that aside from the value of preserving the historical flavor of Capitol Hill and channeling future growth within prescribed guidelines, the designation of Capitol Hill as a historic district will give us insight into how an area is revitalized and what kinds of policies promote that process. It is my hope that since this bill provides legislation for a specific purpose that the lessons of Capitol Hill will be instructive to the rebuilding of our cities.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this time.

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

S. 520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) districts of historical and cultural significance should be preserved to enrich the lives of present and future generations of Americans;

(2) as the seat of the Nation's government, the Capitol Hill district is unique and is of great national and international importance;

(3) the creation of the Capitol Hill historic district within the District of Columbia will foster civic pride and tourism and enhance the vitality of the entire city; and

(4) the creation of a Capitol Hill historic district will encourage private and public actions to restore the visual beauty and usefulness of landmarks, sites, and dwellings, and, thus, preserve the special character of the area.

TITLE I

SEC. 101. (a) To facilitate the testing of new methods of revitalizing neighborhoods within a metropolitan area and to encourage the coordination among agencies having responsibility for comprehensive planning within the District, the National Capital Planning Commission shall survey the Capitol Hill district for the purpose of recommending that said district be included on the National Register as established by Public Law 89–665.

(b) The Capitol Hill historic district is defined as that area bordered on the west by 2nd Street Between E Street N.E. and C Street, S.E.; west on C Street to New Jersey Avenue S.E., and south on New Jersey Avenue to the Southwest Freeway; bordered on the south by the Southwest Freeway east to 19th Street S.E., including the Congressional Cemetery; bordered on the east by 19th Street north to E Street N.E., and bordered on the north by E Street N.E. west to 2nd Street N.E.

(c) The National Capital Planning Commission may modify these boundaries based upon its survey of the area and upon the advice of Federal and District of Columbia agencies having responsibility for historic preservation, as well as private groups and individuals, whose knowledge and talent are relevant to historic preservation.

(d) In addition to determining the boundaries of the Capitol Hill historic district, hereafter referred to as Capitol Hill, the National Capital Planning Commission shall include the following in its survey:

(1) a revised list of landmarks for nomination to the National Register prepared in conjunction with and with the review of the Joint Committee on Landmarks;

(2) a definition of the historic and cultural character of Capitol Hill, drawing upon a detailed architectural inventory of the location, style, and condition of structures; and

(3) an analysis of present conditions in the district, including neighborhood facilities, parks, type and conditions of streets and pavements, and other site features.

(e) Such survey shall be made at a cost not exceeding $100,000, which amount is hereby authorized to be appropriated.

(f) Included in such survey shall be a comprehensive plan for the conservation, development, or redevelopment of the historic district, which shall be prepared by the Office of Planning and Management of the District of Columbia, but which shall be coordinated with the findings of the National Capitol Planning Commission, as described in paragraphs (1), (2), and (3) of subsection (d) of this section. Such comprehensive plan shall include, but not be limited to, the following:

(1) an analysis of present land-use patterns, with emphasis on the applicability and reasonableness of present zoning laws and regulations to preserve the character of Capitol Hill;

(2) an analysis of recent economic, demographic, and social trends in the district; and

(3) a statement of objectives for the future conservation, development, or re-development of the district, which shall include strategies to encourage the continued racial and economic integration of the historic district.

(g) Such comprehensive plan shall be made at a cost not exceeding $150,000, which amount is hereby authorized to be appropriated.

SEC. 102. The National Capital Planning Commission shall submit the survey, which includes the comprehensive plan, to the Congress of the United States, to the Commissioner of the District of Columbia, and to the National Commission of Fine Arts no later than one year after the enactment of this Act, and shall serve as the guide to the preservation and development of Capitol Hill.

TITLE II

SEC. 201. In order to promote the general welfare and to preserve and protect the places and areas of historic interest, exterior architectural features and examples of the type of architecture used in Capitol Hill since its initial years, the Commissioner of the District of Columbia, before issuing any permit for the construction, alteration, reconstruction, razing, or demolition of any building within said Capitol Hill district, shall refer the plans to the National Commission of Fine Arts for a report as to the exterior architectural features, height, appearance, color, and texture of the materials of exterior construction which is subject to public view from a public highway, and, including, the impact of such plans upon the environs of the building. The Commission's review shall not preclude the approval of contemporary design which is compatible with the architectural styles prevailing in the historic district.

SEC. 202. The National Commission of Fine Arts shall report promptly to said Commissioner of the District of Columbia its recommendations, including such changes, if any, as in the judgment of the Commission are necessary to preserve the historic value of said Capitol Hill district. The said Commissioner shall take such actions as in his judgment are right and proper in the circumstances: *Provided,* That, before issuing a permit of demolition, the Commissioner of the District of Columbia shall refer such plans to the National Commission of Fine Arts, and shall delay for 90 days the demolition of such property. Within the period of postponement of such demolition, the Commission of Fine Arts shall take steps to ascertain what the Commissioner of the District of Columbia can or may do to preserve such building, including consultation with private civic groups, interested private citizens, and other public boards or agencies, when the preservation of a given building is clearly in the interest of the general welfare of the community and of certain historic and architectural significance. The Commission shall then make its report to the Commissioner of the District of Columbia: *Provided,* That, if the said Commission of Fine Arts fails to submit a report on plans within forty-five days, its approval thereof shall be assumed and a permit may be issued.

SEC. 203. The Commissioner of the District of Columbia shall appoint four citizen members, who are residents of the historic district and who have demonstrated outstanding interest and knowledge in historical or architectural development of the historic district, as advisers to the National Commission of Fine Arts. Such citizens shall advise the Commission on plans referred to it and shall serve without expense to the United States.

SEC. 204. The National Commission on Fine Arts may also advise interested parties on the design and appearance of walls, fences, signs, light fixtures, and steps so that such design and appearance may be compatible with the architectural styles of Capitol Hill.

SEC. 205. Nothing in this title shall be construed to prevent the ordinary maintenance or repair of any exterior elements of any building or structure within the historic districts; nor shall anything in this

title be construed to prevent the construction, reconstruction, alteration or demolition of any such elements which the authorized municipal officers shall certify as required by public safety.

SEC. 206. This title shall become effective upon the approval of the Secretary of the Interior for the nomination of the Capitol Hill historic district to the National Register.

TITLE III

SEC. 301. For the purpose of restoring the Eastern Market, at Seventh Street and North Carolina Avenue, Southeast, to its full usefulness and beauty, there is authorized to be appropriated $280,000, to be administered by the District of Columbia.

SEC. 302. For the purpose of undertaking minor beautification of public sites in the historic district and for the purpose of marking with plaques, or other means, places of historical and cultural significance, there is authorized to be appropriated $50,000, to be administered by the District of Columbia.

By Mr. MOSS (for himself, Mr. ERVIN, Mr. GURNEY, Mr. HART, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. METCALF, Mr. MUSKIE, and Mr. WILLIAMS):

S. 522. A bill to provide protection for the fish resources of the United States including the freshwater and marine fish cultural industries against the introduction and dissemination of diseases of fish and shellfish, and for other purposes. Referred to the Committee on Commerce.

FISH DISEASE CONTROL ACT OF 1973

Mr. MOSS. Mr. President, I am today introducing for myself and Mr. ERVIN, Mr. GURNEY, Mr. HART, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. METCALF, Mr. MUSKIE, and Mr. WILLIAMS, a bill to provide for a coordinated nationwide program to combat the introduction and spread of fish diseases by cooperative agreement with the States on a cost-sharing basis.

Responsibility for administering the program, which is designed to assist both commercial and sport fishing industries, will be divided between the Department of Commerce and the Interior Department, with a panel representing commercial, educational, and scientific groups working in the field serving in an advisory capacity.

This bill was first introduced in the 91st Congress, and was reintroduced in the 92d Congress, after having been refined and improved through the hearing process. The bill I am introducing today is identical with S. 2764, as amended after hearings and favorably reported by the Senate Commerce Committee in the last Congress, with the exception that the new bill exempts from coverage tropical or ornamental pet fish which are used for display purposes. This means that passage of the bill would have no effect whatsoever on the many pet shops in the country who carry such fish, or on the millions of American families who keep such fish as a hobby.

The Federal, State, and private freshwater and marine fish cultural industries have an annual production value of more than $150 million. There are over 2,000 State fish hatcheries, and almost 100 Federal fish hatcheries. They produce 90 million pounds of channel catfish, over 50 million pounds of bait minnows. The salmon and steel head trout produced in 1970 in State and Federal fish hatcheries alone was valued at $297 million. Trout produced in commercial hatcheries were worth an additional $14 million. It is estimated that the stocking programs carried out by State and Federal fish hatcheries provide for one-third of the sport fishing in the United States, and generate $900 million in private recreational spending.

There has long been a growing concern in the United States about the threat of serious communicable disease in the fish-cultural industries. An explosive outbreak of a disease, rapidly transferred across the country in shipments of live fish and shellfish from hatchery to hatchery, from watershed to watershed, could threaten the economic foundations of an entire industry, as well as "good fishing" in many streams and lakes for thousands of sportsmen throughout the country.

The purpose of the fish disease bill has not been fully understood. It would not place undue hardship on any facet of the fish-farming industry, or spell its "doom" as some have tried to claim. The machinery it sets up is for use only in serious situations. Its objective is to provide for the regulation, and I quote from the bill itself, "of fish diseases which pose a major threat to the fish resources of the United States," and to help those who are caught in a fish disease epidemic to avoid economic catastrophe.

When a fish disease poses a major threat, the Secretary may issue such regulations, and again I quote from the language of the bill:

> Which he may deem appropriate to prohibit or control the movement in interstate or foreign commerce of diseased fish or articles, including regulations relating to marketing, disposal, quarantine, destruction, and stocking of diseased fish or articles which may enter into interstate or foreign commerce.

However, fair compensation must be provided to owners for fish destroyed and for quarantine and disinfection costs in connection with a disease control effort.

There are a number of diseases for trout, salmon and catfish for which we have not yet found a cure, but which we know can be prevented. The most important are first, whirling disease; second, viral hemorrhagic septicemia—VHS; third, infectious pancreatic necrosis—IPN; fourth, infectious hematopoietic necrosis—IHN; fifth, corynebacterial kidney disease—NDA; sixth, furunculosis. Others which have caused concern are ceratomyxa, Hagerman redmouth disease, ulcer disease, and channel catfish virus disease.

One of the more serious diseases which has worried the trout and salmon industries is whirling disease. It includes a circling motion, and gradually whirls to death many of the fingerlings who contact it, and cripples most of the survivors. It has long been known in Europe, but was first identified in this country in a State hatchery in Pennsylvania in 1958. The disease has spread at various times to California, Connecticut, Michigan, New Jersey, Nevada, Ohio, Virginia, and West Virginia, with serious impact. At the Lahontan National Fish Hatchery in Nevada, for example, two outbreaks of whirling disease have required the destruction of nearly 1.5 million trout.

There have also been many losses of young hatchery trout in North America from infectious pancreatic necrosis—IPN—a viral disease for which there is no known treatment. It has appeared in 29 States, as well as widely in Europe. It can claim as much as 100 percent of the fish population in a fish hatchery.

Viral hemmorrhagic septicemia—VHS—has caused severe losses in Europe, but is undetected as yet in the United States. It has been found that the virus can be introduced by frozen trout, and perhaps by contaminated fish eggs.

The channel catfish virus, has been found in nine States—Alabama, Arkansas, Georgia, Kansas, Kentucky, Mississippi, Oklahoma, Texas, and West Virginia—and it may cause losses up to 98 percent. It can cause catastrophic financial losses to a single individual. For example, one channel catfish farmer lost nearly 10 million fish worth a minimum of $500,000.

There is no question that communicable diseases should be monitored or controlled to prevent situations of an epidemic nature. The problems facing the fish-cultural industry are much the same as those faced many years ago by the livestock and poultry industries of this country, and which, through proper Federal legislation, have long since been brought under control.

The central mechanism for the operation of the program proposed in this bill to combat the introduction and spread of fish diseases is that of cooperative agreements between the Interior and Commerce Secretaries and the States. These agreements require, among other things, federally supervised inspection and appropriate recordkeeping. A Federal share, not to exceed 50 percent, of the program costs is provided by the bill. The Federal share will be increased to 75 percent if two or more States jointly enter into a cooperative agreement. In the absence of a State cooperative agreement, the Secretary will be authorized to enter into agreements with fish farming organizations and private persons within such a State.

The bill sets a limit of $3,200,000 for the fiscal year 1974 to carry out the purposes of the act, and the same amount for each of the succeeding 4 years.

Mr. President, I send to the desk for reference a bill to provide protection for the fish resources of the United States, including the fresh water and marine fish cultural industries, against the introduction and dissemination of diseases of fish and shellfish, and for other purposes.

I ask that the full text of the bill be printed in the CONGRESSIONAL RECORD at the close of my remarks.

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

S. 522

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 "Fish Disease Control Act of 1973".

SEC. 2. The Congress finds that—

(1) fish and shellfish industries have experienced rapid growth in the United States and elsewhere and concomitant with such growth have been large-scale interstate and international shipments of live fish and eggs which favor rapid spread of disease;

(2) communicable fish disease resulting from intensive fish cultural operations pose a major threat to valuable and extensive fishery resources of the Nation including cultured fish species of both sport and commercial value in the United States;

(3) additional knowledge of communicable fish diseases is necessary to determine means by which such diseases are spread and to develop therapeutic treatment;

(4) cooperation of State agencies is crucial to an effective disease control program and mechanisms must be established to foster such cooperation.

SEC. 3. For the purposes of this Act the terms—

(1) "Secretary" means the Secretary of the Interior or the Secretary of Commerce, as their program responsibilities are vested pursuant to Reorganization Plan Numbered 4, effective October 3, 1970;

(2) "Department" means the Department of the Interior or the Department of Commerce, as program responsibility is vested in each pursuant to Reorganization Plan Numbered 4, effective October 3, 1970;

(3) "fish" includes all species of fresh water and marine fish, mollusks, crustaceans, amphibians, and reptiles, including their eggs or young, whether normally found in the wild or reared in captivity, whether live or dead, including parts and offal thereof, but does not include tropical or ornamental pet fish which are used for display purposes;

(4) "article" includes fish containers, fish egg shipping containers, fish shipping containers, and any other equipment, mode of conveyance or facility which is associated with the culture, harvest, or transportation of fish;

(5) "disease" means a communicable disease, caused by a virus, bacteria, or other parasite, which is named by the Secretary pursuant to section 4 of this Act;

(6) "United States" means the State thereof and Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia;

(7) "State" means the several States of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia;

(8) "interstate commerce" includes commerce between any of the States, or an introduction into the United States from the high seas or any territorial waters by a person subject to the jurisdiction of the United States;

(9) "foreign commerce" includes commerce between the United States and a foreign country;

(10) "person" includes any State, individual, firm, partnership, corporation, association, or carrier.

SEC. 4. (a) In order to protect fishery resources the Secretary shall

(1) specify by regulation those species of fish which, in the opinion of the Secretary pose a threat to the fishery resources of the United States as sources for the introduction or dissemination of fish diseases in the United States;

(2) identify by regulation the fish diseases which pose a major threat to the fish resources of the United States;

(3) issue such regulations as the Secretary may deem appropriate to prohibit or control the movement in interstate or foreign commerce of diseased fish or articles, including regulations relating to marketing, disposal, quarantine, destruction, and stocking of diseased fish or articles which may enter into interstate or foreign commerce;

(4) issue such other regulations as the Secretary may deem appropriate to carry out the provisions of this Act.

(b) The Secretary shall establish an advisory panel of not more than ten members representing commercial, educational, and scientific interests to make recommendations concerning promulgation of regulations with respect to sections 4(a)(1) and 4(a)(2) above.

(c) The Secretary shall exercise the authority conferred by this Act in consultation with the several States.

SEC. 5. (a) The Secretary is authorized to enter into cooperative agreements with appropriate agencies of the several States (including interstate fishery commissions) in order to develop in conjunction with State agencies an effective and coordinated fish disease control program. Such agreements with a State shall provide for State licensing, regulation, and inspection of fish hatcheries and provide for regulation by the State of intrastate commerce in fish and articles in accord with the intent of this Act. Such agreements shall also contain provision for regular inspection of fish hatchery premises by State officials acceptable to the Secretary as qualified in fish pathology, for submission of samples upon request of the Secretary, and for maintenance of licensing, inspection, and intrastate shipment records. Such agreements shall authorize the Secretary or his delegate to inspect such records.

(b) Cooperative agreements entered into pursuant to subsection (a) of this section shall describe, among other things, the estimated cost of the disease control program and the share of such costs to be borne by the State and by the Federal Government. The Federal Government's share under any cooperative agreement shall not exceed 50 per centum of the costs of the program in such State except that the Federal share shall be increased to 75 per centum whenever two or more States, having a common interest in interstate waters, jointly enter into a cooperative agreement to carry out a disease control program with respect to those waters.

(c) If at the end of two years after enactment of this Act the Secretary has not entered into a cooperative agreement with a particular State by reason of the unwillingness or inability of such State to enter into such agreement, the Secretary shall be authorized to enter into cooperative agreements with fish farming organizations and other persons within such State in order to develop disease control programs. Any cooperative agreement made by the Secretary shall not relieve any person from the provisions of this Act or any regulations issued pursuant thereto. In addition, in the absence of a cooperative agreement with a State, the Secretary is authorized to control and regulate the introduction of fish and fish diseases specified pursuant to section 4 into interstate or navigable waters and tributaries thereof flowing within such State.

(d) Federal funds paid under any cooperative agreement entered into pursuant to this section shall not be used for payment of compensation for destruction, disposal, quarantine, or disinfection costs.

(e) All Federal agencies shall comply with the provisions of this Act and regulations issued pursuant thereto.

SEC. 6. (a)(1) With respect to fish or articles in interstate or foreign commerce or which are destined for movement in, or may move in interstate or foreign commerce, the Secretary may order the owner of any fish or article specified pursuant to section 4, or any other person to dispose of, destroy, disinfect, or quarantine such fish or article in such manner as the Secretary may direct.

(2) The Secretary shall compensate any owner or other person, except a State or State agency or instrumentality, separately on an actual cost basis, for all amounts expended on account of disinfection or quarantine of facilities, which the Secretary determines to have been reasonably incurred. The Secretary shall also compensate any owner, except a State or State agency or instrumentality, of any fish or article destroyed or disposed of up to 60 per centum of the costs which are determined by the Secretary to have been reasonably incurred in connection with a disease control effort: *Provided, however,* That in the absence of a cooperative agreement with the appropriate State agency, compensation paid to an owner within such State, except a State or State agency or instrumentality, for any fish or article which is destroyed or disposed of pursuant to this section shall not exceed 75 per centum of the costs which are determined by the Secretary to have been reasonably incurred in connection with a disease control effort. The total cost arrived at for destruction or disposal of any fish or article shall not exceed the appraised value of such fish or article at the time of destruction or disposal thereof, less any such compensation payable to the owner of the fish or article from a State or other source and less any salvage value of the fish or article which may accrue to the account of the owner of the fish or article.

(3) No money appropriated under this Act shall be expended as compensation for destruction or disposal until alternative methods of disposing of the fish or article, such as controlled marketing, have been considered and not found to be in the interest of an effective disease control program. No claim for compensation under this section shall be paid to any person who, if such claim rose as a result of the act or omission to act of such person and he:

(A) is convicted of a violation of section 7 of this Act; or

(B) is convicted of a violation of section 851 of title 16; or

(C) is convicted of a violation of a State law or regulation concerning fish disease control or public health; or

(D) is found in contempt of an order issued by—

(i) the Secretary, pursuant to this section, or

(ii) an appropriate State official, or

(iii) a court of competent jurisdiction pursuant to subsection (c) of section 7 of this Act.

(4) States shall not be compensated pursuant to this section of any fish disease control effort undertaken by a State within a State hatchery, or, for any State fish disease control effort with respect to the wild fish stocks of a State.

(b) Federal funds made available under other Federal legislation for fish and wildlife conservation programs shall not be used by any person as the non-Federal share of any compensation paid pursuant to this section.

SEC. 7. (a) Except as provided by regulations issued pursuant to section 4 of this Act, it shall be unlawful for any person to receive for transportation or to transport in interstate or foreign commerce, or introduce into navigable or interstate waters any fish or article which is infected or contaminated with a disease specified pursuant to section 4(a)(2) or any fish specified pursuant to section 4(a)(1); nor shall any person deliver into or receive from such commerce any fish or article infected or contaminated by such a disease, or any fish specified pursuant to section 4(a)(1).

(b) Whoever knowingly violates the provisions of this section, or any regulation promulgated pursuant to section 4 or 5(c) of this Act shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

(c) The Secretary may request the Attorney General to bring appropriate action to prevent threatened violations of this Act, or

of any regulations or orders promulgated pursuant thereto.

(d) Any action brought pursuant to this section may be instituted in a district court of the United States for any district in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide any such action. In the case of Guam such actions may be brought in the District Court of Guam, in the case of the Virgin Islands such actions may be brought in the District Court of the Virgin Islands, and in the case of American Samoa such actions may be brought in the District Court of the United States for the District of Hawaii and such courts shall have jurisdiction of such actions.

(e) The several judges of the courts established under the laws of the United States and the several States, and United States magistrates, may, within their respective jurisdictions, upon proper oath and affirmation showing probable cause, issue warrants to enforce this Act for execution by designated agents or officers authorized by the Secretary to enforce the provisions of this Act.

SEC. 8. (a) The provisions of this Act, or any regulations or orders issued pursuant thereto, shall be enforced by the Secretary, the Secretary of the Treasury, or the Secretary of the Department in which the Coast Guard is operating, or all such Secretaries. Each such Secretary may utilize, by agreement, with or without reimbursement, the personnel, services, and facilities of any other Federal or State agency.

(b) An authorized agent of any such Secretary is authorized, with or without a warrant, as permitted by law, to—

(1) arrest any person who violates any provision of this Act, or regulation or order issued pursuant thereto; and

(2) search, search for, and seize any fish or article taken, used, or possessed in connection with a violation of any provision of this Act, or any regulation or order issued pursuant thereto,

SEC. 9. The authority conferred upon the Secretary by this Act shall be in addition to any other authority conferred upon him by section 42 of title 18, sections 668aa et seq., and sections 851 et seq. of title 16, or any other laws of the United States.

SEC. 10. If any provision of this Act or application thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 11. Nothing in this Act shall be construed as in any way affecting, modifying or superseding the provisions of the Federal Food, Drug, and Cosmetics Act or the Public Health Service Act, or as permitting the disposition of any article contrary to said provisions.

SEC. 12. There are authorized to be appropriated to carry out the purposes of this Act not to exceed $3,200,000 for the fiscal year ending June 30, 1974, not to exceed $3,200,000 for each of the four succeeding fiscal years, and thereafter only such sums as the Congress may specifically authorize by law.

By Mr. EAGLETON:

S. 539. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled wives and husbands to unreduced wife's and husband's insurance benefits without regard to age;

S. 540. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled widows and widowers to unreduced widow's and widower's insurance benefits without regard to age; and

S. 541. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the period of time that a divorced woman's marriage to an individual must have lasted for her to qualify for wife's or widow's benefits on the basis of the wages and self-employment income of such individual. Referred to the Committee on Finance.

IMPROVED SOCIAL SECURITY PROTECTION FOR WIVES AND WIDOWS

Mr. EAGLETON. Mr. President, the 92d Congress enacted several important improvements in social security which will mean a more adequate income for millions of the elderly, the disabled, their dependents and survivors.

Nevertheless, there are additional improvements that should be made, and high on my own list of priorities is more adequate protection for wives and widows.

Current law provides no protection for the disabled wives of social security recipients. It provides inadequate protection for disabled widows. And the duration-of-marriage requirement for divorced women leaves many with little or no social security protection.

These gaps and inadequacies in the law affect only thousands rather than millions of people. But for those people, the resulting hardship is very real, and the Congress should be responsive.

Therefore, I am today introducing three bills to improve the social security protection available to wives and widows of insured individuals.

The wife of a man who is drawing social security retirement or disability benefits cannot receive her wife's benefit—unless she has a child in her care—until age 62 even though she becomes ill or disabled and completely unable to work and contribute to household income. The result is that two people, often with extraordinary medical expenses, must live on one social security benefit.

My first bill would provide an unreduced wife's benefit to a disabled wife of a social security recipient regardless of the age at which she becomes disabled. Benefits would be available on the same basis to a disabled dependent husband.

A disabled widow may now receive benefits beginning at age 50. However, that benefit is sharply reduced—at age 50 it is reduced to 50 percent of the amount her husband would be receiving—and she must face the prospect of living on that reduced benefit for the rest of her life.

My second bill would provide an unreduced benefit to a disabled widow or dependent widower regardless of the age at which she or he becomes disabled.

Both of the above measures were recommended by the 1971 Advisory Council on Social Security.

Under current law, a divorced woman must have been married for at least 20 years in order to receive a wife's or widow's benefit based on the earnings of her former husband. But a woman who was married for less than 20 years may still have spent what would have been her prime working years in the home and, as a result, be left with either no social security protection at all or a very small benefit.

My third bill would reduce from 20 to 10 the number of years that a divorced woman must have been married in order to receive benefits based on the earnings of her former husband.

Mr. President, I hope we will not become satisfied with the state of the social security program until we have assured that all of those who need and have earned its protection can qualify for adequate benefits.

By Mr. WILLIAMS (for himself and Mr. RIBICOFF):

S. 547. A bill to amend title 18 of the United States Code to permit the mailing of lottery tickets and related matter, the broadcasting or televising of lottery information, and the transportation and advertising of lottery tickets in interstate commerce, but only where the lottery is conducted by a State agency. Referred to the Committee on the Judiciary.

Mr. WILLIAMS. Mr. President, today I am introducing a bill to amend title 18 and title 39 of the United States Code, which would permit the mailing of State-run lottery tickets and related information, the broadcasting of information on such programs via television and radio, and the advertising of lottery programs in interstate commerce.

Under the existing law, no television or radio station may carry any information relating to a State-run lottery program regardless of its news value. Newspapers are exempt from the Federal regulation providing the information is regarded as a "newsworthy" story. However, the newspapers carrying such articles may only be published and sold within the same State, as the Federal law prohibits the mailing of any lottery information in interstate commerce.

I believe the existing law is unjust and antiquated. More and more States are adopting lottery programs. The eight States which are now operating these programs have demonstrated that the citizens wish to participate and that the programs can be financially successful.

My own State of New Jersey, which has been conducting a lottery program since January 1971, has received more than $200 million in gross revenues. The success of the New Jersey program has produced substantial State aid for the areas of State education and institutions. The increase in funds from lottery revenues applied to State education, from $40 million in the first 1½ years of operation to $99.4 million in fiscal year 1973, alone, clearly indicated the growing success of this program. The division of correction and parole in my State will benefit by an additional $3.3 million from lottery revenues in fiscal year 1973, and the divisions of mental retardation and mental health and hospitals will receive $4.8 million in additional profits.

Other States operating lottery programs have also experienced popular success. The State of New York, which has been conducting a lottery program for some 5 years, has been applying an average of $2.5 million a month from the revenues into education. The officials of the Pennsylvania State lottery program are estimating a net of $50 million in its first year of operation. The financial success of the existing programs are

quite apparent and, I believe, will persuade additional States to eventually consider and adopt similar programs.

However, the full potential of the operating programs continues to be hampered by the present law. It has been projected by a number of lottery officials that by permitting the broadcasting of lottery-related information, and through the advertising of lottery programs in interstate commerce, each State would benefit from an additional 10 to 12 percent in the sale of tickets. At the rate of 50 cents per ticket as sold in New Jersey, this increase would mean an additional $12 million in gross revenues. Such a substantial increase could be effectively used toward relieving the growing tax burden on our citizens.

In addition, through the broadcasting of lottery information, the participating residents would be better served. The increased coverage would help to notify more holders of winning tickets, many of which currently go unclaimed.

The efficiency and complete success of the lottery programs will continue to be greatly effected by the existence of this present law.

Therefore, in summary, my legislation would change and correct the law governing State-run lottery programs by:

First, allowing the transportation of lottery tickets and related information and equipment in interstate commerce, by amending title 18, section 1301;

Second, allowing the mailing of lottery tickets and related information, including newspapers carrying lottery information, by amending title 18, section 1302;

Third, allowing postal employees to deliver lottery-related information, by amending title 18, section 1303;

Fourth, allowing the broadcasting of lottery information and the advertising of such programs via television and radio, by amending title 18, section 1304; and

Fifth, allowing postmasters to accept and deliver mail relating to lottery programs, by amending title 39, section 3005.

Mr. President, the success of the lottery programs in raising revenues for the States has been clearly demonstrated. Additional States are expected to participate. Therefore, I am hopeful that the existing law now hindering the lottery programs will be amended in order to benefit all States involved.

Mr. RIBICOFF. Mr. President, I am pleased to join with the distinguished Senator from New Jersey (Mr. WILLIAMS) in introducing a bill to allow newspapers and broadcasters to disseminate information on State-run lotteries and to allow the mailing of tickets for such lotteries.

The State of Connecticut, along with a number of other States, is now using a lottery as a means to raise revenues. Unfortunately the news media is so restricted under the present law in its use of lottery information, the State has difficulty getting its message across to potential purchasers. Radio and television stations in Connecticut are barred from broadcasting lottery information or advertisements. In addition, because the mailing of lottery tickets, information and advertising is illegal, newspapers either have to forgo the use of the mails or print a special mail edition which contains none of the prohibited information.

Unless this proposal is passed, Connecticut, New Jersey, and other lottery States will continue to be hampered in their attempts to raise the revenues necessary to meet their increasing needs.

By Mr. HUMPHREY (for himself, Mr. AIKEN, Mr. MONDALE, Mr. NELSON, Mr. PROXMIRE, and Mr. BENTSEN):

S. 548. A bill to provide price support for milk at not less than 85 per centum of the parity price therefor. Referred to the Committee on Agriculture and Forestry.

NIXON DECISIONS HURTING BOTH CONSUMER AND DAIRY FARMER

Mr. HUMPHREY. Mr. President, I would like to call the Senate's attention to the very appropriate remarks last week of the senior Senator from Wisconsin (Mr. PROXMIRE) regarding the administration's emergency action to increase the quota on nonfat dry milk by 25 million pounds. The Senator's position is quite sound and I associated myself with it.

I would like the RECORD to show that on the first day of business after the President's proclamation was signed, I contacted the Secretary of Agriculture to object to the action. Once again, as it did in 1970, the administration used the holiday season to issue its pronouncement and thus, with all the other activity, mute, if not conceal, its action.

Senator PROXMIRE pointed out that this action was taken, under the emergency provision, without the Tariff Commission's views on the increase.

I will add that this use of the emergency power was unnecessary and unwarranted. As far back as August there were rumblings of a maladjustment of nonfat dry milk availability. There was a short supply in the East, but a full supply condition on the west coast.

Yet the Commodity Credit Corporation went blithely along selling off its stocks without any regard for the domestic user. August or even September was the time to consider whether further imports would be necessary. Such action then could have been processed through the orderly provisions of section 22.

Senator PROXMIRE painted the picture of what such action will do to the domestic pricing situation; it would be forced downward.

But was the domestic processor then saved any money? The answer is "No." Neither was the American housewife offered savings on her ice cream, bread, and the numerous other products which nonfat dry milk serves to enrich nutritionally.

As a matter of fact, the imports probably cost the CCC almost $8 million. This is so, because we are approaching the surplus milk season when the production of milk and manufacture of nonfat dry milk are at their annual high point.

To reiterate, Mr. President, I agree with the Senator from Wisconsin that the real result is a decline in dairy farm income—and not in savings to the consumer.

The Washington Post of January 16, 1973, reported that the White House did not intend to put price controls on raw agricultural products but would rely, instead, on increasing the food supply to keep prices down. One way, the article continued, would be to relax present import quota regulations. But there is an even better way—and one fair to our farmers and consumers alike.

If the White House wants to increase the production of milk it can do so by raising the support level. The $4.93 which currently is the price floor is not even the 75 percent of parity required by the Agricultural Act of 1949. While the present price of manufacturing milk is not much over 80 percent of parity, it will be coming down during the flush season. If CCC purchases at its current support prices, the parity ratio will be less than the 75-percent minimum of the Agricultural Act of 1949. The dairy farmer needs assurance that the price for his milk will not fall below 85 to 90 percent of parity. Then, and only then, will we be assured of an adequate domestic supply. Then, the consumer will be assured of a fair price.

Mr. President, I introduce at this time a bill to provide price support for milk at not less than 85 percent of the parity price and ask unanimous consent that the text of 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. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446), as amended, is further amended by adding the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, effective for the period beginning April 1, 1973, and ending on March 31, 1974, the price of milk shall be supported at not less than 85 per centum of the parity price therefor."

By Mr. PERCY (for himself, Mr. COOK, and Mr. MCGOVERN):

S. 549. A bill to expand and improve the direct food distribution program. Referred to the Committee on Agriculture and Forestry.

FOOD DISTRIBUTION ACT OF 1973

Mr. PERCY. Mr. President, I am again introducing my bill to expand and strengthen the food distribution program of the U.S. Department of Agriculture.

The food distribution program has traditionally had the *dual* purposes of alleviating farm surpluses and helping the poor. It presently feeds about 3 million Americans living in about 1,000 counties and cities. It is an outgrowth of farm legislation of the mid-1930's. That legislation was designed primarily to remove farm surpluses and help support farm prices; and, only secondarily, to feed America's hungry. The program reached peak levels after World War II. Since the early 1960's, it has been overshadowed by the food stamp program, which now reaches about 11.6 million people.

Mr. President, the recent report of the Citizen's Board of Inquiry Into Hunger

and Malnutrition in the United States confirmed the existence of the serious weaknesses in this program which were first revealed in hearings I chaired for the Select Committee on Nutrition and Human Needs in September 1971.

The report, "Hunger U.S.A. Revisited," makes these points about the commodity distribution program:

1. USDA has refused to promulgate uniform nationwide eligibility guidelines, thus allowing state governments to impose their own standards. State standards may also be denied by local officials with impunity.

2. The location of distribution centers remains a discouraging factor in commodity participation, and USDA makes no effort to gather information on how many counties serve recipients from centers which are in excess of 50 miles from recipient homes. Hours and days of distribution are left to local discretion.

3. Storage of commodities has not improved significantly in the past four years. USDA does not have a significant program of warehouse inspection to guarantee minimal standards of sanitation or refrigeration.

4. USDA makes little attempt to obtain facts or figures on persons potentially eligible to receive commodities for the purpose of evaluating county outreach performance.

My bill is an effort to deal directly and forcefully with these and other problems. It is designed to make the Government more responsive to the recipients of surplus foods and to make the delivery of food to the poor and ill fed the major aim of the program.

My authorship of this legislation does not in any way imply that I favor reversing the trend away from the food distribution program and toward the food stamp program. I hope that food stamps will eventually replace commodity distribution entirely; and I hope that cash benefits to the poor will eventually eliminate the need for food stamps.

But the record of the 92d Congress suggests that these developments are still a long way off. We need a strong and workable food distribution program now. And that is what this bill accomplishes.

I want to point out that this bill does not amend any existing statute, but rather establishes a new program. The reason I do this is simply because there are only vague and passing references to a food distribution program in the authorizing legislation, section 32 of the Agricultural Adjustment Act of 1935 and section 46 of the Agricultural Act of 1949.

It is essential to revise the present structure of the food distribution program so that it serves the low-income consumer and makes easily accessible to him food whose quality is unimpaired, which suits his taste, which is appropriately processed and packaged to permit convenient use and storage, and which is of sufficient quantity and variety to constitute a nutritionally adequate diet as prepared and served.

The bill sets up national standards of eligibility similar to those of the food stamp program and provides that eligibility for one program automatically constitutes eligibility for the other. Administration is left in the hands of the county except where participation falls below 50 percent of the eligible population. In that case the Secretary of Agriculture is authorized to step in and run the program.

In an attempt to insure the recipient a nutritionally adequate diet, the bill authorizes that foods other than surplus commodities may be distributed and that foods distributed must provide 125 percent of the recommended daily allowance of nutrients. The foods must be adequately packaged in small quantities and must be labeled to indicate the manufacturer's name, all ingredients, the nutritional content, and a date when the foods can no longer be assumed to be safe.

The bill requires that the distribution system at the county level be set up so that foods will be available in convenient locations and at convenient hours. The warehouses must meet the local health standards for restaurants.

Finally, the bill authorizes USDA to pay all administrative costs of the program. The bill provides for authorizations of $75 million and $100 million in the next 2 fiscal years to cover these costs. Food will continue to be purchased with section 32 moneys.

With this legislation, the Congress has the opportunity to take a significant step in our progress toward the goal of eliminating hunger and malnutrition. We must replace a faltering and ineffective program with one which will fulfill the expectations of the poor and disadvantaged. I urge swift action on this badly needed legislation.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

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

S. 549

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 "Food Distribution Act of 1973".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) millions of Americans living in low-income households suffer from hunger and malnutrition because their income is insufficient to enable them to purchase a nutritionally adequate diet through normal channels of trade;

(2) while the food stamp program enables some low-income households to afford a nutritionally adequate diet, many low-income households are not located in areas in which the food stamp program operates or are otherwise unable to participate fully in that program;

(3) for those low-income households not assisted by the food stamp program, the food distribution program is the sole alternative source of Federal family food assistance;

(4) the food distribution program now in effect fails to eliminate hunger and malnutrition among low-income households;

(5) the food distribution program now in effect is said to be designed and administered for the benefit of the producers of surplus agricultural commodities rather than for the benefit of low-income households in need of adequate nutritious food;

(6) the food distribution program now in effect provides food at times that is either spoiled at the time of distribution or spoils immediately after distribution; that is unsuited to ethnic, religious, or other personal preferences; that is in a form demanding extensive preparation; and that is insufficient in quantity and variety to meet minimum daily nutritional allowances, particularly given the problems of storage and handling confronting low-income households; and

(7) in order fully to safeguard the health and well-being of all low-income households by providing them with adequate levels of food consumption and nutrition, it is essential to expand and improve the present food distribution program so that it serves the low-income households not reached by the food stamp program and makes easily accessible to such households food that is unimpaired in quality; that is consonant with the tastes of the recipients; that is appropriately processed and packaged to permit convenient use and storage; and that is of sufficient quantity and variety to constitute a nutritionally adequate diet as prepared and served.

(b) It is the purpose of this Act to expand and improve the food distribution program so that it meets the criteria set forth in subsection (a) (7) of this section and, in combination with the food stamp program, helps eliminate hunger and malnutrition for every low-income household in the United States.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "distributing agency" means any State agency or the Secretary or any public agency or private nonprofit organization responsible for distributing food to recipient households either by virtue of delegation from a State agency or action by the Secretary pursuant to the provisions of section 7 (e) of this Act.

(2) The term "food distribution program" means the program of distributing federally donated foods and agriculture commodities and products to low-income households under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), or section 416 of the Agricultural Act of October 31, 1949, as amended, or under any other provision of law administered by the Secretary.

(3) The term "food stamp program" means the program of distributing food coupons to low-income households under the Food Stamp Act of 1964, as amended.

(4) The term "household" means one or more individuals, related or nonrelated, who are not residents of an institution or boardinghouse, but who live together as one economic unit and customarily eat meals together.

(5) The term "nutritional value" means the amount of nutrients (protein, vitamins A, B, C, and D, carbohydrate, fat, calories, calcium, iron, and such other nutrients as are contained in the nutritional requirements established by the recommended daily allowances of the Food and Nutrition Board, National Academy of Sciences-National Research Council) contained in a food expressed in terms of the relationship of the amount of each nutrient contained in such food to such recommended daily allowances.

(6) The term "program subdivision" means any country or other political unit or area smaller than a State in which a food distribution program is in operation.

(7) The term "Secretary" means the Secretary of the United States Department of Agriculture.

(8) The term "State" means each of the fifty States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, and the Trust Territories of the Pacific.

(9) The term "State agency" means the agency of the State government, including the local offices thereof, which has the responsibility for the administration of the food distribution program within the State, except that after July 1, 1974, it shall mean the agency responsible for the administration of the federally aided public assistance programs within the State.

(10) The term "food" has the meaning prescribed for that term by section 201 of the Federal Food, Drug, and Cosmetic Act, except that such term does not include any fresh fruit.

(11) The term "perishable or semiperishable food" means any food which the Secretary determines has a high risk of any of the following as it ages: (A) spoilage; (B) significant loss of nutritional value; or (C) significant loss of palatability.

(12) The term "pull date" means the last date on which a perishable or semiperishable food can be sold for consumption without a high risk of spoilage or significant loss of nutritional value or palatability, if stored by the consumer after that date for the period which a consumer can reasonably be expected to store that food.

ELIGIBLE HOUSEHOLDS

SEC. 4. (a) In the administration of the food distribution program, the Secretary shall provide that any household shall be eligible to participate in such program if its income and other financial resources are within the criteria established by the Secretary under section 6(a) of the Food Stamp Act of 1964, as amended, except that any household shall be eligible to participate in such program if, on the basis of its income and other financial resources, it would have been eligible for food stamp coupons under the standards of eligibility of the State plan of operation which was in effect, immediately prior to the enactment of Public Law 91-671 (84 Stat. 2048), for the food stamp program for the State in which such household is located.

(b) In determining the eligibility of any household to participate in the food distribution program, none of the resources of such household, other than income, shall be counted.

(c) The Secretary may establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of any disaster which has disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance.

NATURE AND QUANTITY OF FOOD DISTRIBUTION

SEC. 5. (a) The food distributed pursuant to the food distribution program shall not be restricted to commodities deemed to be in surplus, but shall include commodities that (1) are suited to the particular ethnic, religious, or other taste preferences of the recipient households as determined by sample surveys conducted by the Secretary in each program subdivision, and (2) are appropriately fortified with vitamins and minerals to overcome proven nutritional deficiencies.

(b) The food distributed pursuant to the food distribution program shall, when delivered to the recipient households, be in a condition fit for safe consumption and in a form, processed or otherwise, that is convenient to prepare for consumption.

(c) The food distribution pursuant to the food distribution program shall include as wide a range of commodities as possible in keeping with the criteria set forth in subsections (a) and (b) and shall be of sufficient quantity and variety to provide recipient households with 125 per centum of their daily nutritional requirements as established by the recommended daily allowances of the Food and Nutrition Board, National Academy of Sciences-National Research Council.

PACKAGING AND LABELING

SEC. 6. The food distributed pursuant to the food distribution program shall be packed in containers that (1) are sufficiently durable to withstand a storage period of six months without breaking open or otherwise permitting the contents to come in contact with the outside air; (2) are impervious to vermin and insects; (3) are equal in every performance characteristic to the containers used to hold comparable foods distributed under title II of the Agricultural Trade Development and Assistance Act of 1954, as amended; (4) can be, when practicable and after the contents have been consumed, used for a purpose other than that of food container; (5) are, when practicable and prescribed by the Secretary, of a size sufficient to hold no more than five average adult servings of the food contained therein; and (6) bear a label which has type that is conspicuous and easily legible in distinct contrast (by topography, layout, color, embossing, or molding) with other matters on the container, and which contains a statement specifying (A) all ingredients contained in such food in the order of their predominance, (B) the nutritional value of each average serving of food contained therein, (C) the number of servings of food contained therein, (D) the name and address of the producer of the food contained therein, and (E) in the case of perishable or semiperishable food, the pull date and the optimum temperature and humidity conditions for storage by the ultimate consumer.

ADMINISTRATION

SEC. 7. (a) (1) Subject to the conditions prescribed in paragraphs (2), (3), and (4) of this subsection, the distributing agency for any State or any subdivision of a State shall assume responsibility for the certification of applicant households and for the distribution of food allotments.

(2) Applicant households shall be certified for eligibility solely on the basis of a simplified written statement, conforming to standards prescribed by the Secretary, and such statement shall be acted upon and eligibility certified or denied within seven days following the date upon which the statement is initially filed. A certification of eligibility shall remain in effect for one year from the date thereof. The Secretary shall, however, provide for adequate and effective methods of verification of the eligibility of recipients subsequent to certification through the use of sampling and other scientific techniques. Notwithstanding any other provision of law, if a household, certified as eligible for the food stamp or food distribution program in any political subdivision, moves to another political subdivision in which the food stamp or food distribution program is operating, such household shall be eligible to participate in either the food stamp or food distribution program, whichever is operating in such other political subdivision, in accordance with the prior certification.

(3) Food allotments under the food distribution program shall be distributed in each subdivision in which such program is in operation on a fixed schedule on a weekly basis between 9 antemeridian and 6 postmeridian and after 6 postmeridian on at least one weekday and/or on Saturday, and shall be distributed from a central location within that subdivision so that no recipient shall have to travel unreasonable distances or shall have to spend an unreasonable length of time in travel. Each recipient household shall be informed of the times and locations of distribution by means of a monthly letter from the distributing agency, and such times and locations shall be regularly announced in the newspapers that circulate in the subdivision and, where feasible, on the radio and television stations operating in the subdivision. Such times and locations shall also be prominently posted in each public assistance office in the subdivision.

(4) The distributing agency shall assure, in accordance with regulations issued by the Secretary, that the distribution location and the site of each warehouse in the subdivision in which foods to be distributed are stored prior to distribution (if different from said location) are inspected at least twice a year by appropriate State or subdivision health officials and certified by such officials as complying with the State and/or subdivision health codes applicable to restaurants and similar enterprises at which food is handled.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the distribution of food allotments. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in regulations issued by the Secretary.

(c) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the food distribution program.

(d) The State agency of each State shall submit for approval a plan of operation specifying the manner in which such State intends to conduct such program. Such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) for the use of the eligibility standards promulgated by the Secretary under section 3 of this Act and the certification procedures specified in subsection (a) (2) above; (2) safeguards which restrict the use of disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act or to State or local prosecuting attorneys; (3) that the State agency shall undertake to inform low-income households concerning the availability and benefits of the food distribution program and encourage the participation of all eligible households, with use of bilingual materials and personnel wherever necessary; (4) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food distribution program in accordance with the procedures set forth in the regulations issued pursuant to the Food Stamp Act of 1964, as amended, and (5) for the submission of such reports and other information as may from time to time be required.

(e) After the lapse of ninety days from the approval of this Act, if a month should occur in the course of the operation of the food distribution program in any subdivision in which the number of persons participating in the program is less than one-half of the number of persons in that program subdivision who are from households whose annual income is below the poverty level as determined by the Secretary in consultation with the Secretary of Health, Education, and Welfare (which number shall be determined annually on the basis of the most recent available data from the Secretary of Commerce), the Secretary shall directly administer such program in such subdivision or administer such program through any appropriate Federal, State, or county agency or through any public agency or private nonprofit organization approved by the Secretary. When the Secretary administers a food distribution program through a public agency or private nonprofit organization, he shall require the public agency or private nonprofit organization to observe all the appropriate provisions of this Act and regulations issued pursuant thereto.

COOPERATION WITH DISTRIBUTING AGENCIES

SEC. 8. (a) The Secretary shall pay each distributing agency an amount equal to all of the operating expenses incurred by the

distributing agency in administering the food distribution program, including, but not limited to, the cost of determining the eligibility of households, of transporting the food to be distributed from the points at which it is received from the Secretary to the locations at which it is distributed to recipient households (including the cost of delivering such food to the homes of recipient households composed entirely of persons sixty years of age or over and/or persons who are too physically or mentally handicapped to travel to the distribution location for the purpose of carrying such food to their homes), of storing such food is warehouses under such conditions as may be necessary to meet the distribution requirements prescribed in section 5(b) of this Act, and of taking the action required under the provisions of section 7 (d)(3) of this Act. In no event shall funds be used to pay any portion of such expenses if reimbursement or payment thereof is claimed or made available from any other Federal source.

(b) In addition to funds appropriated or otherwise available under any other provision of law, the Secretary is authorized to use for the fiscal year 1974 the sum of $75,000,000 and for each fiscal year thereafter the sum of $100,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out the provisions of subsection (a).

By Mr. PERCY (for himself, Mr. PASTORE, Mr. STAFFORD, and Mr. STEVENS):

S. 550. A bill to provide a comprehensive child nutrition program. Referred to the Committee on Agriculture and Forestry.

COMPREHENSIVE CHILD NUTRITION ACT OF 1973

Mr. PERCY. Mr. President, I am today reintroducing the "Comprehensive Child Nutrition Act" which I first introduced late in the last session.

I am more convinced now than I was last year that this bill is the best and perhaps the only way of bringing about fundamental and far-reaching changes in our child nutrition programs, changes which will have some chance of finally closing the hunger gap in this country.

I am convinced that we shall not eliminate hunger and malnutrition among nearly 70 million young people unless and until we restructure the basic framework within which we are currently operating.

I am convinced that we shall not do a better job until we eliminate the incredible amount of bureaucratic redtape produced by the USDA which keeps dedicated public servants at the State and local levels from adequately performing their jobs. We will do a better job only when we give them the authority to assess their own needs and establish their own priorities as well as the necessary funds to meet those needs.

My bill accomplishes this basic reform in child nutrition programs. No other piece of legislation I have read or heard about accomplishes as much.

Mr. President, the Comprehensive Child Nutrition Act of 1973 would collect the fragmented programs and allocations administered by USDA under the heading of "child nutrition" and consolidate them into a simplified bloc grant to the States.

The act would, in effect, abolish the 23 categorical child nutrition programs—each with its own regulations, funding, and matching formulas—which are now administered by the Food and Nutrition Service and the Consumer and Marketing Service of the USDA and which now cost about $1.4 billion annually. It would replace these programs with a single, unified program, administered by the Department of Health, Education, and Welfare, which would permit the States to use their funds flexibly to meet local demands for child feeding.

Ten other sources of funding for child nutrition would remain available in three departments—HEW, OEO, and HUD—but could be readily handled under, or in conjunction with, the new child nutrition program. Major programs such as the school breakfast, school lunch, nonschool feeding, or special food service program, and the special milk program would be permanently absorbed into each State's overall child nutrition grant.

The intent of the proposed legislation is to remove all the bureaucratic barriers which now prevent State educational agencies from efficiently directing money to where the need and demand are greatest, particularly where the poor are concerned. This simplification alone would redirect millions of dollars now spent on overhead to meals for the malnourished. States which prefer to serve more lunches and fewer breakfasts could do so at will. Urban States which require large infusions of equipment assistance to get any inner city feeding programs off the ground could readily channel available funds to these programs. States which have been unable to utilize a major share of their free and reduced price lunch funds to expand coverage of the poor could invest as much of their total grant as would be necessary to deliver meals to the needy.

At the same time as the act would unshackle the States from bureaucratic chains which inhibit them from getting the job done, it would retain and indeed strengthen the incentives to the States to guarantee free food service to children from "poor" and "near poor" households and to assure the nutritional adequacy of the meals served. Federal oversight of the program would be maintained through the requirement of a State plan for child nutrition as a prerequisite to funding.

The act would strengthen the States' ability to deliver good nutrition to all children—preschool and school age—at all times—during vacations as well as the school year—in all places—off school premises and on—and by all means—through child development institutions and public or private nonprofit agencies in addition to regular school systems. Thus, the increased freedom for the States would not be at the expense of the children intended to be fed, but, rather, would immediately benefit them.

Under the provisions of the proposed legislation, a State would be guaranteed the sum of 10 cents for each child under 18 years of age multiplied by 160 plus an additional 50 cents for each child at or below the poverty level multiplied by 160. On the basis of the 1970 census data, the estimated cost of the program in the first year would be just over $1.9 billion, about $500 million more than the current spending level. No State would receive less under this act than it received in fiscal year 1973.

Aside from a new funding formula, a major innovation would be the elimination of any State-matching requirement. There are now varying matching formulas embedded in 12 of the 23 child nutrition programs operated by the USDA, all of them inhibiting full use of available Federal funds.

The removal of the imperative to match would, in some instances, relieve the pressure to raise food prices for middle-class children, and in every instance, release hard-pressed State legislatures from having to confront the dilemma of taking from some programs to support child nutrition.

Other important features of the bill are:

Reimbursement for all costs related to food preparation and delivery except construction of food service facilities;

Reimbursement for breakfasts, lunches, or snacks if they meet nutritional standards;

Free meals to children at or below the poverty level, with States free to set higher standards up to 50 percent of the poverty level;

Authority for States to bypass local authorities if they refuse to establish a child nutrition program.

Mr. President, this proposal is in keeping with recent efforts to turn back money and power to the States. It is in keeping with proposals for the reorganization of the executive branch of the National Government. The accent here is on coordination in place of fragmentation; simplicity in design in place of complexity; and flexibility in meeting needs in place of rigidity and outdated standards.

I must confess, Mr. President, that I cannot understand—or accept—the view which seems to prevail within some quarters of the executive branch that you can trust the States to do the job in most program areas without Federal control and constant intervention, but that this is not true of child nutrition programs.

Moreover, I cannot understand the view popular in some circles outside the Government that further tinkering with the present framework will solve what most experts perceive to be the basic problem: USDA unwillingness to untie the hands of State and local officials to meet the needs of the people.

Federal control without Federal redtape is an impossible dream.

Fundamental and comprehensive reform is the only way to do a better job in this field. I urge prompt action on the legislation I am introducing today.

I have several exhibits which will further explain the nature of this legislation. I ask unanimous consent that the following materials be printed in the RECORD:

First, the full text of the Comprehensive Child Nutrition Act of 1973.

Second, a section-by-section analysis of the act.

Third, a listing of the 23 programs replaced by the act.

Fourth, a table listing each State's allotment under this act.

There being no objection, the material

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

S. 550

A bill to provide a comprehensive child nutrition program

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 "Comprehensive Child Nutrition Act of 1973".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that (1) in the absence of good nutrition children cannot develop and learn to their full capacity; (2) every child has a right the year-round to the nutritional resources necessary to optimal health and well-being; (3) schools and other institutions that are responsible for child development have an unrivaled opportunity to fulfill that right; (4) until such time as sufficient resources are available to guarantee good nutrition to all children, priority must be given to feeding adequately those children from families with the greatest economic need; (5) thorough understanding of the principles of good nutrition is lacking among teachers, pupils, and their parents; and (6) the numerous child nutrition programs now in effect are too fragmented, compartmentalized, and uncoordinated to achieve the desired nutritional results at the critical local level.

(b) It is hereby declared to be the policy of the Congress that every child in the United States be provided an adequate nutritional diet throughout the entire year, that such diet be provided under comprehensive child nutrition programs carried out by the Nation's schools, child development institutions, and other agencies and organizations concerned with the development of children, and that special emphasis under such programs be given to economically disadvantaged children. It is further declared to be the policy of Congress that this goal should be accomplished by simplifying and strengthening State and local administration of child nutrition programs in order to reduce the barriers between food and the children to be served and by increasing the knowledge of children and those charged with their care about the nature of various foods and their importance for physical, intellectual, and social development.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Children" means all persons not more than eighteen years of age and all persons age eighteen and over who are attending secondary school.

(2) "Child development institution" means a public or private nonprofit institution other than an elementary or secondary school that provides educational, nutritional, social, medical, or physical services to children to assure their growth and enable them to attain their maximum potential, including, but not limited to, Headstart centers, child day care centers, other preschool centers, settlement houses, recreation centers, youth training centers, centers for handicapped children, and similar facilities.

(3) "Child nutrition program" means any program under which meals, snacks, or milk are provided to children on a nonprofit basis or under which other educational, social, medical, and physical services related to establishing good nutritional health in children are provided on a nonprofit basis.

(4) "School" means any day or residential school which provides elementary or secondary education, as determined under State law, except that it does not include any portion of any school providing education beyond grade 12.

(5) "Income eligibility guidelines" means household size income levels established by the Secretary no later than May 15 of each calendar year for use during the succeeding fiscal year and which may not be lower than the household size income levels fixed on a yearly basis by the United States Department of Commerce, Bureau of the Census, for the determination of urban poverty in the United States. The household size income levels so established by the Secretary may be increased in any State by the State educational agency, but may not be increased by such agency in any State to a level which exceeds the level established by the Secretary by more than 50 per centum.

(6) "Meal" means any food unit furnished to a child that provides at least one-third of that child's daily nutritional requirements as established by the Recommended Daily Allowances of the Food and Nutrition Board, National Academy of Sciences—National Research Council, whether such food unit is served as breakfast, lunch, or supper.

(7) "Snack" means any food unit furnished to a child other than milk alone that does not provide at least one-third of that child's daily nutritional requirements as established by the Recommended Dietary Allowances of the Food and Nutrition Board, National Academy of Sciences—National Research Council.

(8) "Milk" means fluid whole milk, flavored milk made from whole fluid milk, or recombined or reconstituted fluid whole milk where adequate fresh supplies are unavailable.

(9) "Nonprofit private school" means any private school exempt from income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

(10) "Public or private nonprofit agency or organization" means any agency or organization that is not operated for profit, including but not limited to community action agencies, community corporations, parent cooperatives, church groups, institutions of higher education, and child development institutions.

(11) "School food authority" means the governing body which is responsible for the administration of one or more schools and which has the legal authority to operate a child nutrition program therein. It also includes a nonprofit agency to which such governing body has delegated authority for the operation of such a program in a school.

(12) "Secretary" means the Secretary of Health, Education, and Welfare.

(13) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific.

(14) "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of schools, or, if there is no such agency or officer, an agency or officer designated by the Governor or State law.

AUTHORITY TO ESTABLISH PROGRAMS; COORDINATION; OFFICE OF CHILD NUTRITION

SEC. 4. The Secretary is hereby authorized and directed to (1) establish child nutrition programs in accordance with the provisions of this Act; (2) take all necessary action to coordinate such programs with every other Federal program under his jurisdiction that provides funds for child nutrition; and (3) create, within the Department of Health, Education, and Welfare, an Office of Child Nutrition, administered by a Director, which shall be the principal agency of that Department for the administration of this Act.

CHILD NUTRITION PROGRAMS

SEC. 5. Funds appropriated under section 6 may be used for the following activities:

(1) planning and developing child nutrition programs, including the operation of pilot and demonstration programs to test the effectiveness of new concepts and delivery systems;

(2) establishing, maintaining, and operating (including the administering and supervising of such programs, the remodeling, renovation, repair, and alteration of facilities essential to enable the installation of food service equipment, and the acquisition, rental, maintenance, and repair of necessary food service equipment and supplies) child nutrition programs, which may include, but shall not be limited to—

(A) providing meals, snacks, and milk to children while attending school;

(B) providing meals, snacks, and milk to children while attending child development institutions;

(C) providing meals, snacks, and milk to children on the premises of schools, child development institutions, or other public or private nonprofit agencies and organizations during the summer and on weekends as well as during the regular school year;

(D) providing training in and materials on the fundamentals of good nutrition to children and their parents and workers in such programs;

(E) providing the services of health professionals and aides to monitor the nutritional well-being of children and take the necessary steps to correct any nutritional deficiencies in such children;

(F) providing paid paraprofessional food service aides and volunteers, especially parents and the elderly, in the delivery of the meals, snacks, and milk referred to above; and

(G) such other activities as the Secretary deems appropriate in furtherance of the purposes of this Act;

(3) evaluating and surveying the relative effectiveness of child nutrition programs in assuring good nutrition; and

(4) studying the food habits and needs of children.

AUTHORIZATION OF APPROPRIATIONS AND APPORTIONMENT TO STATES

SEC. 6. (a) In order to carry out in each State the activities described in section 5 of this Act, there are authorized to be appropriated to the Secretary each fiscal year, beginning with the fiscal year in which this Act becomes effective, an amount equal to a sum determined by—

(1)(A) multiplying ten cents by the number of children residing in each State (as determined by the Secretary using the most recent satisfactory data available to him), and (B) multiplying the product thereof by 160; and

(2)(A) multiplying fifty cents by the number of children residing in each State who are members of households whose annual incomes are not above the applicable family size income level set forth in the income eligibility guidelines (as determined by the Secretary using the most recent satisfactory data available to him), and (B) multiplying the product thereof by 160.

Funds appropriated pursuant to this subsection shall be disbursed to each State on the basis of the formula provided in clauses (1) and (2) applied to that State.

(b) If the State education agency of any State is not permitted by law to disburse the funds paid to it under subsection (a) of this section to nonprofit private schools in such State, the Secretary shall withhold from the funds otherwise to be paid to such State under such subsection (a) an amount equal to a sum determined by—

(1)(A) multiplying ten cents by the number of children residing in each such State who attend non-profit schools in such State (as determined by the Secretary using the most recent satisfactory data available to him), and (B) multiplying the product thereof by 160; and

(2)(A) multiplying fifty cents by the number of children residing in such State who attend nonprofit private schools in such State and who are members of households whose annual incomes are not above the applicable family size income level set forth in the income eligibility guidelines (as deter-

mined by the Secretary using the most recent satisfactory data available to him), and

(B) multiplying the product thereof by 160.

The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within such State to carry out the activities set forth in section 5 of this Act, subject to the conditions set forth in subsection (a) through (d), (e)(2), (f)(1), and (g) of section 7 of this Act.

(c) Notwithstanding any other provision of law, any funds appropriated to carry out the provisions of this Act shall remain available until expended.

(d) Funds payable to any State pursuant to subsection (a) during any fiscal year shall be available for payment to such State in installments and in advance, with necessary adjustments on account of overpayments or underpayments.

(e) Funds paid to any State during any fiscal year pursuant to subsection (a) shall be disbursed by the State education agency, pursuant to agreements, to school food authorities, child development institutions, or other public or private nonprofit agencies and organizations within such State to enable such authorities, institutions, agencies, and organizations to meet the cost of providing child nutrition programs, while also fulfilling the applicable requirements of section 7. In no event shall disbursements to any such authority, institution, agency, or organization over the period of any fiscal year be less than similar disbursements made to such authority, institution, agency, or organization during the fiscal year immediately preceding the fiscal year in which this Act became effective.

(f) The Secretary shall reserve not in excess of 5 per centum of the sums appropriated pursuant to section 4 for use by him to provide assistance for research, demonstration, training, technical assistance, and evaluation activities designed to further the effective implementation of child nutrition programs.

SEC. 7. (a) Meals, snacks, and milk provided in child nutrition programs pursuant to this Act shall be served without cost to any child who is a member of a household which has an annual income not above the applicable household size income level set forth in the income eligibility guidelines. Determination with respect to the annual income of any household shall be made solely on the basis of a uniform declaration prescribed by the Secretary and executed by an adult member of the household. Notwithstanding the income eligibility guidelines, all children who are attending a school or child development institution in which 75 per centum or more of the students are eligible for free meals and all children attending a school or child development center who are children of migrant agricultural workers (as defined by the Secretary) shall be served meals, snacks, and milk free.

(b) No physical segregation of or other discrimination against any child shall be made by any school food authority, child development institution, or other public or private nonprofit agency or organization because of the child's inability to pay, nor shall there be any overt identification of any such child by any token or ticket in any respect different from those given any child who pays for his meal, snack, or milk, by announced or published lists of names, or by any other means. No child or any member of his family shall be required to perform any work or service for any authority, institution, agency, or organization in return for any meal, snack, or milk provided such child under this Act.

(c) Each school food authority operating a child nutrition program pursuant to this Act shall make available to every child in attendance in schools administered by such authority who is a member of a household which has an annual income not above the the applicable household size income level set forth in the income eligibility guidelines at least one meal during each day school is in session unless an adult member of the child's household notifies the authority in writing that he does not want such child to receive any meal. In the event that any such school food authority fails, after the expiration of a period of eighteen months following the effective date of this Act, to fulfill the meal service obligation prescribed in the preceding sentence with respect to 25 or more children, the State educational agency shall provide a daily meal to such children or disburse funds to any public or private nonprofit agency or organization that has sufficient personnel and equipment to provide a daily meal to such children at a facility in reasonable proximity to the school they attend. The funds so disbursed shall be sufficient to enable such agency or organization to operate a child nutrition program for such children during the school year without any operating cost to such agency or organization.

(d) Each child nutrition program shall utilize commodities designated from time to time by the Secretary as being in abundance either nationally or in the program area.

(e)(1) Each State educational agency shall, not later than April 1 of each fiscal year, submit to the Secretary, for approval by him as a prerequisite to receipt of Federal funds for the next fiscal year, a State plan of child nutrition operations for such next fiscal year. Such plan shall include, as a minimum:

(A) a description of the manner in which such agency proposes to use the funds provided under this Act to meet the requirements of subsections (a) through (c);

(B) a program for nutrition education to school children and, where feasible, to their parents;

(C) a program to cooperate in instituting pilot and demonstration child nutrition programs;

(D) a description for the supervision and audit of program operations;

(E) a description of the manner in which the agency has, in the current fiscal year, used the funds provided under this Act to achieve the objectives set forth in the State plan submitted the preceding year; and

(F) a detailed accounting of program disbursements.

Such plan shall become a matter of public record available upon request from the Secretary or the State educational agency without charge.

(2) Each child development institution or public or private nonprofit agency or organization operating a child nutrition program under this Act shall, upon conclusion of its program or at least annually in accordance with a schedule to be established by the Secretary, file a report with the Secretary which shall include, as a minimum:

(A) a description of the manner in which it used the funds provided under this Act to meet the requirements of subsections (a), (b), and, where applicable, (c);

(B) a description of the program of nutrition education to participants and their parents if such a program was provided;

(C) a description of the manner in which it cooperated in instituting pilot and demonstration child nutrition programs;

(D) statistics on program participation, including the number of children in the area served by the program who did not participate but who could have if more funds had been available; and

(E) a detailed accounting of program disbursements. Such report shall become a matter of public record available upon request from the Secretary for a nominal copying charge.

(f)(1) Each school food authority participating in a child nutrition program shall report to its State educational agency within ten days after the close of each school month the average daily number of children who received free and non-free meals, snacks, and milk during the immediately preceding month, together with a detailed accounting of program disbursements. Each participating school food authority shall provide an estimate, by way of survey and sampling, as of October 1 and March 1 of each year, of the number of children eligible for free meals, snacks, and milk. Each such report and estimate shall become a matter of public record available upon request from the State educational agency for a nominal copying charge.

(2) Each State educational agency shall report to the Secretary within twenty days after the close of each school month the average daily number of children who received free and nonfree meals, snacks, and milk during the immediately preceding month, together with a detailed accounting of program disbursements. Each State educational agency shall provide an estimate, derived from the school food authority estimates specified in paragraph (1) as of October 1 and March 1 of each year, of the number of children eligible for free meals, snacks, and milk. Each such report and estimate shall become a matter of public record available upon request from the Secretary or the State educational agency for a nominal copying charge.

(g) State educational agencies, school food authorities, child development institutions, and other public or private nonprofit agencies or organizations participating in child nutrition programs under this Act shall keep such accounts and records as the Secretary may prescribe. Such accounts and records shall be preserved for such period of time, not in excess of five years, as the Secretary determines is necessary and shall, at all times during such period, be available for inspection and audit by representatives of the Secretary.

(h) The State educational agency of each State shall establish an advisory council on child nutrition, at least one-third of whose members shall be children and parents of children receiving free meals, to advise such agency regarding the nutrition programs carried out under the provisions of this Act in such State.

EFFECTIVE DATE, REPEAL, AND CONSOLIDATION

SEC. 8. (a) The provisions of this Act shall become effective one year after the date of enactment of this Act, except that the Secretary is authorized to initiate such actions prior to the effective date as he deems necessary to effectively administer the program provided for in this Act on and after that date.

(b) The National School Lunch Act and the Child Nutrition Act of 1966 are repealed effective one year after the date of enactment of this Act, but no suit, action, or other proceeding lawfully commented by or against any office, agency or bureau or any officer of the United States acting in his official capacity shall abate by reason of such repeal.

(c) All personnel, property, records, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, which the Director of the Office of Management and Budget determines are used primarily in the administration of the National School Lunch Act and the Child Nutrition Act of 1966 are transferred to the Department of Health, Education, and Welfare on the effective date of this Act.

(d) None of the funds provided under title II of Section 808 of the Elementary and Secondary Education Act of 1965 or section 222(a)(1), (2), or (5) of the Economic Opportunity Act of 1964 may be used for the purpose of carrying out the programs provided for under this Act.

AUTHORIZATION FOR APPROPRIATION

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ANALYSIS OF COMPREHENSIVE CHILD NUTRITION ACT OF 1973

The proposed "Comprehensive Child Nutrition Act of 1973" would collect the fragmented programs and allocations administered by the Department of Agriculture under the heading of "child nutrition" and consolidate them into a simplified bloc grant to the States. The Act would in effect abolish the 23 categorical programs, each with its own regulations, funding and matching requirements, now administered by the Food and Nutrition Service and Consumer and Marketing Service. It would replace them with a single, unified program administered by HEW permitting the States to use their funds flexibly to meet local demands for child feeding.

Ten other sources of funding for child nutrition would remain available in three departments (HEW, OEO, and HUD), but could be readily handled under, or in conjunction with, the new child nutrition program. Many programs such as school breakfast, school lunch, special food service program, and special milk program would be permanently absorbed into each State's overall child nutrition grant.

The proposed Act would remove all the bureaucratic barriers which prevent State educational agencies from efficiently directing money to where the need and demand are greatest, particularly where the poor are concerned. States which prefer to serve more lunches and fewer breakfasts could do so at will. Urban States which require large infusions of equipment assistance to get any inner-city feeding programs off the ground could readily channel available funds to these programs. States which have been unable to utilize a major share of their separate and distinct free and reduced price lunch funds to expand coverage of the poor would be free to invest as much of their total grant as would be necessary to deliver meals to the needy.

At the same time as the Act would unshackle the States from bureaucratic chains which inhibit them from getting the job done, it would retain and indeed strengthen most of the incentives to the States to guarantee free food service to children from poverty households and to assure the nutritional adequacy of the meals served. The Act would strengthen the States' ability to deliver good nutrition to all children (preschool and school age) at all times (during vacations as well as the school year) in all places (off school premises and on) and by all means (through child development institutions and public or private nonprofit agencies in addition to regular school systems). Thus, the increased freedom for the States would not be at the expense of the children intended to be fed, but, rather, would immediately benefit them.

The major features of each section of the bill follow.

Section 2. Findings and Declaration of Policy. Congress declares its policy to be that of assuring every child good nutrition, through schools, child development institutions, and similar agencies, with special emphasis on the economically disadvantaged. This goal is to be achieved by simplifying and strengthening State and local administration of child nutrition programs and by increasing the knowledge of children and their caretakers about the nature of good nutrition and its importance to child development.

Section 3. Definitions. The terms children, child development institution, child nutrition program, school, income eligibility guidelines, meal, snack, milk, nonprofit private school, public or private nonprofit agency or organization, school food authority, secretary, state and state educational agency are defined.

Section 4. Authority to Establish Programs; Coordination; Office of Child Nutrition. The Child Nutrition Program is located in the Office of Child Nutrition within the Department of Health, Education, and Welfare.

Section 5. Child Nutrition Programs. State allotments are paid to the State educational agencies for use in and further distribution to child nutrition programs. Programs qualifying for assistance include those in which schools provide meals, snacks, or milk to their pupils on or off school grounds in the summer as well as the school year, and those in which child development institutions or other public or private nonprofit agencies, such as Head Start or day care centers or summer recreation projects, supply similar food service to children either too young for or otherwise not in school. Expenditures for nutrition education for children and their parents are encouraged, as are outlays for health monitoring to uncover and correct nutritional deficiencies. The Secretary retains authority to fund pilot and demonstration programs testing new concepts and delivery systems as well as to undertake essential research.

The only limitation on the use of funds to cover the cost of conducting child nutrition programs is the constraint against construction of food service facilities. But existing facilities may be remodeled or renovated to prepare them to accept food service equipment, including utility installation which is not possible at present, and all necessary equipment and supplies can be purchased or rented. Properly reimbursed expenses include those for administration of the programs (professional school district food service directors), supervision (food service aides), and all other costs associated with establishing and maintaining such programs.

All State-matching requirements are eliminated.

Section 6. Authorization of Appropriations and Apportionment to States. The authorization is open-ended: Such funds as are necessary to carry out the purposes of the Act. States are guaranteed a sum equal to the number of children under 18 years of age multiplied by ten cents, multiplied by 160 (average number of school days in the school year); plus a sum equal to the number of poverty-level children under 18 years of age, multiplied by fifty cents, multiplied by 160. Funds are available for nonprofit private schools as well as public schools. No State receives less than the amount it received under existing programs in FY 1973. Installment payments from the Federal government in advance of actual expenditures are authorized.

Section 7. Program Requirements. (a) Free meals must be served to children from families below the poverty level. If 75 percent or more of the children in a program fall below this level, then all meals are served free of cost. All migrant children are to receive free meals. (b) There must be no discrimination of or against children receiving free meals. (c) All children attending a school or child development institution must receive at least one meal per day unless a parent requests otherwise. If schools refuse to cooperate, then a State agency must make alternative arrangements to feed the children. (d) Commodities must be utilized. (e) A State plan must be submitted annually. (f) Programs must file periodic reports on participation and expenditures and State agencies must file periodic reports with the Secretary. All reports must be made public. (g) Adequate records must be maintained by agencies involved in child nutrition programs. (h) An advisory council must be established in each State.

Section 8. Effective Date, Repeal, and Consolidation. The provisions of the Act go into effect one year after the date of enactment. The Act repeals the National School Lunch Act and the Child Nutrition Act as of that time and limits funds from other programs to be expended on child nutrition. The Act provides for the transfer of books, records, and personnel from USDA to HEW.

Section 9. Authorization for Appropriation. The Act authorizes to be appropriated such sums as may be necessary.

PROGRAMS REPLACED BY THE COMPREHENSIVE CHILD NUTRITION ACT

Name of program	Act and section	Brief description	Who administers	State matching
(1) General assistance: Public schools	NSLA: Sec. 4	Across-the-board cash assistance for lunches in all participating schools (average contribution of 5 cents each lunch).	FNS, USDA: State educational agencies to school districts.	$3 State for every $1 Federal, but "State" includes children's payments, except in fiscal 1972, when 4 percent must come from State revenues (12 State cents to every Federal $1).
(1A) General assistance: Private schools	Sec. 10	Withholding of funds for nonprofit private schools in 26 States.	Regional offices to school districts.	$3 from sources within the State expended by private schools in State to every $1 Federal.
(2) Special assistance: Public schools	Sec. 11	Special cash grants to assure receipt of lunch by needy children at whatever school they attend (average contribution of 30 cents each lunch, including funds from No. 3 below).	State educational agencies to school districts.	None—school can receive up to 100 percent of cost of serving meal or Secretary's maximum reimbursement rate, whichever is lower.
(2A) Special assistance: Private schools	Sec. 11	Withholding of funds for nonprofit private schools in 26 States.	Regional offices to school districts.	None—as in 2.
(3) Special sec. 32: Public schools	Each year's Agriculture Appropriations Act.	Money allotted to States for use in feeding needy children through provision of lunch, breakfast, and/or State administrative expenses.	State educational agencies to school districts.	None, but see 2.
(3A) Special sec. 32: Private schools	do	Withholding of funds for nonprofit private schools in 26 States.	Regional offices to school districts.	None.
(4) School breakfast: Public schools	CNA: 4(a)	Across-the-board cash assistance for breakfasts in schools drawing attendance from poor areas or to which a substantial portion of pupils must travel long distances (average contribution of 15 cents each breakfast).	State educational agencies to school districts.	Minimum of 20 percent of cost of serving meal in needy areas; maximum of nonfood costs.
(4A) School breakfast: Private schools	4(f)	Withholding of funds for nonprofit private schools in 26 States.	Regional offices to school districts.	As in 4.

Name of program	Act and section	Brief description	Who administers	State matching
(5) Nonfood assistance: Public schools	5(a)	Aid for buying or renting food service equipment for schools drawing attendance from poor areas.	State educational agencies to school.	25 percent from State or local funds.
(5A) Nonfood assistance: Private schools	5(d)	Withholding of funds for nonprofit private schools in 26 States.	Regional offices to school districts.	None.
(6) Special food service program: Public service institutions.	NSLA: Sec. 13(a).	Cash aid to nonprofit food service programs for meals or food service equipment (25 percent limit) for children in day care centers, settlement houses, recreation centers, etc., which provide day care for children from poor areas or areas with high concentrations of working mothers.	State educational agencies to school districts.	Food service: None, but minimum of 20 percent of cost of serving food; maximum of nonfood costs. Equipment assistance—25 percent from non-Federal source.
(6A) Special food service program: Private service institutions.	Sec. 13(d)	Funds for same programs in nonprofit private service institutions in 32 States.	Regional offices to school districts.	As in 6.
(7) Special milk program: Public schools	CNA: Sec. 3.	Cash assistance to lower price of milk in schools and service institutions.	State educational agencies to school districts.	None.
(7A) Special milk program: Private schools.	Sec. 3	Withholding of funds for nonprofit private schools in 31 States and for nonprofit private child care institutions in 32 States.	Regional offices to school districts.	Do.
(8) Federal administrative expenses	NSLA: Sec. 6	Funds for Secretary's expenses in administering NSLA and CNA programs.	FNS, USDA	Do.
(9) State administrative expenses	CNA: Sec. 7	Funds for State educational agencies and commodity distribution agencies for their administrative expenses in supervising and giving technical assistance to local school districts and service institutions for all CNA programs and NSLA special assistance and special food service for children programs.	FNS, USDA: State educational agencies and commodity distribution agencies.	Do.
(10) Commodities: Sec. 6	NSLA: Sec. 6	Purchase by Secretary of highly nutritious commodities for distribution to schools and service institutions (provides average contribution of 7 cents each lunch together with funds from 11, 12, and 13 below).	C. & M.S. USDA: State educational agencies or commodity distribution agencies to school districts.	None.
(11) Commodities: Sec. 32	Sec. 32 of Public Law 74-320 (Act of Aug. 24, 1935)	Purchases by Secretary of surplus commodities followed by donations to schools and service institutions.	State educational agencies or commodity distribution agencies to school districts.	Do.
(12) Commodities: Sec. 416	Sec. 416: Agricultural Act of 1949.	Price-support acquisition by Commodity Credit Corporation of commodities and donation to school lunch program.	CCC and C. & M.S., USDA: State educational agencies or commodity distribution agencies to school districts.	Do.
(13) Commodities: Sec. 709	Sec. 709: Food and Agriculture Act of 1965.	Purchase by Commodity Credit Corporation of dairy products, other than fluid milk, to meet requirements of school programs.	do	Do.
(14) Surveys and studies	NSLA: Sec. 6(3)	Funds for Secretary to commission surveys and studies of food service program requirements either through grants to states or other means (contracts with other groups).	FNS, USDA: State educational agencies or other public or private organizations, including school districts.	Do.
(15) Training	Sec. 6(3)	Funds for Secretary to provide nutritional training and education for food service workers, cooperators, and participants either through grants to States or other means.		Do.
(16) Special development projects	CNA: sec. 10	Funds for each State to use for pilot projects to improve methods and facilities for providing food service to children.	State educational agencies	None—but really State is granter.

ALLOTMENTS TO THE STATES UNDER THE CONPREHENSIVE CHILD NUTRITION ACT

State	Fiscal year 1972 grants to States for child nutrition [1]	Children under 18	Children×10¢ ×160 days (in thousands)	Children under 18 in poverty	Poverty children×50¢ ×160 days (in thousands)	Total cost (in thousands)
Alabama	$21,098,318	1,234,000	$19,744	356,000	$28,480	$48,224
Alaska	854,209	120,000	1,920	17,000	1,360	3,280
Arizona	5,537,303	644,000	10,304	113,000	9,040	19,344
Arkansas	12,456,917	655,000	10,480	202,000	16,160	26,640
California	33,928,730	6,636,000	106,176	827,000	66,160	172,336
Colorado	6,753,451	774,000	12,384	97,000	7,760	20,144
Connecticut	6,504,540	1,021,000	16,336	78,000	6,240	22,576
Delaware	1,779,024	197,000	3,152	24,000	1,920	5,072
District of Columbia	6,602,915	224,000	3,584	50,000	4,000	7,584
Florida	22,557,331	2,109,000	33,744	397,000	31,760	65,504
Georgia	26,069,906	1,644,000	26,304	389,000	31,120	57,424
Hawaii	2,889,885	275,000	4,400	28,000	2,240	6,640
Idaho	2,590,011	263,000	4,208	33,000	2,640	6,848
Illinois	26,553,468	3,796,000	60,736	412,000	32,960	93,696
Indiana	16,368,428	1,840,000	29,440	169,000	13,520	42,960
Iowa	11,617,330	975,000	15,600	97,000	7,760	23,360
Kansas	7,521,975	746,000	11,936	88,000	7,040	18,976
Kentucky	18,433,377	1,114,000	17,824	273,000	21,840	39,664
Louisiana	21,260,835	1,388,000	22,208	410,000	32,800	55,008
Maine	3,985,728	344,000	5,504	49,000	3,920	9,424
Maryland	10,529,426	1,381,000	22,096	156,000	12,480	34,576
Massachusetts	15,473,741	1,876,000	30,016	164,000	13,120	43,136
Michigan	22,068,835	3,251,000	52,016	304,000	24,320	76,336
Minnesota	14,985,814	1,381,000	22,096	130,000	10,400	32,496
Mississippi	17,480,869	844,000	13,504	344,000	27,520	41,024
Missouri	16,676,933	1,553,000	24,848	228,000	18,240	43,088
Montana	2,267,304	253,000	4,048	33,000	2,640	6,688
Nebraska	5,664,659	507,000	8,112	61,000	4,880	12,992
Nevada	845,047	170,000	2,720	15,000	1,200	3,920
New Hampshire	2,285,785	254,000	4,064	20,000	1,600	5,664
New Jersey	12,953,117	2,385,000	38,160	217,000	17,360	55,520
New Mexico	5,207,570	406,000	6,496	107,000	8,560	15,056
New York	45,482,426	5,841,000	93,456	733,000	58,640	152,096
North Carolina	30,481,504	1,759,000	28,144	406,000	32,480	60,624
North Dakota	3,360,506	226,000	3,616	36,000	2,880	6,496
Ohio	29,286,875	3,738,000	59,808	370,000	29,600	89,408
Oklahoma	9,849,324	837,000	13,392	162,000	12,960	26,352
Oregon	5,212,752	698,000	11,168	74,000	5,920	17,088
Pennsylvania	31,140,785	3,848,000	61,568	415,000	33,200	94,768
Rhode Island	2,228,333	300,000	4,800	35,000	2,800	7,600
South Carolina	17,161,780	955,000	15,280	269,000	21,520	36,800
South Dakota	3,234,760	241,000	3,856	45,000	3,600	7,456
Tennessee	20,457,146	1,326,000	21,216	321,000	25,680	46,896
Texas	39,902,694	4,000,000	64,000	858,000	68,640	132,640

Footnote at end of table.

ALLOTMENTS TO THE STATES UNDER THE COMPREHENSIVE CHILD NUTRITION ACT—Continued

State	Fscal year 1972 grants to States for child nutrition [1]	Children under 18	Children×10¢ ×160 days (in thousands)	Children under 18 in poverty	Poverty children×50¢ ×160 days (in thousands)	Total cost (in thousands)
Utah	4,110,047	424,000	6,784	45,000	3,600	10,384
Vermont	1,635,722	157,000	2,512	18,000	1,440	3,952
Virginia	19,493,426	1,589,000	25,424	281,000	22,480	47,904
Washington	7,971,049	1,160,000	18,560	112,000	8,960	27,520
West Virginia	9,241,599	580,000	9,280	139,000	11,120	20,400
Wisconsin	14,305,702	1,584,000	25,344	139,000	11,120	36,464
Wyoming	1,151,238	120,000	1,920	14,000	1,120	3,040
Total	677,510,359	69,643,000	1,114,288	10,360,000	828,800	1,943,088

[1] Does not include $354,160,000 in sec. 32 transfer to States under the special child feeding program.

By Mr. TALMADGE (for himself, Mr. NUNN, and Mr. THURMOND):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year. Referred to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, I introduce today on behalf of myself, my colleague, Senator NUNN, and the senior Senator from South Carolina (Mr. THURMOND), a joint resolution proposing a constitutional amendment to provide that, except in time of war or national economic emergency declared by the Congress, the aggregate expenditures of the Federal Government may not exceed the net amount of its revenues in any fiscal year.

Put another way, my amendment would prohibit the Federal Government from deficit spending, from spending money it does not have, except as deemed absolutely necessary by the Congress in emergency situations.

Such action, I am convinced, is the most sensible way to halt runaway spending. It is the most effective way to restore fiscal responsibility to the Federal Government.

In my opinion, there is no more urgent business before the 93d Congress than the need to contain the exploding Federal budget. We cannot continue on our present course of burgeoning expenditures and festering deficits.

At stake is the confidence of the American people in their Government. Equally important is the confidence of the world in our economy, and that has been sadly lacking in recent years. The fact is, the United States has lost preeminence in monetary soundness, and it should come as a surprise to no one that European money markets have downgraded the American dollar.

I have closely followed the various proposals which have been advanced for improving control over the Federal budget—including the creation of a special joint committee in title 3 of the debt limit bill last October. I have concluded that we need something more positive than just another study. We need a great deal more than just modification of existing budget machinery.

Virtually everyone I know seems to agree on the need for spending control. If we are going to attain that goal, we need affirmative action that will produce the desired results, rather than just talk and halfway measures that generate a lot of heat but very little light.

What is needed, in my judgment, is nothing short of a constitutional amendment providing a clear mandate to the Congress and the President for a return to fiscal responsibility—indeed, fiscal sanity.

This joint resolution, which I introduce today, will establish as the supreme law of the land the principle that the Federal Government may not spend more than it receives, except in times of national emergency.

Also, it would establish a workable mechanism which would compel the Congress and the executive branch to appraise national priorities realistically, and to allocate resources responsibly. Since the luxury of falling back on deficit financing would no longer be available, we would be insulated from the day-to-day pressures and demands which have forced us into unprecedented debt and fiscal crisis.

Only war or the active declaration by the Congress of a national economic emergency would permit a return to unlimited, deficit financing of our Government.

In determining that a national economic emergency exists, the Congress would be directed to consider the extent and rate of industrial activity, unemployment, and inflation, and such other economic indicators as it deems appropriate.

Thus, in the event of a genuine economic emergency such as a serious recession, the Congress could authorize budget deficits as a means of stimulating economic recovery.

I am sponsoring this resolution because I am firmly convinced that our economy can no longer endure multibillion-dollar budget deficits year after year after year. I offer it as a solution to the economic instability that plagues our Nation. I propose it as a major weapon against inflation which frustrates the taxpayer, robs the working man of his earnings, and denies the elderly of the full benefit of their savings and retirement benefits.

The Congress and the President must learn to evaluate more carefully the way we spend public moneys. We must remember that the Government has no money other than what it takes from taxpayers.

We must reject the notion that the way to solve a problem is to bury it in taxpayers' dollars—dollars that are hard to come by for the working man, but very easily dissipated by a Federal bureaucracy gone fiscally amuck.

Federal expenditures in recent years have expanded relentlessly, despite the wishes or will of either the Congress or the Presidents. From 1968 to 1969, they rose by nearly $6 billion. From 1969 to 1970, they rose by $12 billion. From 1970 to 1971, they rose by nearly $15 billion. And, from 1971 to 1972, they rose by more than $20 billion. In the current fiscal year, Federal spending is expected to increase again by more than $18 billion.

Although the outlay of Federal funds has increased by leaps and bounds, Federal revenues have remained largely constant.

The result has been a series of unprecedented budget deficits during the past 4 years.

Federal deficits from fiscal 1970 to fiscal 1973 are estimated to total more than $104 billion—more than in any other 4-year period in our Nation's history, with the exception of 4 years during World War II.

Ten years ago, the entire Federal budget was $111 billion. This year, the budget will be more than twice as large—very near $250 billion.

The massive growth of the Federal budget during the past 10 years cannot be solely attributed to the conflict in Vietnam. Many experts predict that it will continue to grow at the same rate, and there will be no end to deficit financing, unless and until bold steps are taken.

Excessive Federal spending and Federal deficits of the magnitude we have witnessed in the past decade distort the economy and fuel inflation. Last month, wholesale prices soared more than 19 percent at an annual, seasonally adjusted rate—the sharpest single increase in more than two decades, which shatters the idea that inflation is being brought under control.

The President's decision to replace wage and price controls in all but a few areas with voluntary guidelines makes it all the more mandatory that we take steps to put a lid on Federal spending.

We cannot go on commiserating over the past. What we need to do now is look to the future, and take action to prevent a continuation of irresponsible, runaway Federal spending.

Also, it serves no useful purpose to single out a particular institution or political party to blame for the present situation. The blame lies not only with the executive branch, but with the legislative branch as well. It is a nonpartisan issue. We have had unbalanced budgets

from Republican and Democratic administrations alike.

The fault lies in the prevalent attitude that Federal spending is a cure-all for virtually every problem, that if we can perhaps solve some problems by the expenditure of some money, then we can solve more problems by spending more money. That, of course, as the record clearly shows, has not been the case.

The fault also lies, I think, in our piecemeal approach to Federal budgeting, an approach which precludes an accurate, overall view of outlays and receipts until it is too late.

The constitutional amendment I offer today will correct that attitude and compel an early overall look at each year's budget.

As I have said, bringing Federal spending under control is the single most important issue before the Congress. We cannot continue on our present course of unrestrained spending without undermining the economy and eroding the American people's confidence in their Government's ability to manage its affairs. Unfortunately, we have gone too far down that road already.

Mr. President, I urge my colleagues not to be lulled into a false sense of security here.

I urge the Senate to realize that even though deficit financing has virtually become a way of life, such a life-style is, at best, unhealthy and, at worst, suicidal.

The Federal Government has become addicted to deficit spending and, in the vernacular, the time has come to kick the habit.

Undoubtedly, some will say that the approach I suggest is drastic. I submit that the fiscal crisis we face is drastic. It defies ordinary remedy. If the action I propose is drastic, than that is what is required to deal with the problem.

When the Government of the United States finds itself unwilling or unable to balance its budget for 37 of the past 43 years, drastic action is called for.

When the debt of the Government of the United States is far greater than the combined debt of all other governments of all other nations of the world, drastic action is called for.

When almost one-third of the gross national product of the United States is consumed in taxes to Federal, State, and local governments, drastic action is called for.

We hear a great deal nowadays about the need for tax reform. And, indeed, I feel that our tax laws are in need of revision. But, let us be frank. If the Congress adopted every "soak the rich" tax proposal conceived to date, the revenue gain would be merely a drop in the bucket compared with budget deficits we face.

We do need tax reform. But we need spending reform more. I believe that the taxpayers of this country demand and will accept nothing less.

For these reasons, Mr. President, I introduce this joint resolution. I believe it accurately reflects the needs and desires of the American people at this crucial time. If we can pass this proposal during the 93d Congress, I am confident that it will be promptly ratified by the States.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD. I welcome the support of my colleagues in securing its adoption.

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

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. Except as provided in section 2 of this article, the aggregate amount of expenditures made by the Government during any fiscal year shall not exceed the net amount of revenue received by the Government during that fiscal year.

"SEC. 2. The provisions of section 1 shall not apply to any fiscal year—

"(1) if at any time during that fiscal year the United States is in a state of war declared by the Congress pursuant to section 8 of article I of this Constitution, or

"(2) if, with respect to that fiscal year, the Senate and the House of Representatives agree to a concurrent resolution stating, in substance, that a national economic emergency requires the suspension of the application of section 1 for that fiscal year.

In exercising its power under paragraph (2) of this section, the Senate and the House of Representatives shall take into consideration the extent and rate of industrial activity, unemployment, and inflation, and such other factors as they deem appropriate.

"SEC. 3. The Congress shall have power to carry this article into effect by appropriate legislation.

"SEC. 4. This article shall take effect on the first day of the first fiscal year which begins after the date of its ratification.

"SEC. 5. This article shall be inoperative unless it is ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

By Mr. ALLEN (for himself, Mr. ERVIN, Mr. BAKER, Mr. BROCK, Mr. BUCKLEY, Mr. HELMS, Mr. JACKSON, Mr. SCOTT of Virginia, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, and Mr. TOWER):

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools. Referred to the Committee on the Judiciary.

Mr. ALLEN. Mr. President, I introduce for Mr. ERVIN, myself, Mr. BAKER, Mr. BROCK, Mr. BUCKLEY, Mr. HELMS, Mr. JACKSON, Mr. SCOTT of Virginia, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, and Mr. TOWER, a joint resolution proposing an amendment to the Constitution, the purpose of which is to prevent any public school student from being assigned to or required to attend a particular school because of his race, creed, or color.

The amendment is quite brief. It reads:

ARTICLE —

SECTION 1. No public school student shall, because of his race, creed, or color, be assigned to or required to attend a particular school.

SEC. 2. Congress shall have the power to enforce this article by appropriate legislation.

Mr. President, it will be recognized that this is the language of the Lent amendment, which is reported to have had majority support of the House of the last Congress. It is also the language of an amendment of my distinguished colleague from Tennessee (Mr. BROCK), which I was happy to cosponsor in the 92d Congress. I had promised Alabama constituents that I would introduce this amendment and I requested cosponsors before I became aware that the distinguished Senator from Tennessee (Mr. BROCK), intended to reintroduce his amendment. Needless to say, I am proud again to cosponsor his amendment in this session of Congress.

Mr. President, this proposed amendment has been criticized by some because it deals with a specific abuse of judicial power whereas, it is contended, constitutional amendments should deal only with broad general constitutional principles. I reject this criticism for the same reason our forefathers rejected arguments to the effect that the U.S. Constitution did not need a Bill of Rights and for the further reason that the amendment does deal with a broad constitutional principle.

This proposed amendment stands on the same footing as other specific limitations, imposed by the Constitution and by our Bill of Rights, on the powers of various branches of Federal Government. For example, heretofore in our history, the people have been protected by the "due process" clause of the fifth amendment from the exercise of unlimited discretionary powers which usually resulted from a delegation of power by Congress to the Executive without indicating in the legislation clearly ascertainable limits to the power delegated. We have had enough of that.

We are now confronted with a new and more dangerous manifestation of an exercise of unlimited discretion. It is now the U.S. Supreme Court which claims an unlimited discretionary power to decree social and political reforms and to enforce its reforms by resort to unlimited discretionary equity powers of the Court. One aspect of the problem is manifested in the decreed forced disposition of hundreds of thousands of schoolchildren throughout the Nation on the basis of racial classifications. The object of this amendment is to preclude once and for always the further exercise of discretionary power by Federal courts to classify citizens by race and to order them distributed among schools by race. But more than mere racial classification is involved. The U.S. Supreme Court has subscribed to psychological and sociological theories and decreed that compliance with such theories is required by the U.S. Constitution and that such theories may be implemented by every coercive device of the Court, including trial of elected officials for contempt of court and fine and imprisonment without benefit of trial by jury.

Mr. President, it is an extremely dan-

gerous thing for any branch of Government to enforce social theories upon the people under the pretense that the Constitution requires affirmative action to implement the theories.

The U.S. Supreme Court became bogged down in the quagmire of social reforms when it started experimenting in sociological and psychological jurisprudence. The Court accepted the data of so-called social sciences as immutable evidence of truth and of reality from which universal and eternal human values and relationships could be established by judicial decree.

In implementing its psychological insights into the traumatic effects on the hearts and minds of children, which theoretically result from certain social relationships and institutions, the Court prescribed a course of judicial therapy involving an unprecedented massive uprooting of schoolchildren from their urban neighborhoods and from their rural communities and required that they be transported to strange and distant schools, many of which were located in areas which put the children beyond the reach and influence of their parents during most of the day.

Mr. President, it is only natural that the people of Alabama and people from throughout the Nation should want to know, "By what authority does the one nonelected branch of Federal Government order children uprooted and transported to distant schools?" It is pointed out that if the Supreme Court has the power to order the assignment of their children to certain schools on the basis of race and against the will and wishes of their parents, it may also claim the power to classify parents by race and tell them where to live. The inplication is clear that if the Supreme Court can tell parents where to live, it can also tell them where to work.

Mr. President, these are reasonable deductions. No one can deny that a court order requiring children to attend a particular school on the basis of race, creed or color is also an order not to attend any other school for the same reason. Similarly, the power to tell people where to live is the power to tell them where they may not live. A power to tell one where to work is the power to tell one where not to work.

Mr. President, it is axiomatic that no one has a right to anything that can be denied him on the arbitrary decision of another—be it either an individual or a government which denies the right.

It is not unreasonable for the people to conclude that a power in the U.S. Supreme Court to tell hundreds of thousands of schoolchildren where they may and may not attend school may be used later to achieve some other sociological or economic objectives consistent with Socialist concepts of equality, such as equality of income. The inevitable consequence of the exercise of such an unlimited discretionary power is to deny the people of the United States a fundamental right to freedom of choice, freedom of association, and a more fundamental freedom—the right to work and support their families under circumstances considered most conducive to the happiness and welfare of the people concerned. The related power to enforce its decrees by trial for contempt of court, imprisonment, and confiscatory fines is frightening to contemplate.

Mr. President, it is no answer to say that the U.S. Supreme Court will not exercise its new-found discretionary power in any such manner. The fact is that the Court has already exercised a discretionary power to construe the Constitution in a manner inconsistent with the grand design and purpose of the Constitution as set out in its preamble. The people are not protected from additional exercises of the judicial power to construe the Constitution to accomplish other social and economic reforms. Thus, the question is not whether the Court will exercise the power, but whether the Court ought to have the power to do so in the first instance. If the Court ought not to have the power, it would seem necessary for the people to take appropriate action to see that the Court is deprived of that power. That is the purpose of this amendment—to correct a present wrong and to prevent further wrongs which are possible under present Supreme Court interpretations of the Constitution.

Mr. President, the world has been sickened by the example of governments which have adhered to the theory that a handful of men may properly exercise a sovereign power over the lives of people on the basis of classifications by ideology, race, creed, color, and national origin in the name of the state and in furtherance of ends decreed by the state without consent of the people.

For a congress or a parliament or any other legislative body to specifically delegate unlimited discretionary powers to a monarch, to a political party, or to a court, would constitute a betrayal of the people. For Congress to sit idly by while the U.S. Supreme Court usurps such a power is to condone the usurpation with results equivalent to an outright delegation of such power.

Mr. President, I sadly and reluctantly concede that if proponents of this amendment cannot marshal a simple majority of the votes in this Congress to pass legislation to inhibit the exercise of unlimited discretionary powers by the U.S. Supreme Court in the specific area of ordering forced transportation of our children to achieve the ends of a thoroughly repudiated sociological hypothesis, then it is doubtful that we can marshal the two-thirds vote required in both Houses to submit this proposed amendment for ratification by the States.

Nevertheless, I believe that this proposed amendment will serve a useful purpose. It has been reported that the President, as a last resort favors an amendment to prevent forced busing; and with his assistance, and with the assistance of every Member of Congress who is concerned with the preservation of our Republic, it is possible that masses of the people will become alerted to dangers inherent in present judicial trends and thus encouraged to act through their State legislatures to petition Congress to call a constitutional convention as a means of redress. That method of reaching the problem and solving it is being used at this time—the passage by the legislatures of resolutions calling on Congress to call a constitutional convention for the purpose of submitting and ratifying an amendment of this sort, exactly in these words.

Mr. President, in conclusion, let me say that at a later date I will introduce a proposed constitutional amendment relating to the method of appointment and tenure of U.S. Supreme Court Justices and judges of inferior courts created under authority of article III of the Constitution. The premise of this last amendment is simply that those who make the laws by which the people are to be governed should be responsible to the people. Since Federal judges continue to exercise the legislative power of Congress to make laws which vitally affect the lives of every U.S. citizen, it is only proper that they should be made answerable to the people.

In the meantime, the instant proposal, represented by the resolution introduced by me and the distinguished Senator from North Carolina (Mr. ERVIN) and other cosponsors, is addressed to the urgent problem of putting an end to callous judicial decrees which treat children as mere chattel. The issue is of such importance as to suggest early hearings and adequate debate in the near future on this resolution. I hope that the committee will act expeditiously on this resolution.

Mr. ERVIN. Mr. President, I wish to associate myself with the previous remarks of the distinguished Senator from Alabama (Mr. ALLEN) and to express hereby my strong support for the joint resolution which he and I have introduced proposing a constitutional amendment to prohibit the assignment of public school students to schools on the basis of race, creed, or color.

Our proposed amendment is clear and simple. It states that—

> No public school student shall, because of his race, creed, or color, be assigned to or be required to attend a particular school.

It also provides that—

> The Congress shall have the power to enforce this article by appropriate legislation.

In order for this proposal to become part of the U.S. Constitution, it must first receive the support of two-thirds of the membership of both Houses of Congress and, then, must be ratified by three-fourths of the States.

I have been generally reluctant to advocate alterations to the Constitution of the United States. History has proven it to be one of the most wisely drafted documents of all time. The framework of government it establishes and the protection of individual liberty it incorporates have served our people well. It is only because of what I must respectfully describe as a perversion of some of its fundamental principles in recent years with respect to the public schools in our country that I am compelled to advocate an amendment to the fundamental law of the land.

Over the past few years some Federal courts, including the Supreme Court, and several Federal agencies have, in

effect, constructed such a hideous and unjustified interpretation of the equal protection clause of the 14th amendment and the enforcement clause thereto that the adoption of a constitutional amendment is now a prerequisite for restoring freedom to America's schoolchildren and for eliminating judicial tyranny with respect to our public schools. All across America, thousands of little schoolchildren have been ordered to get aboard countless numbers of buses to be carried across neighborhood, city, and county lines in order to achieve some magical, racial mixing of bodies which satisfies the arbitrary and absurd sociological notions of misguided Federal judges and bureaucrats. In Michigan, in Maryland, in North Carolina, in Virginia and in many other States—north, south, east, and west—some of our Federal courts have defied the very meaning of "equal protection of the law" by assigning and transporting helpless schoolchildren on the basis of race, creed, and color.

The equal protection clause of the 14th amendment itself is a wise provision of law. It is a plain and unambiguous provision. It means that no State shall deny to any person within its boundaries the equal protection of the law. Properly interpreted, it prohibits a State from treating persons similarly situated in a different manner.

The Supreme Court's 1954 decision in Brown against Board of Education of Topeka held that a State violates the clause if it denies any child admission to any of its public schools on account of the child's race. Over the past decade, the Federal courts and the Department of Health, Education, and Welfare have turned their backs on the mandate of the 1954 Supreme Court decision—that race be eliminated as a determinant in assigning children to public schools.

Paradoxically, the Federal courts and the Department of Health, Education, and Welfare have come to insist that race be used as a basis for pupil assignment. They have required the adoption of school assignment plans which are expressly designed to alter the racial composition of schools in a manner sufficient to satisfy some mysterious mathematical level deemed by the courts and the bureaucracy to be sociologically acceptable. It is, indeed, a great and sad irony that the Federal courts and the Federal bureaucracy would require the use of racial quotas and racial balancing to effectuate a constitutional principle which forbids Government to treat people differently on account of their race. Quite clearly, the Federal courts have perverted and distorted the equal protection clause of the 14th amendment as it has been applied to the assignment of schoolchildren to the public schools.

Most Americans have waited and hoped with great patience for the Supreme Court to regain its judicial sanity and to reject lower Federal court orders which impose massive busing and racially based pupil assignment plans in order to achieve racial balance. They have waited in vain.

In 1971 the Supreme Court issued its decision in the case of *Swann* v. *Charlotte-Mecklenburg County Board of Education*, 402 U.S. 43 (1971). Unfortunately, the Supreme Court passed over its most recent opportunity to strike a blow for freedom. Indeed, by sustaining the arbitrary and invidious order of the Federal district court requiring the massive busing of schoolchildren to achieve racial balance in the Charlotte-Mecklenburg County schools, the Supreme Court seems to have closed the door to any hope that our courts will return to a reasonable interpretation of the equal protection clause. Despite statements to the contrary—statements constructed upon a tortuous use of the English language—the Supreme Court imposed nothing less than a scheme for racial balance in the Charlotte-Mecklenburg County schools.

Having waited for so long for so little from the Federal courts, the American people are now rightly demanding that some fundamental alteration in the present state of the law be brought about so as to put an end to the senseless busing of innocent little children for the purpose of achieving racial balance. The proposed constitutional amendment introduced today by Senator ALLEN and me will put an end to the judicial and bureaucratic tyranny which has imposed this terrible hardship on millions of our schoolchildren and their parents.

This proposed amendment would absolutely prohibit any court and any Government agency from assigning schoolchildren to or requiring them to attend a particular school on account of race, creed, or color. It would constitute, in effect, a supporting provision in the Constitution for the true interpretation of the equal protection clause of the 14th amendment; namely, that Government is forbidden to use race, creed, or color in connection with its official policies and programs.

Mr. President, I intend to join in support of other legislative efforts to prevent the issuance of more ruinous judicial orders and bureaucratic decrees which have so unsettled our citizens over the past several years. For as long as I have been in the Senate, I have fought vigorously against the usurpation by Federal courts and by bureaucrats of authority and responsibility lawfully vested in local school boards around our country. I have continually urged the Congress to express its opposition to judicial and bureaucratic tyranny by enacting strong and effective legislation. Occasionally, we have been able to adopt provisions in the form of amendments to various pieces of legislation which on their face would seem to have been sufficient to put an end to busing. And yet, after every such seemingly successful effort, the Congress has been surprised by a twisted judicial interpretation of its language or studied disregard of it by Government bureaucrats. This, in addition to continued consideration of legislative solutions to this matter, I am convinced that we must also move toward a constitutional amendment.

I hope that the Members of this body will pay heed to the voices of our people who cry out for deliverance from tyranny. I hope that we can act to restore the people's faith in our form of government as a government based upon principles of individual liberty and equal treatment under the law for all. The adoption of this proposed constitutional amendment would, in my opinion, restore this faith by bringing order out of the chaos which presently engulfs the public schools of America. I sincerely commend this proposal to the careful study and thought of every Member of the Senate.

By Mr. RANDOLPH (for himself, Mr. CRANSTON, Mr. STAFFORD, Mr. WILLIAMS, Mr. TAFT, Mr. MONDALE, Mr. JAVITS, Mr. KENNEDY, Mr. STEVENSON, Mr. PELL, and Mr. EAGLETON):

S.J. Res. 29. A joint resolution to amend the Supplemental Appropriations Act of 1973. Referred to the Committee on Appropriations.

Mr. RANDOLPH. Mr. President, on November 20, 1972, the principal sponsors of H.R. 8395, the Rehabilitation Act of 1972, sent a joint letter to the Secretary of Health, Education, and Welfare urging that funds appropriated for rehabilitation services in the Supplemental Appropriations Act for fiscal year 1973 be expended. Similar requests had been made by Senator MAGNUSON as chairman of the Appropriations Subcommittee for Labor and HEW, and by Senator JAVITS, ranking minority member of the Committee on Labor and Public Welfare.

The Supplemental Appropriations Act is couched in terms of the Rehabilitation Act of 1972, which measure was subsequently vetoed by the President. Although the intent of Congress with respect to this appropriation was clear—funds were appropriated for rehabilitation services regardless of what act might apply—Secretary Richardson's response stated that since the Rehabilitation Act of 1972 did not become law, the reference to that act in the Supplemental Appropriations Act negated its effect and, therefore, vocational rehabilitation would be funded under the continuing resolution.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the correspondence between the members of the Committee on Labor and Public Welfare I have mentioned and Secretary Richardson.

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

WASHINGTON, D.C., *November 20, 1972.*

Hon. ELLIOT L. RICHARDSON,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: We have reviewed the November 10, 1972, and November 9, 1972, letters to you from, respectively, Senator Magnuson, Chairman of the Appropriations Subcommittee on Labor/HEW, and Senator Javits, ranking minority member of the Committee on Labor and Public Welfare.

As the principal Senate sponsors of H.R. 8395, the "Rehabilitation Act of 1972", we wish to express our strong support for the view expressed in those letters that an expenditure level of $610 million is authorized in the Supplemental Appropriations Act, FY 1973 (P.L. 92-607), to carry out the vocational rehabilitation program for FY 1973. We think that the intention of the Congress, in support of the President's budget request figure, is totally clear and feel that it would be extremely unfortunate to cause the dis-

ruption and confusion in the state programs which will follow from an apportionment to R.S.A. at the $560 million level—under the continuing resolution authority. Such an apportionment would force States to cut back expenditures from the level which they have anticipated in justifiable reliance upon approval of the $610 million figure by the President and Congress.

We urge your most immediate consideration of this very urgent matter and look forward to hearing from you at your earliest convenience.

Sincerely,

JENNINGS RANDOLPH,
ALAN CRANSTON,
HARRISON A. WILLIAMS, Jr.,
ROBERT T. STAFFORD,
ROBERT TAFT, Jr.,

WASHINGTON, D.C.,
December 19, 1972.

HON. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: Thank you and Senators Cranston, Stafford, Taft, and Williams for the November 20 letter concerning actions which the Department of Health, Education, and Welfare is taking with respect to allocating funds to State vocational rehabilitation agencies under the recently enacted Supplemental Appropriation Act.

As you know, the President signed the Supplemental Appropriations Act but disapproved the "Rehabilitation Act of 1972." It is our view that the funds appropriated by the Supplemental Appropriation Act were directed to activities specified in the "Rehabilitation Act of 1972" and to no others. It is our opinion that since the "Rehabilitation Act of 1972" was never signed into law, the funds cannot be used to carry out that "act." At the same time, since the appropriations language expressly cites that "act," the funds cannot be used to carry out activities or provisions of the Vocational Rehabilitation Act.

In summary, it is our opinion that we must depend on the provisions of the Continuing Resolution of 1973 (section 101(b)) for carrying out vocational rehabilitation activities during fiscal year 1973. Section 101(b) establishes the level of funding for these purposes at the lower of the 1972 rate or the President's fiscal year 1973 budget. We are, therefore, continuing all previously authorized vocational rehabilitation activities at the lower of the two rates, the 1972 rate.

We are forced to this conclusion for three reasons. First, the Supplemental Appropriation Act expressly appropriated funds for the "Rehabilitation Act of 1972" rather than the Vocational Rehabilitation Act. Second, the House Committee Report (No. 92–1555) which accompanied the Supplemental Appropriation bill stated, in referring to appropriations for the Social and Rehabilitation Service, that "The authorizations for most of the programs covered by this appropriation are included in H.R. 8395, the Rehabilitation Act of 1972, . . ." (p. 15).

Third, the rehabilitation programs being carried out under the Vocational Rehabilitation Act and the programs authorized by the vetoed bill are not identical, either in how appropriations are to be distributed among the States or in terms of the purposes for which appropriations may be spent. For example, with regard to distribution of appropriations, under the provisions of the Vocational Rehabilitation Act, American Samoa and the Trust Territory of the Pacific Islands are not included among the "States" under the basic State program (Section 2) and therefore do not receive allotments. The vetoed bill included them as "States" under the replacement program (Section 110), and would have required allotments to those two territories with consequent changes in the amounts allotted to other States.

We share your concern that rehabilitation activities dependent on Federal funds be continued and assure you that they are being supported during the current fiscal year under the authority of the Continuing Resolution. However, we must reaffirm our view that the appropriation in question was made available only for carrying out the bill which did not become law.

With kindest regards.

Sincerely,

ELLIOT RICHARDSON,
Secretary.

Mr. RANDOLPH. Mr. President, the result of this interpretation—more aptly misinterpretation—of congressional intent is that vocational rehabilitation will be funded at a level of $560 million rather than at $610 million as provided in the supplemental bill.

Since the President had requested $610 million for this purpose in his 1973 budget, and since State rehabilitation agencies have relied on this figure as a minimum for calculating their level of expenditures, the limitation to $560 million would work a severe hardship on those agencies and especially on the handicapped individuals who are served by the vocational rehabilitation program.

It is my intention, and if I assess the desire of Congress correctly, a general intention among Senate and House Members, to enact a new rehabilitation act as quickly as possible. In the meantime, however, the technicality relied on by the Secretary of Health, Education, and Welfare for the reduction of funding for rehabilitation services must be corrected now. Otherwise severe dislocations can be expected in the program.

I am, therefore, introducing a measure to resolve the technicalities of this situation, thereby eliminating any obstacle to expenditure under the vocational rehabilitation program at an annual level of $610 million for fiscal year 1973.

Mr. President, I ask unanimous consent that the joint resolution be inserted at this point in the RECORD.

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

S.J. RES. 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Supplemental Appropriations Act of 1973 be amended to clarify the intent of Congress with respect to a particular provision thereof.

That the paragraph entitled "Social and Rehabilitation Services" of Chapter IV of the Supplemental Appropriations Act, 1973 (P.L. 92–607) is amended to read as follows:

"SOCIAL AND REHABILITATION SERVICES

"For carrying out, except as otherwise provided, the Vocational Rehabilitation Act, the Older Americans Act of 1965, as amended, sections 426, 707, 1110, and 1115 of the Social Security Act, and the International Health Research Act of 1960, $898,648,000, of which $610,000,000 shall be for grants under section 2 of the Vocational Rehabilitation Act and not to exceed $38,735,000 shall be for grants under section 3 of such Act: *Provided,* That none of the funds contained in this appropriation may be used for any expenses, whatsoever, incident to making allotments to States for the current fiscal year, under section 2 of the Vocational Rehabilitation Act, on a basis in excess of a total of $645,000,000: *Provided further,* That the $5,000,000 contained within this appropriation for the construction of the National Center for Deaf/Blind youths and adults shall remain available until expended."

By Mr. HATHAWAY:

S.J. Res. 30. A joint resolution to provide for the revision of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. HATHAWAY. I am firmly convinced that the time has come for a truly thorough review of our entire Federal tax system. To this end, I am today introducing a joint resolution which I introduced in each Congress during my tenure in the other body, a joint resolution which would force us to begin anew the task of building a fair and efficient tax system. My joint resolution, simply put, would repeal the entire Internal Revenue Code of 1954, effective January 1, 1975.

I was pleased last year when the distinguished majority leader adopted the substance of my proposal in the tax reform package he submitted to the 92d Congress. It is only through the kind of searching, and, I hope, continuing review which would be occasioned by the passage of this type of joint resolution that the inequities which have crept into the system can finally be expunged.

It is rare that the people speak with one voice; this is one subject where the people have spoken with great clarity. I hope the Senate will heed this voice and take swift action to right these wrongs apparent to all of us.

By Mr. MOSS:

S.J. Res. 31. A joint resolution to provide for the convening of Congress on January 15 of each year, and for other purposes. Referred by unanimous consent to the Committee on the Judiciary.

CHANGING OF DATE FOR CONGRESS TO CONVENE

Mr. MOSS. Mr. President, today I have introduced a Senate joint resolution to move the date set for Congress to assemble from its present date of January 3 to a date of January 15. This would be a permanent adjustment unless Congress specified otherwise in future legislation.

It is my opinion that neither Congress nor the administration has adequate time at the beginning of each year to prepare for the new session.

For example, Congress has usually adjourned by December, and most Members are out of Washington. The last part of December is devoted to family and holidays, and is usually spent in the home State. There are many constituent conferences, and often receptions and other social events to allow Members to be with and to listen to the people at home. Then the Member hurries back to Washington after the New Year to be confronted immediately with substantial questions of public interest. He has little time to discuss what needs to be done in the new session, or how.

The beginning of a session should be a time for taking a long view, for assessing the directions we think the Government should take over the coming year, and for setting basic commitments and strategies. Yet, under the present calendar, we are quickly trapped in the day-to-day activities always present

when Congress is in session, with little time for preparation or reflection.

There is ample evidence that the President needs additional time to prepare the basic documents that are necessary to set the agenda at the beginning of each session. Both Houses of Congress have already acted this session on House Joint Resolution 1, which allows the President additional time to present his budget message and the economic report to Congress. Under House Joint Resolution 1, the budget would be due this year on January 29, and the economic report would be due 15 days after that.

The President and the Congress simply must have more time to prepare before Congress convenes at the beginning of a session.

Much of the time spent by Congress in early January cannot be used in the most productive fashion possible, largely because we are often waiting for Presidential messages to be sent to Congress. This year is a very good example. The President will not send his state of the Union message to Congress until after his inaugural address, so we convened 17 days before significant action is likely to develop.

The resolution I have introduced makes adjustments in all laws that relate to the date of the convening of Congress. Section 2(a) deals with the electoral college, which presently meets on January 6 before a joint session of Congress to count the ballots. My resolution simply requires that they meet on the 16th day of January, the day after Congress would convene. This would be 4 days before the President's inauguration and should give adequate time for any problems to be worked out that might relate to the electoral college, though modern history shows that trouble is not likely to occur. Section 2(b) provides that Congress cannot take a recess until all ballot controversies relating to the presidential election have been resolved.

Existing law says that Congress cannot recess after the fifth day after it convenes. These provisions are not likely to be needed, but they do clean up the resolution as it relates to other laws.

The economic report from the President must be sent to Congress within 15 days after the budget is received. The budget must be sent to Congress within 15 days after it convenes. Section 3(b) of my resolution simply moves the date set for filing the report of the Joint Economic Committee back 15 days so that it will conform to the 15-day extension of the congressional recess.

New Presidents taking office for the first time would benefit from the change proposed in this resolution. A new President would now gain an additional 15 days before he found it necessary to present a budget to Congress. Since a new President often makes significant changes in budgetary decisions, the additional 15 days would certainly help create greater rationality and judgment in any changes proposed by a new, incoming President. Though this is not the main purpose of the resolution, it is certainly a beneficial side effect.

Members of Congress need more time to spend with constituents in their State, and it is becoming increasingly difficult to find time for this purpose. After examining the congressional calendar, I have determined that the period surrounding the Christmas season is the most logical recess to expand for such contact with our constituency.

The workload here in Washington requires more and more of our time during the year—a problem not anticipated, understandably, by the Founding Fathers. Only recently has Congress been required to stay in Washington past the summer months. It is now becoming routine for us to remain here through the fall and winter. Those who suffer most from this are the people of our State, who deserve and require attention by their elected Representatives.

I believe if we will all be honest with ourselves we will realize that the present starting time for Congress leads to rather short daily sessions initially. Some Members come to Washington and devote full time to their activities immediately, while others delay their return to this city for weeks. Others hop back and forth from Washington to meetings with constituents in the home State on the long weekends. We and the people we represent would all benefit by simply taking this time to relate to our constituencies, and then coming to Washington at a later date ready for a full agenda.

I ask that the joint resolution be printed at this point in the RECORD.

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

S.J. RES. 31

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, commencing in 1974, the regular session of Congress which assembles each year under section 2 of article XX of the articles of amendment of the Constitution shall begin at noon on January 15 of each such year.

SEC. 2. (a) The first sentence of section 15 of title 3, United States Code, is amended by striking out "sixth day" and inserting in lieu thereof "sixteenth day".

(b) The last sentence of section 16 of such title is amended by striking out "fifth calendar day" and inserting in lieu thereof "second calendar day".

SEC. 3. (a) Section 3(a) of the Employment Act of 1946 is amended by striking out "January 20" and inserting in lieu thereof "February 2".

(b) Section 5(b)(3) of such Act is amended by striking out "March 1 of each year (beginning with the year 1947)" and inserting in lieu thereof "March 15 of each year".

Mr. MOSS subsequently said: Mr. President, I have submitted a Senate joint resolution for consideration, and I ask unanimous consent that it be referred to the Committee on the Judiciary. I have been advised by the Parliamentarian there are some other matters in it that have some peripheral effect. Therefore, I ask unanimous consent that it be referred to the Judiciary Committee, where it primarily should be considered.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, would the Senator indicate what the subject of the resolution is?

Mr. MOSS. The resolution would provide that Congress convene on the 15th of January each year, rather than on the 3d. This would be primarily a Judiciary Committee matter. In the event it became law, the time for making reports, for instance, the report on labor and the report on the budget, all would slide back a given number of days. That is the only reason why there is any jurisdiction resting in other committees.

Mr. GRIFFIN. If I may ask, which committee would receive this resolution if the request had not been made?

Mr. MOSS. It would have gone to the Judiciary Committee, but then it would be subject to referral to a few other committees. It is simply a matter of a few days' time on the matter of reporting.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, the joint resolution will be referred as requested.

By Mr. CANNON:

S.J. Res. 32. A joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and the Vice President of the United States. Referred to the Committee on the Judiciary.

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to amend the Constitution of the United States with respect to the election of the President and Vice President.

This bill provides for the proportional casting of electoral votes in each State and the District of Columbia in exact ratio to the popular votes cast for each candidate for President and Vice President at the polls throughout the Nation on election day.

It is a matter of great familiarity to all Members of the Senate, I am sure, that today's method of electing the highest officers in the United States is antiquated and inequitable. The winner of the popular vote in any given State receives all of the electoral votes and the loser receives none. This winner-take-all system may not appear to be unfair when an election is won by a clear majority of all the votes cast. But when an election is hotly contested and the margin of victory is narrow, then the electoral votes in each State are extremely important. The swing of electoral votes in a few large States, or even in a number of smaller States, could change the results of an election.

Mr. President, my bill would eliminate the winner-take-all factor and would insure the fair and accurate apportionment of electoral votes among the candidates for President and Vice President.

The popular votes in each State and the District of Columbia would be counted and certified to the Congress where each person for whom votes were cast would be credited with the proportion of the electoral votes he would be entitled to in direct ratio to the popular votes cast for him in each State and the District of Columbia. Electoral votes would be reduced to fractions down to one one-thousandth of an electoral vote. This precise method would insure to the people a kind of guarantee that the candidates of their choice would receive the votes cast for them.

Another benefit of this bill would be the elimination of the unfaithful elector—one who is charged with casting an electoral vote for the winner of the presidential election in a given State, but who violates his trust and votes for some other person. Thus, a bona fide candidate is denied an important electoral vote. That practice must be prohibited. It would be impossible under my bill since proportional electoral votes would be given to each candidate without the services of presidential electors.

Finally, but of equal importance, my bill would preserve the electoral votes, if not the electors, as provided for in the U.S. Constitution. In principal, the electoral votes were intended to impart some balance among the States by giving each, one electoral vote for each U.S. Senator, and to reflect the population of each State, an additional electoral vote is given for each Representative.

If all electoral votes were cast on the basis of popular votes, the existing system would still be most desirable, but when losers receive nothing or when electoral votes are cast facetiously, then it is time for a change to a better, more equitable system.

I hope that this bill and others like it will be given early consideration so that in 1976, we will have a truly fair and accurate method for counting and apportioning votes cast for presidential and vice-presidential candidates.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4

At the request of Mr. WILLIAMS, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from Maine (Mr. HATHAWAY), the Senator from Maryland (Mr. MATHIAS), the Senator from Missouri (Mr. SYMINGTON), the Senator from North Dakota (Mr. YOUNG), the Senator from Colorado (Mr. HASKELL), and the Senator from Wisconsin (Mr. PROXMIRE), were added as cosponsors of S. 4, the Retirement Income Security for Employees Act of 1973.

S. 12

At the request of Mr. WILLIAMS, the Senator from Maine (Mr. MUSKIE) and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 12, the Urban Parkland Heritage Act.

S. 14

At the request of Mr. KENNEDY, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 14, to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expension of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes.

S. 15

At the request of Mr. MCCLELLAN, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 15, to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal death benefit to the surviving dependents of public safety officers.

S. 17

At the request of Mr. STAFFORD (for Mr. SCHWEIKER) the Senator from Alaska (Mr. STEVENS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Utah (Mr. Moss), the Senator from Minnesota (Mr. MONDALE), the Senator from California (Mr. CRANSTON), the Senator from Alabama (Mr. ALLEN), the Senator from North Dakota (Mr. YOUNG), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Nebraska (Mr. CURTIS) were added as cosponsors of S. 17, to amend the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus.

S. 32

At the request of Mr. KENNEDY, the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Oregon (Mr. HATFIELD), the Senator from Montana (Mr. METCALF), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 32, the National Science Policy and Priorities Act.

S. 33

At the request of Mr. KENNEDY, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 33, to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize group life insurance programs or public safety officers and to assist State and local governments to provide such insurance.

S. 37

At the request of Mr. METCALF, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 37, to amend the Budget and Accounting Act.

S. 39

At the request of Mr. CANNON, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 39, to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes.

S. 59

At the request of Mr. CRANSTON, the Senator from Rhode Island (Mr. PASTORE), the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 59 a bill to amend title 38 of the United States Code to provide improved medical care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery.

S. 174

Mr. MONTOYA. Mr. President, on behalf of Mr. LONG, Mr. RIBICOFF, and myself, I ask that the following Senators be added as cosponsors of S. 174, to provide for coverage of outpatient drugs under medicare: Senators MCGOVERN, MCGEE, INOUYE, PASTORE, BEALL, STEVENS, MOSS, HATHAWAY, NELSON, MCINTYRE, GRAVEL, CRANSTON, BIBLE, STEVENSON, EAGLETON, BURDICK, RANDOLPH, HART, GURNEY, METCALF, TUNNEY, WILLIAMS, JAVITS, and HATFIELD.

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

S. 176

At the request of Mr. THURMOND, the Senator from Minnesota (Mr. MONDALE), the Senator from Washington (Mr. JACKSON), the Senator from Oklahoma (Mr. BELLMON), the Senator from Illinois (Mr. STEVENSON), the Senator from California (Mr. CRANSTON), and the Senator from Pennsylvania (Mr. SCOTT) were added as cosponsors of S. 176, the World War I Pension Act of 1973.

S. 260

At the request of Mr. CHILES, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 260, to provide that meetings of Government agencies and of congressional committees shall be open to the public.

S. 284

At the request of Mr. CRANSTON, the Senator from Rhode Island (Mr. PASTORE) and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 284 a bill to amend chapter 17 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitive services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities, and for other purposes.

S. 316

At the request of Mr. JACKSON, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 316, to further the purposes of the Wilderness Act of 1964 by designating certain lands for inclusion in the national wilderness preservation system, and for other purposes.

S. 366

At the request of Mr. CANNON, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 366, to promote public confidence in the legislative, executive, and judicial branches of the Government of the United States.

S. 373

Mr. ERVIN. Mr. President, I ask unanimous consent that at the next printing the names of the Senator from Arkansas (Mr. MCCLELLAN), the Senator from California (Mr. TUNNEY), the Senator from Georgia (Mr. NUNN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from New Jersey (Mr. CASE) be added as cosponsors to S. 373, a bill to insure the separation of Federal powers and to protect the legislative function by requiring the President to notify the Congress whenever he impounds or authorizes the impounding of funds, and to provide a procedure under which the Senate and House of Representatives may approve the President's action or require the President to cease such action.

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

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

Mr. ERVIN. I yield.

Mr. ROBERT C. BYRD. Does the Senator have my name included?

Mr. ERVIN. I do not recall. I introduced the bill the other day with the cosponsorship of 45 Senators. I would be delighted to ask unanimous consent in case the Senator's name is not on the original bill.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) be added as a cosponsor of S. 373.

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

Mr. ERVIN. Mr. President, I ask unanimous consent that at the next printing of S. 373 the name of the Senator from New Mexico (Mr. DOMENICI), who was inadvertently added to the cosponsors of the impoundment control bill, be removed as a cosponsor the next time the bill is printed.

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

S. 394

At the request of Mr. HUMPHREY, the Senator from Utah (Mr. Moss), the Senator from Nevada (Mr. CANNON), the Senator from Colorado (Mr. HASKELL), the Senator from Georgia (Mr. NUNN), the Senator from Nevada (Mr. BIBLE), the Senator from California (Mr. TUNNEY), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. STEVENSON), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 394, a bill to amend the Rural Electrification Act of 1936, as amended, to reaffirm that such funds made available for each fiscal year to carry out the programs provided for in such act be fully obligated in said year, and for other purposes.

S. 395

At the request of Mr. DOMINICK, the Senator from Pennsylvania (Mr. SCOTT), the Senator from New York (Mr. BUCKLEY), the Senator from Wyoming (Mr. HANSEN), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 395, regarding private ownership of gold.

S. 408

Mr. FANNIN. Mr. President, I am very pleased to join today in cosponsoring S. 408, to amend the Food Stamp Act of 1964, introduced by Senator THURMOND and others on January 16.

Federal legislation establishing the food stamp program became effective on August 3, 1964, and was amended on January 11, 1971—chapter 51, section 2011 to end, U.S.C. 7.

Neither the law nor its amendment provided for food stamps for strikers. Since 1968 there have been at least three unsuccessful attempts in the House to amend the Food Stamp Act by adding a provision prohibiting strikers from participating under the program, the most recent attempt being by way of a limitation in the Agriculture Appropriation Act in the last Congress. These failures of Congress to act have been used by proponents of their use as legislative approval of the program.

The congressional history and the act itself demonstrates that it was intended to be a part of the Government's effort to distribute surplus food and to encourage domestic consumption of farm products.

The food stamp program is administered by the Food Stamp Division of the Food and Nutritional Service of the Department of Agriculture. The Division has regional staffs in five geographical areas which supervise several hundred employees. They have no official authority over certification of eligible stamp users or actual disbursing of the stamps, which is in the province of the Department of Health, Education, and Welfare.

Food stamps is a Federal program and the benefits from it are now uniform nationally. Program eligibility which had previously been handled on a State or local level was standardized and benefit levels were last modified in mid-1971. The program has spread rapidly. By the end of fiscal year 1970, it was operating in 1,747 project areas in 48 States, and nearly 6.5 million people were participating. The value of the bonus coupons was upward of $600 million.

Several studies have been made which show convincingly that the utilization of food stamps by strikers has contributed to both the number and length of strikes. The most exhaustive study is the 1972 report of Wharton School of Finance and Commerce entitled "Welfare and Strikers—The Use of Public Funds To Support Strikers."

Mr. President, our basic labor-management laws, the Wagner Act, the Taft-Hartley Act, and the Landrum-Griffin Act all had as their stated purpose to create a balance between the rights of labor and management. Free collective bargaining to settle disputes has been our national policy. The entitlement of strikers for food stamps is directly contrary to that policy. The use of taxpayers' money to subsidize one side of a strike is wrong. This is a matter for the private, collective bargaining sphere of our economy. To put the Government on the economic side of either the striker or the employer in a labor dispute is unfair. Strikers are not indigent. They have suffered a cut in income but it is at their insistence, not the Government's, since they choose to use the economic weapon of a strike to enforce their demands in collective bargaining negotiations.

Mr. President, the food stamp program was intended to help the needy, the unemployed, the unemployable, families on welfare, mothers with dependent children, the aged, the blind and disabled, the people who through no fault or choice of their own are involuntarily the victims of incomes inadequate to provide them with quality, quantity and the kind of food necessary to assure a proper diet. This bill would in no way affect these people. Unlike these people, strikers have access to special funds provided by their unions and ordinarily have a salable skill to assure them of work elsewhere. In fact every dollar which goes to the striker by way of food stamps may be one less available dollar for the people who really are in need.

In 1970, 6 years after the passage of the Food Stamp Act, the number of work stoppages hit a new all-time high of 5,716 strikes. The number of strikes lasting 90 days or more jumped from 200 in 1960 to 334 in 1970.

Mr. President, the Wharton study used a number of examples to justify its conclusion that strikers will probably receive $238 million in food stamps during 1973. A few of those examples are summarized below.

THE 1967–68 COPPER STRIKE

About 37,000 workers in five Western States were idle for 316 days in the nonferrous metals strike of 1967. The primary issue of the strike was the structure of the collective bargaining unit with the unions attempting to force the companies to bargain on an industry-wide coalition basis. As the strike continued more and more strikers turned to public welfare to reduce the economic pressures. Public assistance was obtainable in all of the States affected by the strike except Arizona. Strikers discovered that food stamps or surplus food were available in most States. This strike marked the beginning of widespread use of food stamps by strikers. Complete reports upon the amount and number are not available.

THE 1969–70 GENERAL ELECTRIC STRIKE

On October 26, 1969, approximately 164,000 employees went out on a strike which continued for 122 days. While the impact of the strike was greatest in New York and Massachusetts, various other States were affected. In all affected States, strikers received various forms of public welfare—surplus food, food stamps, welfare, and in New York unemployment compensation. No breakdown as to the value of food stamps issued is available.

THE 1970–71 WESTINGHOUSE STRIKE

On August 28, 1970, a 160-day strike began against Westinghouse at Lester, Pa. By January 1971 over 1,800 persons were receiving food stamps, representing a 164-percent increase over the number of participants prior to the strike. During this strike a strike vote was taken in which the strikers voted to continue the strike. Could that vote have been affected by the availability of food stamps?

THE 1970 GENERAL MOTORS STRIKE

On September 14, 1970, a 71-day strike against General Motors commenced. The greatest number of strikers were concentrated in Michigan. The Wharton study found that nearly $11 million in food stamps were provided for Michigan strikers.

OTHER STRIKES

In a 1970 Teamsters strike in Cook County, Ill., there were 15,000 strikers who participated in the food stamp program. To understand the impact of food stamps for strikers look, for example, at one case from Los Angeles County, Calif., during the 1970 auto strike—Food Stamps for Strikers, report of the National Labor-Managament Foundation, page 5. Before the strike a typical worker earned $2.75 per hour, with a weekly gross of $110. Average weekly deductions totaled $18.65, leaving a net pay of $91.35. What happened to this typical worker after he went on strike is most amazing. Nontaxable UAW strike benefits paid $40

weekly. This would buy $106 worth of food stamps for $42 per month—a nontaxable subsidy of $16 per week. The California Welfare Department paid him $282 per month in emergency relief, or $70 per week. This gave the striker $34.65 more per week in disposable income than he earned before calling the strike. He would have needed a raise of about $.90 per hour—an increase of almost 33 percent—just to stay even with his strike income.

It is obvious that the food stamp program played a major role in destroying this worker's incentive to return to work without exorbitant wage increases of a kind which brought the country to the brink of economic disaster in the summer of 1971. Negative incentives to workers such as the food stamp program make it easy to understand why this country's relative productivity is lagging—in this case, we—the taxpayers of the Nation and of California—pay a man more not to produce than he gets for working.

The argument has been made that those on strike have so-called right to food stamps because they are taxpayers when they are working. If this argument was carried to its logical conclusion by every taxpayer, then childless payers of school taxes could rightfully complain about the lack of return to them individually from their tax dollars. Or, those who do not own automobiles could rightfully complain that they get no return to them individually from taxes used to build streets and roads.

Advocates of food stamps for strikers make emotional appeals based upon the spector of starving wives and children. This argument becomes hard to accept as the general level of affluence in the labor force increases. Furthermore, the timing of most strikes is well known in advance, allowing any thoughtful worker to take necessary provident steps. I fully support the right to strike, but that right does not mean that those on strike have a right to public subsidies such as food stamps.

This bill does not effect the rights of workers who are out of work because of an employer lockout. However, I believe it would deny food stamps in selective strikes. An example of a selective strike occurs when the employer operates a number of plants. The same union is the bargaining agent in all of the plants. The plant chosen to be struck is strategic to the operations at other plants of the employer to the extent that he has no alternative to closing down one or more of the other plants. This is not the usual lockout used as a bargaining tool. Where the striker or unemployed worker is a member of the same union which is using the selective strike technique, I do not believe he should be entitled to food stamps and the bill so provides.

If Congress wishes to in some small measure cut down the number and especially the long duration of strikes the bill offers a beginning. It does not attempt to cut down on aid to dependent children, welfare, or unemployment compensation for strikers. By confining it to food stamps, we will be in better position to judge the effectiveness of Federal Governmental support of strikers.

S. 413

At the request of Mr. HATFIELD, the Senator from Nevada (Mr. CANNON) was added as cosponsor of S. 413, to permit American citizens to hold gold.

S. 459

At the request of Mr. TALMADGE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 459, to require the Secretary of Agriculture to carry out a rural environmental assistance program.

S. 472

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 472, the Vote Registration Assistance Act of 1973.

SENATE JOINT RESOLUTION 10

At the request of Mr. SCHWEIKER, the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Nevada (Mr. CANNON), the Senator from Maryland (Mr. BEALL), and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of Senate Joint Resolution 10, the school prayer amendment.

SENATE JOINT RESOLUTION 14

At the request of Mr. BROCK, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 14, proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

SENATE JOINT RESOLUTION 20

At the request of Mr. BROOKE, the Senator from New York (Mr. JAVITS) and the Senator from Michigan (Mr. HART) were added as cosponsors of Senate Joint Resolution 20, designating January 15, of each year as "Martin Luther King Day."

SENATE CONCURRENT RESOLUTION 6—SUBMISSION OF A CONCURRENT RESOLUTION TO APPORTION FUNDS FOR THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

(Referred to the Committee on Public Works.)

Mr. BAKER (for himself, Mr. STAFFORD, Mr. BUCKLEY, Mr. COOK, Mr. DOMENICI, Mr. MCCLURE, Mr. MUSKIE, and Mr. SCOTT of Virginia) submitted the following concurrent resolution:

S. CON. RES. 6

Resolved by the Senate (the House of Representatives concurring), That the Secretary of Transportation is authorized to make the apportionment for the fiscal year 1974 of the sums authorized to be apportioned for such year for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5, House Committee Print numbered 92-29.

SENATE RESOLUTIONS 25, 26, 27, 28, 29, 30, 31, AND 32—ORIGINAL RESOLUTIONS REPORTED

(Placed on the calendar.)

The following original resolutions were reported by Mr. CANNON, from the Committee on Rules and Administration:

S. RES. 25

Resolution authorizing the revision and printing of the Senate Manual for use during the Ninety-third Congress

Resolved, That the Committee on Rules and Administration be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Ninety-third Congress, that said Rules and Manual shall be printed as a Senate document, and that two thousand additional copies shall be printed and bound, of which one thousand copies shall be for the use of the Senate, five hundred and fifty copies shall be for the use of the Committee on Rules and Administration, and the remaining four hundred and fifty copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the Committee.

S. RES. 26

Resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. Cannon of Nevada, Mr. Allen of Alabama, and Mr. Scott of Pennsylvania.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. Cannon of Nevada, Mr. Pell of Rhode Island, Mr. Williams of New Jersey, Mr. Cook of Kentucky, and Mr. Hatfield of Oregon.

S. RES. 27

Resolution to pay a gratuity to Roger G. Anderson

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Roger G. Anderson, widower of Marilyn E. Anderson, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 28

Resolution to pay a gratuity to LeRoy Spears, Sr.

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to LeRoy Spears, Senior, father of Joy M. Spears, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 29

Resolution to pay a gratuity to Richard E. Burgess

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Richard E. Burgess, widower of Jeannette A. Burgess, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 30

Resolution to pay a gratuity to Norinne B. Bratt

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Norinne B. Bratt, widow of James L. Bratt, Junior, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the

rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 31

Resolution to pay a gratuity to Ethel E. Clemmer

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Ethel E. Clemmer, widow of Kneale W. Clemmer, Senior, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 32

Resolution to pay a gratuity to Margaret L. Hamilton

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret L. Hamilton, widow of Douglas A. Hamilton, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 33—SUBMISSION OF A RESOLUTION AUTHORIZING CERTAIN EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON (for himself and Mr. FANNIN) submitted the following resolution:

S. RES. 33

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Interior and Insular Affairs, or any subcommittee thereof, is authorized from March 1, 1973, through February 28, 1974, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to consent to the assignment of personnel of other committees of the Senate to assist in carrying out the purposes of Section 3 of this resolution. Travel and other expenses, other than salary, of any personnel from other committees assigned to the committee pursuant to this paragraph for the purposes of Section 3 of this resolution may be paid under this resolution.

SEC. 2. The expenses of the committee under this resolution shall not exceed $475,000 of which amount (1) not to exceed $25,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. To assist the committee in a study of national fuels and energy policy pursuant to Senate Resolution 45, agreed to May 3, 1971, the chairman and ranking minority member of each of the Committees on Commerce and Public Works, or members of such committees designated by such chairman and ranking minority members to serve in their places, and the ranking majority and minority Senate members of the Joint Committee on Atomic Energy, or Senate members of that committee designated by such ranking majority and minority Senate members to serve in their places, shall participate and shall serve as ex officio members of the committee for the purpose of conducting the fuels and energy policy study.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1974.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Subsequently, Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the resolution without amendment, which was referred to the Committee on Rules and Administration.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 14

At the request of Mr. SCHWEIKER, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Resolution 14, a resolution to amend rule XXVII of the standing rules to provide for the appointment of Senate Conferees.

NOTICE OF HEARINGS ON A NOMINATION

Mr. CANNON. Mr. President, I wish to announce that the Committee on Rules and Administration will hold an open hearing at 2 p.m. Wednesday, January 31, 1973, in room 301, Russell Office Building, on the nomination of Thomas F. McCormick, of Connecticut, to be Public Printer.

Any individuals or organizations wishing to be heard on this nomination should promptly notify Mr. William M. Cochrane, staff director of the committee, telephone 202–225–6352.

NOTICE OF PUBLIC LAND HEARINGS

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs has scheduled open, public hearings on S. 424, a bill to provide for the management, protection, and development of the national resource lands, and for other purposes, for February 15, 1973.

The hearing will begin at 10 a.m. in room 3110 Dirksen Senate Office Building, and persons wishing to testify or submit statements should so advise the committee staff.

NOTICE OF HEARING ON A NOMINATION

Mr. SPARKMAN. Mr. President, I wish to announce that the Committe on Banking, Housing and Urban Affairs will hold a hearing on Friday, January 26, 1973, on the nomination of Frank C. Herringer of Virginia, to be Urban Mass Transportation Administrator.

The hearing will commence at 10 a.m. in room 5302, New Senate Office Building.

All persons wishing to testify should contact Miss Dorrie Thomas, room 5226, New Senate Office Building, telephone 225–6348.

NOTICE OF HEARING ON AMENDMENT OF THE URBAN MASS TRANSPORTATION ACT

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs will hold 2 days of hearings on S. 386, a bill introduced by Senator WILLIAMS, to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes.

The hearings will be held on February 6 and 7, 1973, in room 5302, Dirksen Senate Office Building, and will commence at 2:00 p.m. each day.

The subcommittee will welcome statements for inclusion in the record of hearings.

NOTICE OF HEARINGS CONCERNING CERTAIN CUTBACKS IN AGRICULTURAL PROGRAMS

Mr. TALMADGE. Mr. President, the Committee on Agriculture and Forestry will hold hearings on February 1, 2, 5, and 6 on recent termination and cutbacks by the administration of agricultural programs such as the rural environmental assistance program, the FHA emergency loan program, the rural electric and telephone loan programs, and subsidization of rural housing. The hearings will be in room 324, Russell Office Building, beginning at 10 a.m. each day. Public witnesses will be limited to a 10-minute oral presentation with the privilege of filing longer statements. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARINGS ON RECOMMENDED JUDGESHIPS

Mr. BURDICK. Mr. President, I wish to announce continuation of the public hearings before the Subcommittee on Improvements in Judicial Machinery relating to the recommendations of the Judicial Conference of the United States for creation of an additional 51 judgeships.

On January 30, 1973, the hearing will be held, commencing at 10 a.m. in room 2228, Dirksen Office Building. The witnesses scheduled for that date will be the chief judges of the district court in the districts of Virginia—western, Virginia—eastern, and New York—northern.

On January 31, the chief judges from the Minnesota, Wisconsin—western, and Missouri—western districts will appear.

Communications relative to this series of hearings should be directed to the subcommittee staff, 6306 Dirksen Office Building, extension 5–3618.

ANNOUNCEMENT OF HEARINGS BY THE HEALTH SUBCOMMITTEE

Mr. KENNEDY. Mr. President, I wish to bring to the public's attention the initial schedule of health hearings in the 93d Congress.

The Senate Health Subcommittee will hold hearings on diabetes on Monday, January 29, at 9:30 a.m., room 4232. On Wednesday, January 31, and Thursday, February 1, the Subcommittee on Health will hold hearings on an emergency medical services bill, with reference to the bill introduced by Senator CRANSTON and myself earlier today. These hearings will begin at 9:30 a.m., in room 4200.

At 2:30 p.m., on February 1, the Health Subcommittee will hold an executive session to consider lead-based paint, and S. 14, Health Maintenance Organizations.

Individuals who wish to testify or to submit written statements to the committee should contact the Senate Health Subcommittee, room 4226, Dirksen Office Building, Washington, D.C.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Lyle S. Garlock, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, January 30, 1973, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

QUORUM CALL

Mr. STAFFORD. 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 (Mr. BARTLETT). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE— DEATH OF FORMER PRESIDENT LYNDON B. JOHNSON

A message from the House of Representatives by Mr. Berry, one of its reading clerks, communicated to the Senate the intelligence of the depth of Hon. Lyndon Baines Johnson, former President of the United States of America, and transmitted the resolution of the House of Representatives (H. Res. 152) relating thereto.

The message announced that the House had agreed to a concurrent resolution (H. Con. Res. 90) authorizing the remains of former President Lyndon B. Johnson to lie in state in the rotunda of the Capitol, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H.J. Res. 163) designating the week commencing January 28, 1973, as "International Clergy Week in the United States", and for other purposes, in which it requested the concurrence of the Senate.

The message informed the Senate that, pursuant to the provisions of title 20, United States Code, sections 42 and 43, the Speaker had appointed Mr. MAHON, Mr. ROONEY of New York, and Mr. MINSHALL of Ohio as members of the Board of Regents of the Smithsonian Institution, on the part of the House.

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House on House Concurrent Resolution 90.

The PRESIDING OFFICER (Mr. BARTLETT) laid before the Senate House Concurrent Resolution 90, which was read as follows:

HOUSE CONCURRENT RESOLUTION 90

Resolved by the House of Representatives (the Senate concurring), That in recognition of the long and distinguished service rendered to the Nation and to the world by Lyndon B. Johnson, Thirty-sixth President of the United States, his remains be permitted to lie in state in the rotunda of the Capitol from January 24 to January 25, 1973, and the Architect of the Capitol, under the direction of the Speaker of the House of Representatives and the President pro tempore of the Senate, shall take all necessary steps for the accomplishment of that purpose.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 90) was considered and unanimously agreed to.

EXECUTIVE SESSION

DEPARTMENT OF DEFENSE AND CENTRAL INTELLIGENCE AGENCY

The PRESIDING OFFICER (Mr. BARTLETT). Pursuant to the previous order, the Senate will now go into executive session to consider nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consider en bloc the nominations of Mr William P. Clements, Jr. of Texas and Mr. James R. Schlesinger of Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered, and the two nominations on the Executive Calendar will be stated.

The assistant legislative clerk read the nomination of Mr. William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense, in the Department of Defense; and the nomination of Mr. James R. Schlesinger, of Virginia, to be Director of the Central Intelligence Agency.

The PRESIDING OFFICER. Under the previous order, the time for debate is limited to 2 hours, with 1 hour to each side.

Mr. STENNIS. Mr. President, I address the Chair for recognition.

The PRESIDING OFFICER. The Senator from Mississippi is recognized

Mr. STENNIS. Mr. President, what is the pending order of business now?

The PRESIDING OFFICER. It is on the nomination of Mr. William P. Clements, Jr., of Texas, and Mr. James R. Schlesinger, of Virginia, whose nominations will be considered en bloc.

Mr. STENNIS. I thank the Chair.

Mr. President, my remarks to the Senate on this matter will be brief.

I should like to inquire of the majority whip whether the Senator from Iowa has been notified.

Mr. ROBERT C. BYRD. The distinguished Senator from Iowa is on his way to the Chamber.

Mr. STENNIS. I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished Senator from Mississippi like me to ask for the yeas and nays now on the two nominations?

Mr. STENNIS. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the two nominations with one show of seconds.

The PRESIDING OFFICER. Is there objection? There being no objection, and there being a sufficient show of seconds, the yeas and nays on the two nominations are ordered.

Mr. STENNIS. Mr. President, the pending matter before the Senate Executive Session is the question of whether the Senate will advise and consent to the nomination of Mr. William P. Clements, Jr., of Texas, to the office of Deputy Secretary of Defense. That nomination was referred to the Armed Services Committee along with the nomination of the Honorable Elliot L. Richardson, of Massachusetts, now Secretary of Health, Education, and Welfare, who was nominated by the President this January to be Secretary of Defense.

The committee considered each of these nominations and has taken quite seriously—as the committee should—its duty and obligation to go into all relevant matters in connection with these men, their backgrounds, their abilities, their capabilities and their attitudes towards the duties that they will assume, if approved, as well as their philosophies as to our system of government.

I want to say this about the nomination of Mr. Richardson; it could well have been considered first. I had hoped, of course, that that could be done. But there were some delays, without anyone being at fault. It was first agreed that that nomination would be carried over until Thursday of this week. The plans for this have already had to be changed because of the passing of Lyndon Baines Johnson, the former President of the United States.

So Mr. Richardson's nomination will be carried over until Friday of this week and, in accordance with the unanimous consent agreement, will be debated some time on Friday and the vote will be taken, I hope, on next Monday. But I do not believe there has been agreement yet to

vote next Monday. I will propose to the leadership that they request the vote before we adjourn today.

Also today I may have some remarks, after these are disposed of, about the nomination of Mr. Richardson.

I believe we are under controlled time; is that correct, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. Mr. President, I yield myself 20 minutes or so much thereof as I may use.

The PRESIDING OFFICER. The Senator from Mississippi may proceed.

Mr. STENNIS. Mr. President, the Committee on Armed Services has reported the nomination of Mr. William P. Clements, Jr., of Texas. After public hearings and full discussion, 13 of the 15 committee members recorded themselves in favor of the nomination. There were no dissenting votes. No member voted against the nomination. One member favored delaying certain presidential appointments at that time and voted, "present," but said he found no fault with Mr. Clements.

Mr. Clements is a respected Texas businessman with a fine and extensive background in the various aspects of his field. He has a distinguished record in business and in civic enterprise in Dallas. He was praised in the committee hearings by both Senators from Texas, one a member of the majority and the other a member of the minority.

I think there is good and recent precedent for approving a businessman as Deputy Secretary of Defense. I believe that Mr. David Packard performed very well indeed in that job. I believe that Mr. Clements can use his own business expertise and experience to improve and reform Pentagon procedures in areas such as procurement.

Mr. President, I just said that Mr. Packard did an outstanding job and then I talked about still improving and reforming procedures of procurement. There is much work still to be done in that field. Mr. Packard stayed in the Pentagon only 3 years but they were 3 fruitful years and he made a start in this very difficult field of procurement. It is a difficult field for the services and for the secretaries and for the industrial people as well.

I found Mr. Clements to be a man of tremendous energy and his great capabilities are already well proven. Senators will recall that under legislation approved last year, a second Deputy Secretary of Defense will be appointed to the Defense Department. That appointment will be made later, after Mr. Clements and the new Secretary of Defense, Mr. Richardson, have settled on their own working relationships.

It should be noted, however, that Mr. Clements is to be designated as the principal deputy, to serve as top man, if necessary, in the absence of the Secretary.

Mr. President, I emphasize that this is not just another office. This deputy secretary holds a highly important office. It carries tremendous power and responsibility. He will be No. 2 only to the Secretary of Defense. He will be acting Secretary of Defense in the absence of the Secretary and at meetings to which the Secretary cannot go. He will have special duties in the field of military procurement and in other operations of the Department of Defense which total in the neighborhood of $77 billion to $80 billion per year.

Mr. Clements impressed me greatly. I talked with him some 2 hours in private conference, and he was rather extensively examined, too, by all members of the committee. I was surprised and favorably impressed with his very fine knowledge of the problems of military procurement, even before he starts in this office, as well as his knowledge of other requirements of the office. That is explained when we recall that he was a member of the so-called Fitzhugh Commission, the blue ribbon panel that was appointed by President Nixon, near the beginning of his first term, to look into procurement and other matters in the Department of Defense. Mr. Clements was one of the active members of that panel, and he shows a very fine knowledge of the subject matter which he gained there and has followed up to some degree.

I note that Mr. Clements has been described in the press as an "oil man." However, he told the committee that his successful business has been oil drilling and that he is not in the oil business as such. I do not want to leave the impression that it is a sin to be in the oil business. There are very honorable men in that business. But this was viewed by the press as something that would derogate from Mr. Clements. I point out now that he is not in that business but is in the oil drilling business.

Mr. President, I had asked that copies of our printed hearing record be made available to Senators, and I ask that inquiry be made at this time to see whether the hearings are available to Senators.

On page 173 of the hearing record appears a letter in which Mr. Clements summarizes the action he has taken to avoid any possible conflict of interest. That means conflict of interest as Acting Secretary of Defense and Deputy Secretary of Defense with reference to dealings, purchases, and contracts that take place in the Defense Department. His letter makes him conform to the precedents of the Committee on Armed Services in this regard, and we unanimously cleared his record on that score.

He has also provided a file on a lawsuit in which his company is involved and which has given rise to some press reports. That matter appears at pages 139 to 157 of the printed hearing record. That tells the entire story about this lawsuit.

It is a rather long printed record; but, briefly summed up, Mr. Clements' firm had a contract to perform some services almost 10 years ago with the Argentine Government in South America. They satisfactorily performed it, in his view, but in 1966, almost 7 years ago, three lawsuits were filed. Two of the lawsuits involve individuals who allege failure to return their full part of a 20-percent finder's fee. Mr. Clements is not involved personally in that.

He is a party in the third suit on a technical basis, one might say, because the defendant in that case is the Argentine subsidiary of his company and had to be left as an active organization, so that anyone who wanted to sue could do so. That is customary in business, when you are leaving a country.

No member of the committee, so far as I have heard, found anything—nor did the staff of the committee find anything—that was really derogatory to Mr. Clements. The litigation involves something about the amount of charges to overhead under the disposition of the contract. He pointed out that the Internal Revenue Service in Washington—our Internal Revenue Service—required him to charge more to overhead, and that was a standard business proposition as seen by the Internal Revenue Service.

The Securities and Exchange Commission has stated that the scope of the litigation was not such that the matter should have been reported to the company's shareholders. Full information on this matter is included in the record. This record has been out for several days now, and I refer anyone who might be interested to that record.

Mr. President, we on the committee are well aware of the problems that will beset the Defense Department, and we know that the problems will fall, in part, on Mr. Clements' shoulders. I am expecting some very fine work from this gentleman. I believe he has the capacity. We know he has the willingness, and he has a world of energy to use. If he can get started and if he is given the authority, he is the kind of man who will be able to accomplish something in this problem area. Some of the problems with which he will be confronted lend themselves to solution through better management and through better procurement, and I believe that Mr. Clements will be able to make headway against these problems.

Mr. President, I ask unanimous consent to have printed in the RECORD certain parts of a brief report that was filed by the committee through its member, the Senator from Texas (Mr. TOWER), relating to the committee action, the qualifications, and the conclusions of the committee. Also, in my statement here and in this report we point out that Mr. Clements, in our examination of him in open session, clearly stated that he would appear before any committee and testify.

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

COMMITTEE ACTION

Mr. Clements' nomination was forwarded to the Senate on January 4, 1973, and referred to the Committee on Armed Services on January 8, 1973. The committee conducted hearings on January 11, 1973, in public session, during which the committee carefully scrutinized the nominee's credentials and qualifications. After full consideration, the committee found the nominee eminently qualified for the position of Deputy Secretary of Defense. In executive session on January 16, 1973, the committee voted to report favorably on the nomination of Mr. Clements. Thirteen members voted in the affirmative,

one member voted present, and there were no negative votes.

QUALIFICATIONS

During the course of the hearings, the committee thoroughly examined the nominee's qualifications and experience. The committee believes that Mr. Clements is a man of highest integrity, ability, and character.

In July 1969, the nominee was named by the President and the Secretary of Defense to serve on the Blue Ribbon Defense Panel which was to undertake a study of the Department of Defense. The broad charter permitted the panel to make a through examination of the organization and management of the Defense Department including the Joint Chiefs of Staff, the defense agencies, and the military services as it affects the Department's mission performance, decision-making process, command, and control, and other matters with emphasis on the responsiveness to the requirements of the President and the Secretary of Defense. The Panel was also charged with examining defense procurement policies and practices and research and development efforts with emphasis on cost, time, and quality. On July 1, 1970, the Panel made its report to the President together with recommendations. During the hearings the committee determined that the nominee has a thorough grasp of the many problems associated with the management of the Defense Establishment. He demonstrated a keen awareness of the weapons acquisition process and the need for reform in the field of procurement practices and procedures. The nominee's biographical summary is contained on pages 133 and 134 of the record of hearings.

WILLINGNESS TO TESTIFY

On January 15, 1973, the nominee was questioned at a special hearing of the committee with respect to his willingness to appear and testify before committees of the Senate. Mr. Clements has pledged to be responsive and to cooperate when requested to appear as a witness before committees of the Senate. This is in compliance with the resolution of the Senate Democratic conference which requested nominees to make, as a prerequisite to confirmation, a commitment to appear before Senate committees when requested. The testimony of the nominee is set forth in the record of hearings wherein he expressed his willingness to comply.

FINANCIAL HOLDINGS

The committee has determined that if the nominee is confirmed as Deputy Secretary of Defense his financial holdings will not conflict in any way with his performance of duties in that office.

Mr. Clements is a stockholder and chairman of the board of SEDCO, Inc., of Dallas, Tex., a private corporation. This corporation currently has an extremely small amount of engineering work being performed for the Department of Defense. This work will be concluded within a short time. Moreover, the SEDCO corporation has furnished to the committee a copy of the corporate resolution indicating that if Mr. Clements' nomination is confirmed, it will no longer undertake or accept contracts in any form from the Department of Defense.

There is one stock now owned by Mr. Clements, that of Keebler, on the statistical list, which he has stated that if confirmed, will be sold within 90 days. There is printed on pages 139 and 140 of the hearings a letter from Mr. Clements setting forth the details on this entire matter.

CONCLUSION

It is the opinion of the committee that Mr. Clements is well qualified for the post to which he has been nominated. The nomination is favorably reported and the committee recommends that the nomination be confirmed by the U.S. Senate.

Mr. STENNIS. Mr. President, I also ask unanimous consent to have printed in the RECORD the biographical information on Mr. Clements.

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

BIOGRAPHICAL INFORMATION OF WILLIAM P. CLEMENTS, JR.

Name: William P. Clements, Jr.

Address: 4622 Meadowood Road, Dallas, Texas 75220.

Business: Chairman of the Board, SEDCO, Inc., Cumberland Hill, 1901 North Akard, Dallas, Texas 75201.

Date of Birth: April 13, 1917. Birthplace: Dallas, Texas.

Wife's Maiden Name: Pauline Gill. Birthplace: Terrell, Texas.

Children: B. Gill Clements and Nancy Clements Seay.

Schools Attended: Highland Park High School and Southern Methodist University.

Club Memberships: Northwood Country Club; Dallas Petroleum Club; Eldorado Country Club.

Church Memberships: St. Michael and All Angels Episcopal Church.

CIVIC ORGANIZATIONS AND BUSINESS

Chairman, Board of Governors, Southern Methodist University.

Board of Trustees, Southern Methodist University.

President, South Central Region, Boy Scouts of America.

Past President, Circle Ten Council, Boy Scouts of America.

National Executive Board, Boy Scouts of America.

Director and Executive Committee, Dallas Citizens Council.

Trustee, Southwestern Medical School (University of Texas).

Director, First National Bank in Dallas.

Director, Keebler Company.

Director, Fidelity Union Life Insurance Company.

Member, National Petroleum Council.

Director, Independent Petroleum Association of America.

Past President, International Association of Drilling Contractors.

Trustee, Texas Research Foundation.

Member, Advisory Board, Jf. League of Dallas.

Member, 1972 National United Nations Day Committee.

Director, Mid-Continent Oil & Gas Association.

Life Member, Navy League of the United States.

Member, Steering Committee of Dallas County Committee for the White House Conference on Children and Youth.

Member, Blue Ribbon Defense Panel.

Mr. STENNIS. Mr. President, does the Senator from South Carolina wish to make a statement now?

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

Mr. STENNIS. I yield 3 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the confirmation of the nomination of Mr. Clements to be Deputy Secretary of Defense.

In the hearings before the Committee on Armed Services, I was deeply impressed with Mr. Clements. I was impressed with his sincerity. I was impressed by all I have learned about him and heard about him. He is a man of integrity. I was further impressed by his great ability, his great capacity to get things done. He is a hard-headed businessman.

I was further impressed with the simple, direct manner in which he answered questions. There was no attempt at evasion; there was no attempt to hide anything; and he struck me as a man who was going to speak the truth. He has promised to come before the committees and to answer questions when we need him.

It is my judgment that President Nixon has made a wise choice selection in naming this man of experience, this successful man in business, this man of character and ability to fill this important position of Deputy Secretary of Defense. I do not know of any position in government that carries more responsibility than this particular office. He will be responsible for the awarding of contracts involving billions of dollars. He will be responsible, together with the Secretary of Defense, for providing the military machine that is going to keep this country free and enable it to survive.

Mr. President, also impressive is the nominee's obvious interest in improving defense procurement procedures. Despite improvements over the past few years I am convinced the Government can tighten its belt and the belt of the defense contractors.

In reply to a question by me during the hearings, Mr. Clements declared:

I would like to see us tighten up controls in procurement.

He then went on to express his interest in reducing the paperwork which abounds in the Pentagon, the need to have a strong research and development program and the importance of obtaining better procurement contracts for the military services.

Mr. President, Mr. Clements made another statement which impressed me, and I believe my colleagues will also be impressed. The question involved the handling of the public's money. Mr. Clements will unquestionably be directly involved in handling larger sums of Government money than most if not all others in the executive agencies.

In reply to my interest in this area, the nominee stated:

I feel there is a fiduciary responsibility in handling the government's money, and I would be inclined to be even more careful with it than my own, and I want you to know I am very careful with my own.

Mr. President, I fully support the necessary defense programs for this country despite the sometimes awesome cost involved. However, there is no reason the necessary weapons cannot be obtained through well regulated business procedures designed to achieve the maximum for the money expended.

Therefore, it appears to me the country is fortunate to obtain the services of a man of Mr. Clements' business background to undertake the responsibilities of Deputy Secretary of Defense.

Mr. President, it is my hope that the Senate will approve this nomination with dispatch.

Mr. STENNIS. Mr. President, in order that the Senator from Iowa may ask questions of me, I yield to him for 5 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. STENNIS. I yield for a question.

Mr. HUGHES. Mr. President, I thank the distinguished chairman of the Committee on Armed Services.

The Senator from Iowa has some questions relating to the financial interest of Mr. Clements. I have asked the distinguished chairman of the committee about the disposition of those financial interests. I think it is important that I point out to the Senate that although the stock holdings of Mr. Clements in the First National Bank of Dallas were listed for the committee among his financial holdings, the relationship of the First National Bank of Dallas to companies engaged in the manufacture of weapons systems for the Government were not disclosed to the committee at that time. It was not until I was contacted by a newspaper reporter that I found that there was, as a matter of fact, such a financial tie-in.

So my questions relate to the disposition of that stock. I wish to ask the chairman in relationship to the article in the newspaper, if he would contact Mr. Clements to find out the extent of his holdings of that stock and what his intentions of disposition would be in relation to the stock he holds in the bank. I would not expect the chairman to respond on the amount of the holdings of the shares of stock, but I do believe that, for the record of the Senate in considering this nomination, the disposition of the stock in the First National Bank of Dallas should be made known to the Senate.

I wish to ask the chairman if it is in his power to do that.

Mr. STENNIS. Mr. President, I think I can answer the Senator's question. In the first place, Mr. Clements fully disclosed to us that he was a stockholder and member of the board of directors of the First National Bank of Dallas. Of course, that bank is not on what we call the Department of Defense master list of those who contract with or do business with the Department of Defense. So under the rules we felt it would not require him to dispose of the stock.

But as the facts developed, and as called to my attention by the Senator from Iowa, there was an account in that bank by which credit to one of those large contractors had been extended. The credit to the large contractor, who dealt with manufacturing airplanes, for instance, had run into very large sums of money.

I called Mr. Clements on the telephone and talked to him about that. It was yesterday afternoon when this matter came to my attention. He readily said that if there was any question about it he would be glad to, and would, resign as a member of the board of directors of the bank and sell whatever stock he had in the bank.

His interest was so small it had not seemed significant but, as a matter of getting everything ready to bring the nomination on, I was glad he saw fit to do what he did with respect to this.

The Senator from Iowa is certainly within reason in bringing up this point. I do want to make this point, though. We do not want this to set a precedent for every nominee for this office, who happens to own some bank stock, under which they would be asked by the committee and by the Senate to dispose of any bank stock before they could discharge the duties of office.

I think that covers the situation. I have a letter from Mr. Clements. I ask unanimous consent that his letter of January 23 be printed at this point in the RECORD.

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

SEDCO, INC.,
January 23, 1973.

Hon. JOHN C. STENNIS,
Chairman, Senate Armed Services Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As I have informed you, I own stock in the First National Bank of Dallas. Since the First National Bank of Dallas is not on the statistical list of prime contractors, I had not considered that there was any problem with my retention of that stock.

Since I understand that some question has been raised concerning my retention of the stock in the First National Bank of Dallas, please be advised that should I be confirmed by the Senate, I will divest myself of all stock in the First National Bank of Dallas.

Sincerely,

WILLIAM P. CLEMENTS, Jr.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired. Who yields time?

Mr. HUGHES. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HUGHES. Mr. President, the Senate has under consideration, as pointed out by the chairman, the nomination of William P. Clements, Jr. for the position of First Deputy Secretary of Defense, which is a position of awesome responsibility and of great moral challenge.

By his own testimony, Mr. Clements has rated this position for which he has been nominated as one of the most important in government.

On page 137 of the hearings before the Committee on Armed Services he made the following statement.

Mr. CLEMENTS. Mr. Chairman, I think that our posture with respect to the Department of Defense must carry a No. 1 priority above anything else: that without a strong Defense Department, why we really wouldn't have, and probably can't have these other domestic problems to be concerned with; that the President in all of his negotiations must be supported by a position of strength in the Department of Defense."

As First Deputy Secretary, Mr. Clements would share a substantial part of the burden of managing the largest and oldest and most expensively financed bureaucracy in this Nation, and he would stand ready to assume the leadership of the Department of Defense whenever circumstances require the Secretary to be absent.

Of particular importance is the role that Mr. Clements would play in the administration of weapons development and procurement programs, which absorb more than $20 billion a year of Federal outlays. While his duties in this respect have not yet been delineated, Mr. Clements told the committee that he believes they will, in his words—

Probably closely follow the pattern set by Mr. Laird and Mr. Packard.

If that proves to be the case, Mr. President, he will have a major responsibility relating to the weapons capabilities of the military services and the performance of the defense contracts who develop and produce these weapons.

Considering the weight and scope of these responsibilities, it should not be surprising that the Senate would take unusual care and give thorough consideration to the qualifications of such a man.

It should not be surprising that Senators would explore the general and basic philosophy of the nominee regarding the use of military force.

Nor should it be surprising that the Senate would want to examine in detail the nominee's personal financial situation and its relationship to the defense contractors who would be directly affected by his decisions and recommendations.

In the case of Mr. Clements' administrative skills and managerial capabilities, his qualifications are impressive. But his philosophical views of the role of military power at this point in history are deeply troubling to me.

He professed a continued commitment, in his testimony before the committee, to the notion that the destructive nuclear capability of this Nation must be superior to all others.

When asked by the distinguished Senator from Missouri (Mr. SYMINGTON) whether he still supports the concept that "the only viable national strategy is to regain and retain a clearly superior strategic capability," Mr. Clements replied that he does. And he reaffirmed that support unequivocally when I put the same question to him later in the hearing.

Mr. President, it has been our addiction to "superiority" that has produced the terrorizing nuclear arsenals that are stockpiled around the world—one nation striving to surpass the other in the effectiveness and destructiveness of their nuclear weapons.

A commitment to "superiority" is an alien commitment in a government whose President has declared his policy to be only "sufficiency to deter aggression" and has demanded adherence to the concept of "mutual, balanced" adjustments among the military forces of nations.

In further pursuit of Mr. Clements' personal philosophy, I sought to establish what his feelings were toward the use of nuclear weapons, particularly in a limited war such as the one that has dominated the efforts of this Nation for more than a decade.

He responded that he would not rule it out, and later he made it clear that, notwithstanding his personal inclinations, he would respect and carry out the President's policy repudiating the use of nuclear weapons in Indochina, and would adopt it as his own.

Mr. Clements' answers to this and cer-

tain other questions suggest that he was expressing some of his fundamental personal philosophy and was willing to do so even when it was at variance with the policies of the President.

However, the nominee gave repeated assurances that, as an appointee who would serve at the pleasure of the President, he would be obedient to the orders he would receive from the Commander in Chief. But the President could not be expected to maintain continuous watch over the occupant of so important a position.

And in examining the qualifications of such a man, the Senate should not, and does not, overlook the principles that guide his thinking and can be expected to mold his recommendations to the President. Nor is the Senate disinterested in the gut feelings that would indicate to his subordinates what kind of recommendations the nominee would receive most favorably from them.

I think the philosophy of such a nominee is extremely important—he is in a position to advise on the development of systems; it would be well known to everyone working under him at the agency that he would welcome recommendations that might reinforce his philosophy.

Hearings by a committee of the Senate are usually the only organized effort on behalf of the citizens of the Nation to explore the fundamental philosophy of Presidential appointees, and the Senate does not take this responsibility lightly.

In this instance, Mr. President, the hearings of the Committee on Armed Services were unusually extensive and thorough, for which the distinguished chairman, Mr. STENNIS, has earned the gratitude of the Senate, and also the Senator from Iowa.

The chairman of the committee has made every endeavor to cover every field, he has had patience in the length of questions put to the nominees who appeared before that committee, and he is to be congratulated for this effort in behalf of the Senate.

In examining the nominees' personal financial arrangements to insure against potential conflicts of interest, the committee took special care in studying the statements submitted by the nominees and arranged for them to be published with the hearings.

In Mr. Clements' case, he offered, in his letter to the committee, to resign from several positions and dispose of one stock he held in a corporation that does substantial business with the Department of Defense.

I ask unanimous consent that a copy of his 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:

SEDCO, INC.,
January 8, 1973.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services, Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is submitted in connection with my nomination as Deputy Secretary of Defense which is now pending before your Committee on the question of advice and consent to the nomination in order to advise you of my financial interests as they relate to the position for which I have been nominated.

At the present time, I have a financial interest, as indicated, in the following companies:

Company and Nature of Interests:

1. Clemgil Realty, Inc.—President; Trustee for stockholders.

2. SEDCO, Inc.—Chairman of Board; stock; salary; participant in profit sharing plan.

Subsidiaries:

(a) Baylor Company—Director; stock in parent corporation.

(b) Southeastern Commonwealth Drilling, Ltd. (Canadian)—President; Director; stock in parent corporation.

(c) Southeastern Oceanic Drilling Co.—President; stock in parent corporation.

(d) Southeastern Drilling Services, Ltd. (UK)—Director; stock in parent corporation.

(e) Southeastern Drilling, Inc.—President and Director; stock in parent corporation.

3. First National Bank of Dallas—Director; stock.

4. Fidelity Union Life Co.—Director; stock.

5. Keebler Company—Director; stock.

6. Various tracts of real estate—Ownership.

With reference to my financial interests in SEDCO, Inc., I propose, if confirmed, to take leave of absence from the firm and its subsidiaries. I will receive no salary or other compensation. While I will retain my vested interests in SEDCO's profit sharing plan, no contributions will be made to my interest in the profit sharing plan during my absence while serving in a government post. I would propose to retain my stock interest in SEDCO, Inc. Although one of SEDCO's subsidiaries has in the past done some small amounts of business with the Department of Defense, the Board of Directors of SEDCO, Inc., on 29 December 1972, adopted the following resolutions:

"*Resolved.*—That neither SEDCO, Inc., nor any of its divisions, subsidiaries or affiliates shall henceforth perform any work for the Department of Defense of the United States Government except work granted as a result of a public tender.

"*Resolved.*—That neither SEDCO, Inc., nor any of its divisions, subsidiaries, or affiliates shall henceforth submit bids (either by public tender or private offer) for work for the Department of Defense of the United States Government in view of its past experience in performing such work, the low profit margins involved and the drain upon its manpower and resources."

Of the remaining companies in which I currently own stock, there is one on the Statistical List of Prime Defense Contractors, which is Keebler Company. Should the Senate confirm my nomination, I will sell my stock in this company within ninety days of the time I take office.

In addition to my investments, I am Chairman of the Board of Governors of Southern Methodist University, which is also on the Statistical List of Prime Defense Contractors. If confirmed, I intend to resign this position.

I am also a member of the National Petroleum Council, and a Director of the International Association of Drilling Contractors and the Independent Petroleum Association, from which positions I will also resign should my nomination be confirmed.

I trust that these proposals comply with the Committee's rules and I sincerely hope your Committee will approve of this plan.

Sincerely,

WILLIAM P. CLEMENTS, JR.

Mr. HUGHES. Mr. President, in his letter, Mr. Clements stated that he is a member of the board of directors, and a stockholder, of the First National Bank of Dallas.

That was the question to which the chairman of the committee, Mr. STENNIS, was referring in the discussion relating to the questions of the Senator from Iowa just a few minutes ago.

In the letter Mr. Clements stated that he was a member of the board of directors of the First National Bank of Dallas. He did not, however, declare that he would resign from that position or arrange to dispose of his stock, nor did he disclose the extent of his stockholding in the bank at that point.

The Senator from Iowa even now is still in ignorance of the extent of the stockholdings. He is willing to rely on the word of the chairman of the committee that those holdings are very minimal, as he explained to the Senator from Iowa on the floor of the Senate in public debate, but up to this time the nominee has not disclosed to the committee the extent of the holdings of that stock.

Moreover, Mr. President, the committee was not made aware of information which would have alerted us to the very close financial ties that exist between First National and a major defense contractor, Ling-Temco-Vought.

LTV, as you know, Mr. President, is a large, diversified corporation that includes as one of its principal subsidiaries Vought Aeronautics, maker of the A–7 attack fighter that has been so extensively employed by both the Navy and the Air Force.

This aircraft has emerged as a controversial one at this time, with reports that it is being touted as an ideal aircraft for the use of the Air Force in providing close air support for ground troops .

At the same time, however, the Air Force has decided to award a contract to the Fairchild-Hiller Corp. for the further development and ultimate production of a specialized aircraft, the A–10, for the close air support mission.

The Washington Post on January 19 of this year carried a story reporting on the contract award and the effort to promote the A–7 aircraft for close air support. I ask unanimous consent that a copy of the article be printed in the RECORD at the close of my remarks.

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

(See exhibit 1.)

Mr. HUGHES. Mr. President, a contest between the two aircraft, if it does materialize, would undoubtedly require important decisions at the highest level of the Department of Defense, and in his role as First Deputy Secretary, Mr. Clements may be expected to participate in any such decisions.

This matter came to my attention over the weekend from a newspaper article by Patrick Sloyan, published in a number of major cities by the Hearst Newspapers. I ask unanimous consent that the article be reprinted in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. HUGHES. Mr. President, to avoid a conflict of interest, Mr. Clements only last night, after a phone call from the chairman of the Armed Services Committee, agreed to dispose of the stock he held in the First National Bank of Dallas. He did not come before the Armed Services Committee and honestly say to us:

"Yes, I am a holder of stock in the bank that has extended lines of credit in relationship to the competition that can develop on this aircraft." No matter how minimal it may be, he did not do that.

I would point out, Mr. President, that in relation to other minimal holdings, it was recommended by the legal counsel of the Pentagon that the holdings were so minimal that they considered allowing him to retain ownership of this other stock, and after due consideration, the committee allowed it. However, why were we not given the opportunity in the light of day, before we reached the Senate with the nomination, to make a financial examination and question the nominee about his interest in the bank, regardless of how small the holdings might be? He has been a director on the board and has held stock in the bank involved. I believe that his failure to tell us in a timely way has raised a serious question.

The First National Bank of Dallas has extended a line of credit to Ling-Temco-Vought, as I understand it.

Mr. President, I have ascertained from documents on file with the Securities and Exchange Commission that certain LTV subsidiaries have "a revolving line of credit" with First National Bank of Dallas, among other banks, and that on June 30, 1972, these subsidiaries owed First National a total of $2.565 million.

The Navy has informed my office that Vought Aeronautics has a standing line of credit with First National of $5.2 million.

By contrast, Mr. Sloyan reported Sunday in the Hearst Newspapers that, according to an LTV spokesman, First National of Dallas was one of several banks backing a $75 million line of credit for Vought Aeronautics and that the Dallas bank also is sharing in support of a $25 million term loan. The extent to which First National of Dallas is involved in these arrangements may well be limited to the figure provided my office by the Navy.

I repeat that it may be limited to the amount provided my office by the Navy. But the Senate will certainly wonder why we never had this information in a timely way brought before the appropriate committee for its consideration before this nomination came to the Senate for confirmation.

The Senator from Iowa does not understand that, in contrast apparently to the other holdings of this man, there was apparently a total unwillingness to discuss this at all with the Senator from Iowa.

I think that some inferences about the relationship between First National and LTV may be drawn from the circumstances surrounding a shakeup in LTV management several years ago. When the management of LTV was undergoing reorganization in 1970, Mr. Robert H. Stewart III, joined the LTV board of directors and, from May 17 to July 9 of that year, served as chairman of the LTV board. Mr. Stewart is also chairman of the board of First International Bancshares, Inc., the holding company which owns First National Bank of Dallas.

Mr. President, until the Senate has an explanation of the extent of Mr. Clement's holdings—which we now have been given by the chairman in general terms—in the First National Bank of Dallas and the extent of the bank's financial relationship with LTV, no competent judgment can be made by the Senate today as to the potential for a conflict of interest in the conduct of Mr. Clements' duties as First Deputy Secretary of Defense.

I regret very much that the Senator from Iowa did not have a complete and timely disclosure of this information to consider, or the Senator from Iowa would have asked the chairman of the Armed Services Committee to recall Mr. Clements for further hearings in relation to this subject. Because that did not happen, the Senator from Iowa is precluded from that parliamentary procedure.

Mr. President, naturally it is within the right of the Senator from Iowa to make a motion to recommit. And I say to the distinguished chairman of the committee, the Senator from Mississippi, that is not my intention. I know what the result of that vote would be before I would make the motion. I know what would happen to it.

I regret today that there are only seven or eight Senators to listen to the debate and discussion in relation to this matter. But I view what has happened in relation to this disclosure, whether by design or by accident, to be a flaw in the responsibility of Mr. Clements to be totally honest with our committee and with the Senate.

I also view this nominee in a philosophical context as having an important bearing on his judgment in the future as to what is sufficiency and what is superiority, and what kind of developmental advice we will be getting at these levels of our Government.

Mr. President, as the chairman of the committee pointed out, one member of the committee voted "present." He did not vote against it, and he said at that moment that he had nothing in opposition to Mr. Clements.

The member of the committee who voted "present" was the Senator from Iowa. Since voting "present," the Senator from Iowa has had an opportunity to read the printed testimony in relation to the financial interests and disclosures made by Mr. Clements. The Senator from Iowa now has opposition to the appointment.

Naturally the Senator from Iowa is cognizant of the fact that with not many Senators on the floor to debate and with no opportunity for further hearings, the nomination will be confirmed overwhelmingly.

Mr. President, it is my belief that these questions, both philosphical and in relation to the willingness of the nominee to reveal his holdings in toto and to let the committee decide what is important and what is unimportant with reference to his financial interests, divulges a flaw in his ability to serve in this capacity.

It is therefore the intention of the Senator from Iowa to vote against the nomination of Mr. Clements to be First Deputy Secretary of the Department of Defense.

EXHIBIT 1

FAIRCHILD WINS BID ON BELEAGUERED JET

(By Michael Getler)

An intensive, behind-the-scenes political battle is being fought over the future of a new Air Force attack plane contract that was awarded yesterday to Fairchild Industries, Inc., of Hagerstown, Md.

Fairchild won an Air Force competition with California-based Northrop Corp. to build the first 10 test models of a rugged new attack plane known as the AX.

But there is considerable political pressure being brought upon the Air Force, according to authoritative sources in the Pentagon and Congress, to eventually substitute the Texas-manufactured A–7 attack plane for the AX.

Though the contract announced yesterday is only for 10 pre-production prototype AX models, the Air Force has said it plans to build more than 600 of the planes.

The AX would be the first Air Force plane designed specifically for providing heavy aerial firepower in close support of Army ground troops.

The A–7, produced by Ling Temco Vought in Dallas, was developed in 1964 by the Navy and has been in service with both the Navy and Air Force for several years. It has been used extensively in Vietnam for attacking enemy supply lines and in close air support.

In previous years, the biggest inter-service threat to the future of the AX was the Army's proposed Cheyenne helicopter gunship. The Army has maintained that it should play at least a major part in providing its own close air support.

But the trouble-plagued Cheyenne was finally killed several months ago because of cost and technical problems.

Now, with the primary mission of close air support appearing to rest firmly with the Air Force, a new threat to the future of the twin-jet plane designed for that role has emerged.

Informed sources say that at least two Senators on the Senate Armed Services Committee, and other lawmakers are supplying pressure on the Air Force to buy a modified version of the A–7 rather than the new AX.

The AX was intended to be a low-cost plane, about $1.4 million each based on 1970 prices. But the manner of the plane's current development may well drive up the cost significantly, in the view of some congressional and military sources.

For example, although the AX is supposed to be an airplane with an uncomplicated design, nearly three more years of testing are expected by the Air Force before a decision to produce the plane will be made. Furthermore, the contractor bids were based on a prospective initial order of only 48 planes. Such a small order would make the initial per-plane price appear to be high.

Proponents of the A–7 claim another cost advantage—the fact that the A–7 assembly line is still running, primarily because of additional Pentagon orders in the last year. The AX, on the other hand, would require an entirely new production line investment.

Yesterday, Thomas V. Jones, president of Northrop, said in a statement, "We are also confident that in the long run, the A–9 (Northrop's losing version of the AX) would have proved to be the lowest cost aircraft system for this mission."

Within the Air Force, there is said to be a squabble over buying the AX because of the A–7's interdiction capabilities against supply lines. Others in the service and the Pentagon are insisting that the specialized goals of close air support be adhered to.

The Pentagon has also been suggesting that it will begin putting Air Force planes on Navy carriers in the future and there is said to be a good possibility that a tail-hook ordered for the AX might also doom its chances to beat off a challenge from the A–7, which can already operate from aircraft carriers.

EXHIBIT 2

WILLIAM CLEMENTS A DIRECTOR AND STOCKHOLDER OF BANK FINANCING JET FIGHTER-BOMBER

(By Patrick J. Sloyan)

WASHINGTON, January 20.—William P. Clements, Jr., the man President Nixon selected to be the No. 2 man at the Pentagon, is listed as a director and stockholder of a Dallas bank that is helping to finance the builder of a controversial jet fighter-bomber.

Clements, whose nomination as Deputy Secretary of Defense comes up for Senate debate this week, has been approved by the Senate Armed Services Committee.

But one Committee member, Sen. Harold Hughes, D-Iowa, said the panel was not told about the link between Clements, the First National Bank of Dallas, and Ling-Temco-Vought, Inc. (LTV), manufacturer of the A-7, a plane used by both the Air Force and the Navy.

Hughes termed it an apparent conflict-of-interest that would be pursued.

If confirmed, Clements would be in a position to influence the selection of the LTV plane over other competitors for a multi-million dollar defense contract.

Clements, in a Jan. 8 letter, told the Committee he was a director and stockholder in the Dallas bank, but was not resigning the post or selling the stock. He did dispose of other stock and resign from other firms that had direct and indirect links with military contracts.

These actions were taken after negotiations between lawyers representing Clements and the Senate committee.

But a Defense Department spokesman said late today that Clements has now told Committee Chairman John C. Stennis, D-Miss., that he will resign as director of the bank following Senate confirmation. The Defense official said Clements informed Stennis of his plan to resign after the Jan. 8 letter in which he listed other resignations.

However, Clements plans to retain the bank stock as initially permitted by the Committee, he said. Clements is aware of the bank connection with LTV but believed the link did not warrant reporting to the Committee, the spokesman said.

"We were not told about the bank connection with LTV," Hughes said in an interview. "This is an apparent conflict-of-interest and we're going to have to look into it."

Clements could not be reached for comment.

According to LTV, First National of Dallas was one of several banks backing a $75 million line of credit for the LTV aerospace subsidiary. The Dallas bank also is sharing in support of a $25 million term loan, LTV said.

However, neither the bank nor LTV would say how much of the line of credit and term loan was being financed by First National. So far, LTV has used $33 million of the line of credit, LTV said.

First National at one point had more than just financial interest in LTV. When the parent corporation—one of the first of the big-time conglomerates—suffered losses, its board of directors did some housecleaning.

James Ling, founder of the conglomerate, was ousted as chief executive. Replacing him for a three-month period in 1970 was the president of First National of Dallas, Robert H. Stewart III.

Nixon nominated Clements on the recommendation of Sen. John G. Tower, R-Tex. Tower and Clements served together on the board of directors of Southern Methodist University.

Tower is a leader of the Texas delegation's fight to keep open the A-7 production line at LTV and eventually win for the Dallas firm a contract for hundreds more of the fighter-bombers.

Tower and Chairman George Mahon, D-Tex., of the House Appropriations Committee, hope to win Pentagon approval of a plan to use the A-7 as the chief tactical support plane for U.S. ground soldiers.

Currently, the Air Force wants to develop a new ground support plane, the AX. Only last week, the Pentagon announced that Fairchild Industries of Hagerstown, Md., was the winner of the AX contract for 10 developmental planes.

Eventually, the Air Force hopes to buy 600 of the AX planes.

But some in the Air Force also favor using the LTV A-7 rather than the Fairchild plane.

If confirmed by the Senate, Clements would be in an important position to have a major say about choosing between the A-7 or AX for a 300 to 600 aircraft production run.

Although the A-7 costs more than the AX (about $2 million compared to $1.4 million per plane) both the Air Force and Navy believe the A-7 is the more versatile plane.

"The LTV plane has a tremendous all-weather bombing capability as well as ground support," a spokesman for Tower explained. "The AX would be pretty much strictly a ground support plane."

It was Tower and Mahon who rescued LTV last year when plans were under way to halt new purchases of the A-7 and shut down the Dallas production line.

Despite stiff Senate opposition, Mahon and Tower got through an additional $85.4 million measure for production of 24 more A-7s. This was enough to keep the LTV production line open and give planners the option of picking the A-7 over the AX.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 31 minutes remaining.

Mr. HUGHES. Mr. President, would the Senator from Mississippi yield for a parliamentary inquiry?

Mr. STENNIS. Mr. President, I yield for that purpose.

Mr. HUGHES. Mr. President, was there no division of time for debate as between the nominees? It was the understanding of the Senator from Iowa that we would spend the first hour on the nomination of Mr. Clements and the second hour on the nomination of Mr. Schlesinger.

The PRESIDING OFFICER. Under the agreement there are 2 hours on the two nominations en bloc.

Mr. STENNIS. Mr. President, I will be brief. I do ask for quiet, Mr. President.

The PRESIDING OFFICER. There will be order in the Senate.

Mr. STENNIS. Mr. President, I greatly appreciate the interest of the Senator from Iowa. He has been eminently fair in this, as he always is.

Mr. President, we need to give a little of the background. Just what does this examination consist of with reference to the financial affairs? This is formal testimony, more or less put together by the Armed Services Committee. It is not written into law.

We do have a statute that disqualifies a man from taking part in the negotiations of a contract if he is an official in any company or corporation in which he has an interest. It just says that he has to disqualify himself and he is not eligible to participate. And if he does not disqualify himself, he could be prosecuted.

Mr. President, that is altogether a different matter. That is the law. But here is what we have tried to do. We have what we call the master list. It contains a list of all the people and companies and corporations that do major business with the Pentagon. It is figured out on an annual basis. And on that list are all of those who do $10,000 or more of business with the Pentagon, or a little less than that.

So we took that master list and ran Mr. Clements' holdings against it. There was no evidence that we had or that he had that the First National Bank of Dallas was doing any business with the Pentagon. The Pentagon did not know it. It was not on their list, and they are not doing any business with the Pentagon.

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

Mr. STENNIS. I yield.

Mr. HUGHES. I think it is obvious that Mr. Clements knew it, and I would ask the chairman if he would not agree that Mr. Clements knew it.

Mr. STENNIS. No; I could not agree to that. I just do not know. I stand by the statement that the First National Bank of Dallas was not doing any business with the Pentagon.

It happened that the question of credit was not raised to Mr. Clements by anyone. I did not know anything about it—that there was a line of credit with that bank by one of the contractors that does a lot of business with the Department of Defense. I do not know whether Mr. Clements knows anything about it. I just do not know. I talked to him on the telephone, only, about this matter. In any event Ling-Temco-Vought—we had just as well give the name of it; there is nothing secret about it—has that line of credit.

I do not know how much credit. But anyway, the First National Bank of Dallas was not on the list. There was no way for Mr. Clements to know that he was supposed to sell his stock. He willingly agreed to sell any that we did find any question about. I have never seen any nominee more willing to cooperate with the committee to the fullest extent—to the nth degree—than was this man Clements. I had a 2-hour conference with him; he came to Mississippi to see me about the hearings, and I told him all about the procedures. I have never seen any man more willing, more honest, more frank to disclose everything. I think that is what he did. Everything that I was able to bring up or that he knew anything about.

So we went along with that. Now, the Senator was very prompt, when he learned about this matter. But here is the amount of the First National Bank's stock that the nominee owns. I have gotten this, I had it yesterday, but I did not bring it with me by oversight, and it did not get into the file.

There are 20 million shares, as I am told, of stock of the First National Bank of Dallas outstanding. Now, Mr. Clements owns 3,420 of those shares, of an approximate value of $171,000. I mentioned this to him yesterday afternoon in that telephone conversation, calling out that number of shares.

Now, how does that compare with the total? Those 3,420 shares are only seventeen one-thousands of 1 percent. If you know how to write that out in decimals, you can do it; but it is seventeen one-thousandths of 1 percent of the stock in that bank. That is what the man owns; seventeen one-thousandths of 1 percent.

So that is what I was referring to as being so small. How could the man benefit from saving Ling-Temco-Vought in a contract with the Pentagon? Is he going to increase the value of his stock in the First National Bank of Dallas by doing some favor for them in connection with this line of credit? It is so remote, it is just virtually impossible. But when this was called to his attention, frankly, I told him, "Now, if you just want to, let it all go, and we go on with this matter tomorrow," he simply said, "Well, I will just sell all of it."

That is the whole story. So I go back, now, for emphasis, because this is a matter that has not been debated here in the Senate lately, and we have had dozens and hundreds of these cases. We build up a file on them, and get these committals and everything, and we have not had any of them go bad, so to speak. Every man has lived up to what he has promised, but if he did not, we have a record on him and can prove where he falsified to the Senate.

We have had men like the late Charles Wilson, president of General Motors. He sold a whole lot of his stock. I hate to be personal, but we had Mr. Paul Nitze two or three times before our committee, a man of immense wealth. We had Mr. David Packard 4 years ago, with $300 million worth of one stock—that much value for only one stock. But we made a special situation there whereby he put it in escrow—put it in trust—and gave all the benefits to charity and educational institutions. To have required him to sell it would have broken the market, of course.

So this is a procedure that was worked out, and it has worked well. It is all fixed beforehand, and I am proud of what the committee has done about it over the years, long before I was chairman.

I do not think that Mr. Clements is guilty of the slightest bit of deceit or misrepresentation or failure to report. Everything has to be considered in the light of what the circumstances were at the time. If I had one scintilla of belief that there was anything wrong about this thing, I would have joined with the Senator from Iowa and said, "We will ask the Senate to let us have that report back, and we will reopen these hearings and pursue this thing from here to kingdom come until we get the facts."

I think the Senator already has all of that, or I think the substance. Although I commend the Senator for his vigilance, I believe the committee had all the substantial facts that had any connection with the matter, so far as Mr. Clements knew. So I hope Senators will use discretion and make a commonsense judgment on this matter, before we pass on it.

Mr. President, I am prepared to yield to the Senator from Iowa, or any Senator who wishes to be heard.

I yield the floor.

Mr. HUGHES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 41 minutes.

Mr. HUGHES. Mr. President, I have the greatest respect for the distinguished chairman of the Armed Services Committee, and the distinguished chairman knows that better than any other Member of this body, in our own personal relationship with each other. The Senator from Mississippi knows very well that the Senator from Iowa does not question his integrity, his thoroughness, or his willingness to investigate matters such as this.

We have had a very interesting development, however, here on the floor of the Senate today, Mr. President. We have seen a willingness to disclose not only the number of shares of stock held in a corporation, but the value of those shares, apparently, so far as I know for the first time in a long time.

In an attempt to make it look as though the Senator from Iowa is trying to kill a mosquito with a telephone pole, the distinguished chairman of the committee is saying this is only seventeen one-thousandths of 1 percent of all the stock held.

Mr. President, the distinguished chairman misses the point entirely. The point is the willingness to voluntarily state what you own. We can determine whether it is insignificant or not. Surely the Senator from Iowa knows the difference between an infected hair and a boil. but he has to see both to be able to describe the difference.

But let us be cautious when it is to their advantage to say that it is insignificant. Surely the Senator from Iowa might have reached that conclusion, had a willingness to give the information to the committee voluntarily appeared. But the distinguished Senator from Mississippi, though believing expressly in the integrity of the gentleman from Texas being appointed to this prominent position, still offers to the Senator from Iowa no explanation that sounds logical to the Senator from Iowa as to why there was nothing but silence from the nominee on this subject.

Mr. President, I do not want to belabor the point of the significance or the insignificance of seventeen one-thousandths of 1 percent of the total stock of the First National Bank of Dallas that was not willingly disclosed to the committee. The Senator from Iowa would again point out that Mr. Clements was a director on the board of the bank. For all I know, the lines of credit that had been then extended to this manufacturer of aircraft being bought by the Defense Department may be only nine one-thousands of 1 percent of the line of credit they have extended to other corporations. I do not know what the relationship is. I did not have the opportunity to examine it. The Senator from Iowa has not been able to get the information in time to have any effect on this debate. But the Senator from Iowa still thinks it is important that on any nomination considered by the Senate, by the country, by the President—and certainly by the appointee himself, when he is to assume one of the most important positions in our Nation—it is important for him to fulfill, if nothing more, his individual responsibility in trying to disclose to the Amercan people everything that can be disclosed philosophically, financially, and in every other way, in relationship to this nominee.

So, Mr. President, the points that the Senator from Iowa originally made still stand, so far as he is concerned, unchallenged.

In the philosophical context, I believe the nominee is in disagreement with the policies of the Chief Executive, and indubitably these differences in philosophy will have an impact on those making recommendations to the nominee and on the nominee's recommendations to the White House.

The Senator from Iowa wants to point out that perhaps it is possible Mr. Clements did not know of the existing lines of credit to LTV, and the Senator from Iowa has no way of knowing that and, in all fairness and candor, the Senator from Iowa wants to point that out—but it would seem to the Senator from Iowa that, being on the board of directors of the bank extending large lines of credit to a corporation that was, indeed, in the manufacture of aircraft being bought by the Pentagon, the nominee might have made the effort to find out whether there was any involvement in those contracts that might prove embarrassing to him, or to the Pentagon, in the processes of the hearings or the debate. That was not done. So the Senator from Iowa is saying that if there was an oversight, it was a grave error. If he was unaware, he had the responsibility of being aware. Because I know this man will be confirmed today, the Senator from Iowa will have to share the hope of all that the integrity was there and that the willingness to disclose was there and that, somehow, in the frustrations and the pressures, the hearings, and so forth, it was an oversight.

I wish that could be confirmed on the floor of the Senate today. If it could, it would make the Senator from Iowa feel much more comfortable in the aftermath of this debate.

Mr. President, I yield the floor.

Mr. SYMINGTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. SYMINGTON. Who is controlling the time?

Mr. STENNIS. I control the time for the committee report.

Mr. SYMINGTON. May I ask the distinguished Senator from Mississippi, were we not going to start discussion at 3 p.m. today and vote at 4 p.m.?

Mr. STENNIS. We have the Schlesinger matter coming up next. Does the Senator wish to speak on the Clements nomination?

Mr. SYMINGTON. No. I thank the Senator.

Mr. STENNIS. Mr. President, I appreciate again the presentation of the distinguished Senator from Iowa. The reference to the small amount of stock was not 17 one-thousandths of the total stock, but 17 one-thousandths of 1 percent of the total stock in the First Na-

tional Bank. That is why I say it makes it such a small matter.

Now, Mr. President, I do not care to take any further time of the Senate on this matter.

I have a statement here covering his statement about his resignation from all the board of directorships that he is a member of, except the executive board of the Boy Scouts of America.

HIGHLIGHTS REGARDING FINANCIAL HOLDINGS MATTER OF MR. CLEMENTS

Mr. President, the letter of Mr. Clements, page 173 of committee hearing—to the chairman—sets forth the financial matter. He indicated that he will sell the Keebler stock which is on the list within 90 days after confirmation. He quotes a resolution, a certified copy of which is in the committee files, from the SEDCO Corp. stating that it will henceforth accept no Department of Defense work. He also indicates that he will resign certain directorships.

In a subsequent letter of January 22, in order to clarify any doubt he indicates that he will resign all directorships except membership on the executive board of Boy Scouts of America. He subsequently indicated that he would sell the stock in the First National Bank of Dallas. This stock is not on the master list but the press has noted that this bank is one of the main creditors for a major defense contractor of LTV.

Mr. Clements has agreed to sell his bank stock and this will be done within 90 days after he assumes office.

Let me emphasize that this matter has arisen entirely after the committee hearings had been completed and was called to my attention only yesterday by Senator HUGHES.

I want to emphasize that the sale of this bank stock should not be considered a precedent insofar as the sale of stock not on the defense master list is concerned. In view of the need to have Mr. Clements confirmed as quickly as possible and on the job there is not the time to fully weigh all aspects of this matter and, therefore, in the interest of time this matter has been resolved as I have indicated which is to sell the bank stock.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter dated January 22, 1973, to me as chairman.

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

SEDCO, INC.,
January 22, 1973.

HON. JOHN C. STENNIS,
Chairman, Armed Services Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In order to confirm for the record what I have previously informed you personally, please be advised that should I be confirmed as Deputy Secretary of Defense, I will resign all the Directorships which I now hold except my position on the National Executive Board of the Boy Scouts of America.

Sincerely,

W. P. CLEMENTS.

Mr. STENNIS. Mr. President, so far as I am personally concerned, that would conclude the debate on this nomination.

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. HUGHES. As I understand it, there was no division of time on the question of debate, so that debate could be brought up at any time prior to 4 p.m.; is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUGHES. Inasmuch as I have the floor for a minute, I should like to explain to the distinguished Senator from Mississippi that I do not intend to oppose the nomination of Mr. Schlesinger but to support it; so that I do not have any right to handle the time of anyone who may be in opposition to it.

Mr. STENNIS. I have asked the Senator to handle the time, anyway. We are making progress and getting the Senator from Iowa on our side.

Mr. SYMINGTON. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. SYMINGTON. Would the distinguished Senator permit me to make a statement on the nomination of Mr. Schlesinger at this time?

Mr. STENNIS. Oh, yes, I am glad to yield for that purpose.

THE PROPOSED NOMINATIONS OF SECRETARY OF DEFENSE RICHARDSON AND CIA DIRECTOR SCHLESINGER

Mr. SYMINGTON. Mr. President, in the Democratic Policy Committee, it was agreed that probably the best time to ask nominees for appointment in the executive branch about their concept of the activities of the position in question was when they came before the Senate for confirmation.

With that premise, I asked and received unanimous consent to submit a list of written questions to Secretary of Defense-designate Elliot Richardson. I also wrote a letter to the chairman of the Senate Armed Services Committee and ask unanimous consent that a copy of this letter be inserted at this point in the RECORD.

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

JANUARY 15, 1973.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Because of pressure to confirm these three positions even prior to the Inauguration, I will attempt to have some questions which I believe should be answered in your hands by this evening. I refer to the nominations of Secretary Richardson, Deputy Secretary Clements and Director Schlesinger. May I say with great respect, however, that there would seem to me no need for such a rush.

In that, in effect, Mr. Schlesinger will head up an organization of thousands of men which in at least one country has been directing United States activity in a war over a period of years, I had hoped the hearing on him could have been open, understand that was the original plan.

The CIA Director reports directly, and only, to the President. He therefore heads up what could well be called the "President's Army," comparable to the former British concept of "the King's Men" (the letter in no way reported to the Parliament).

I believe the American people should have the right to have a look at the man now nominated to head up that Army; otherwise there can only be further disrespect for the true role of the Senate, and a further lack of confidence in Government in general.

Sincerely,

STUART SYMINGTON.

Mr. SYMINGTON. Mr. President, the hearings on the newly appointed Director of the Central Intelligence Agency, James Schlesinger, for whom, based on my experience as a member of the Joint Committee on Atomic Energy, I have both admiration and respect, were held in executive session. As my letter to Chairman STENNIS presents, inasmuch as the CIA, an agency which has conducted U.S. operations in the long and costly Laotian war—a war that has cost the taxpayers of America billions of dollars—in effect, in an operation of this character, functions without any meaningful legislative supervision as the "President's Army," I would hope that at some time there be a public hearing, so the people of this country could know more about the leader of this Army.

I ask unanimous consent that the group of questions I asked originally of Secretary Richardson be inserted at this point in the RECORD, as well as Secretary Richardson's replies to the questions.

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

QUESTIONS OF MR. RICHARDSON BY SENATOR SYMINGTON, SUBMITTED FOR THE RECORD

Question. In an answer to Senator Thurmond (p. 27 of the January 9 transcript) you agreed that in supporting a "clear sufficiency" of U.S. military strength, you meant superiority over the Soviet Union.

What does superiority mean in the field of strategic nuclear weapons?

Answer. The term superiority as applied to the field of strategic nuclear weapons is currently most frequently used to describe that period in which the United States enjoyed a marked advantage in numbers of nuclear weapons deliverable to a potential enemy's territory. In responding to Senator Thurmond's question as to the equivalence of the term "clear sufficiency" with the term "superiority" I stated, "I think this is essentially correct, Senator Thurmond, taking into account our capabilities as a whole, including our technological capability, and keeping in view the objective of deterring aggression." As I use the term "clear sufficiency" of U.S. military strength, I intend the term to mean a strategic weapons capability unambiguously capable of deterring any other Nation from resorting to the use or threat of use of strategic nuclear weapons for the settlement of international differences, since the level of a clearly sufficient United States military posture would make such an alternative by another Nation unacceptably unattractive.

Question. Would not any effort to achieve superiority mean an effort to gain a first-strike capability?

Answer. No. Neither this Administration, nor to the best of my knowledge, any other administration has followed a policy of attempting to attain a first-strike capability.

Question. How do you square this with your statement (p. 107) that the United States should not take steps that are subject to a primary interpretation that they are intended as a move toward the development of a first-strike capability.

Answer. There is no inconsistency whatsoever.

Question. Doesn't an effort to achieve superiority necessarily mean an intensification of the nuclear arms race?

Answer. No. I believe that we have maintained a clear sufficiency in the strategic weapons field throughout the past four years,

during which period the President has been able to obtain the ABM treaty and the interim agreement on offensive weapons. Certainly neither of these agreements could be characterized as an intensification of the nuclear arms race.

Question. You have stated your view that Vietnamization is a success and that the South Vietnamese can defend themselves. At the same time, you indicated that successful Vietnamization permitting the disengagement of United States forces and even with the return of American prisoners of war would not be a satisfactory solution.

Do you support renewed bombing of North Vietnam to achieve some objectives beyond these?

Answer. I do support Presidential objectives beyond the successful disengagement of U.S. forces and the return of our prisoners of war. Some of the additional objectives I support are to obtain an accounting of Americans missing-in-action, and an end to the conflict in Southeast Asia. I also support the objective that the people of South Vietnam be given a reasonable opportunity to determine their own political destiny without attempts from outside South Vietnam to impose by military aggression a political system upon them. I am very hopeful that the current negotiations will further these objectives. I am not prepared to hypothesize as to what military contingencies I would be prepared to support in order to accomplish such objectives since it is not clear to me at this time that our objective of the return of our American prisoners of war could be clearly distinguished and secured in the absence of some progress also toward the additional objectives which I have mentioned.

Question. What further additional objectives should we seek by bombing the populated areas of North Vietnam?

Answer. It is my understanding that the United States has targeted only military targets in North Vietnam and has not targeted civilian populations. I do not believe that any objectives of the United States will be furthered by targeting civilian populations, and I know of no one who has advocated or suggested such a course. As you know, the President has ordered the cessation of all bombing, shelling and mining of North Vietnam, and I support that Presidential action.

Question. Are these objectives sufficiently important to warrant the alienation of our allies such as Canada, Australia and West Germany?

Answer. I do not believe that the actions taken by the United States have alienated our allies. Further, I am certain that such disagreements with and misunderstandings of our actions in Vietnam as may have arisen can be at least mitigated and hopefully entirely overcome when the circumstances related to the negotiations which make it imprudent now to discuss fully our activities in detail no longer pertain, and when an official account of what has actually transpired in the negotiations can be preached to our allies.

Question. Is our interest in the stability of Southeast Asia so great that the United States should be willing to remain indefinitely in a state of war?

Answer. It has been the President's constant goal to terminate U.S. involvement in the war and to end the war itself. The President's proposal of May 8, 1972, delineates clearly and succinctly the minimum objectives of the United States for ending the armed conflict in Southeast Asia. The President's statement, in connection with the announcement of May 8, 1972, proposals, well expresses the extent of the interest of the United States in the stability of Southeast Asia, and I do not believe it is either necessary or desirable to expand upon the President's quite comprehensive explanation.

Question. You expressed the belief that a genuine interest of the United States is at stake in Southeast Asia.

What is that interest?

Answer. The United States does have a genuine interest in the method of resolution of international disputes by means that avoid armed aggression in any part of the world. The United States has numerous international commitments, and the manner of fulfillment of these commitments can affect the credibility of our mutual security agreements. In the case of the conflict in Southeast Asia, the commitment of the United States under President Nixon's policy is being fulfilled, first, through the policy of Vietnamization which makes unnecessary the use of U.S. ground forces and, second, through the President's proposals of May 8, 1972, for the termination of the Southeast Asian conflict. World stability and order are clearly in the interest of the United States.

Question. Does it involve in any way the containment of China?

Answer. No.

Question. Does it relate to the retention of American bases?

Answer. No.

Question. If a cease fire is achieved and American prisoners of war are returned, would that interest require the resumption of U.S. air warfare if North Vietnam and the Viet Cong violate the cease fire?

Answer. It would not be appropriate for me to presume a violation of a cease fire agreement that has not even yet been consummated, nor would it be appropriate for me to speculate on actions, military or otherwise, which might be considered should other prospective signatories to an agreement not yet consummated be violated to some unspecified extent and at some undetermined future time.

4. You have indicated your support for the President's unilateral actions in invading Cambodia, mining Haiphong and using carpet bombing by B–52s as a negotiating instrument.

What, in your opinion, are the limits on the President's exclusive authority to make war?

Answer: First, I would like to note that under the Constitution, the President's decisions as Commander-in-Chief are required to be unilateral for only he is designated as Commander-in-Chief. Those decisions on military operations made by President Nixon were made as Commander-in-Chief in the context of a state of hostilities that began before he became President. The President was not an initiator of a new conflict. Secondly, I do not believe I have ever suggested or concurred that the President was in your words "using carpet bombing by B–52s as a negotiating instrument". As I have stated previously, the United States has targeted only military targets.

When the President finds the country engaged in armed hostilities by whatever means those hostilities arose, he has the responsibility as Commander-in-Chief to direct the military operations of the Armed Forces of the United States in that conflict.

Question. Do these limits go beyond the subjective elements of his self-restraint and the dictates of his conscience?

Answer: The limits on a President of the United States are many and varied, ranging across the spectrum of checks and balances flowing from the provisions of our Constitution. Indeed, the restraints range from the requirement for Congressional appropriations to the requirement for confirmation of every Presidential Appointee in the Government, including commissioned officers in the Armed Services. In addition to the checks and balances in the Constitution, there are a wide number and variety of constraining factors which must be considered, including, but not limited to, the overall foreign policy objectives as well as the economic and political well-being of the Nation. Indeed, in no other form of Government are the actions of the Chief Executive and Commander-in-Chief so safeguarded as in our Constitutional Republic.

Question. Why cannot Congress at least be consulted arbitrary Presidential military action occurs?

Answer: Again, I question whether the term "arbitrary" can appropriately be applied to decisions on military operations made by the President as Commander-in-Chief. By the Constitution, the President is Commander-in-Chief, and I certainly concur with the conclusion of the framers of the Constitution, that the national security of the Nation requires that the Chief Executive be vested with sole power as Commander-in-Chief. Accordingly, I do not believe that it is appropriate to characterize the President's execution of his Commander-in-Chief responsibilities as "arbitrary."

Both the time constraints related to military operations and the sensitivity of the interrelationship between military actions and negotiations for peace can, and on occasions do, militate against prior consultations with the Congress to the degree which some might believe desirable and which under other circumstances might be possible and appropriate.

Question. Do you really regard Congressional participation in seeking to control military action by the United States as "an extraneous factor"? (p. 73)

Answer: I think what is involved is the concern on the part of the President and those who are charged by him with the responsibility for the negotiating process that Congressional action cutting off funds under any specified conditions could be interpreted, in effect, as undercutting the negotiating position of the United States and inducing the other side to hold out for terms that they might not otherwise seek. What we are dealing with is essentially a process that by its very nature requires a direct day-to-day confrontation of negotiators representing each side. Actions by the Congress under such circumstances dealing with the support of military action by the United States which is interrelated and intertwined with these day-to-day negotiations could be counterproductive to the accomplishment of our objective of a cease fire in Southeast Asia.

Question. You have stated that the United States should make no reductions in our military forces in NATO because of the pendency of negotiations on mutually imbalanced force reductions. These negotiations have been described as possibly the most complex in the entire area of arms control.

Does this mean that throughout the years of the MBFR talks we should continue to maintain some 300,000 American military personnel in Europe?

Answer. While I am hopeful that the mutual and balanced force reduction negotiations could result in meaningful agreement in less than a period of years, it must surely be apparent that unilateral reductions in our military capability in Europe, while such negotiations are in progress, would be force reductions which are neither mutual nor balanced and could, in my opinion, jeopardize not only the potential for success in the MBFR talks but also jeopardize the continued viability of NATO's effective deterrent and the security of both Europe and the United States. As you know, NATO has deterred war in Europe for a quarter century.

Question. If this is the result, can we afford such arms control negotiations?

Answer. Not only can we afford arms control negotiations, but I am convinced that the maintenance of an effective force in Europe by the United States is a sound investment and one which we can ill afford not to afford.

Question. Why would not a smaller, leaner and more combat-ready force give us at least equal bargaining strength?

Answer. Substantial progress has already been made in the last four years in stripping the fat from our military forces in NATO and in improving their combat readiness. This effort to improve the efficiency of our forces and to enhance their combat readiness should, of course, continue; and I anticipate that additional personnel can be shifted from support to combat-type assignments within NATO, but I would not want to suggest that this process will result in a substantial reduction of the U.S. forces now in Europe. As you know, the Nixon Doctrine states a willingness to negotiate, but only from a position of strength and partnership. I believe the success of this policy was proved in SALT I.

Question. You've stated the belief that the defense budget cannot be reduced in dollar terms but that it can become a smaller proportion of the total budget. Nevertheless there are bound to be sharp increases in defense spending unless some significant areas of cost saving can be found.

Where would you plan to look for such cost savings?

Answer. Initially, I believe that cost savings may be possible in the personnel area. Conceptually, I am convinced that a part of the answer can lie in improved personnel utilization. In the professional areas, I believe we can make a greater use of paraprofessionals. Through increased reliability across the life cycle of our weapon systems, personnel requirements for maintenance can be reduced. For another thing, we must continue to implement civilianization programs.

While it is not easily to generalize in so complex an area as weapons acquisition, I do believe that we should continue to increase the application of the concept of designing to cost. We should also pursue prototyping wherever it is feasible and continue to limit concurrency of development and production to the maximum extent consistent with the imperatives of a successful deterrent.

Question. In your answers rejecting the reduction of our troops in Europe because of MBFR and approving the decision to go ahead with the ABM as essential to success in SALT I, you clearly support the "bargaining chip" argument.

Doesn't this argument validate accelerated development of weapons systems?

Answer. I have never to my knowledge stated that force structure decisions for our Armed Forces should be made solely on the basis of influencing negotiations. Neither, however, do I believe that the United States can afford to neglect the strength of these military forces in the euphoric hope that international agreements can nonetheless be negotiated which will ultimately invalidate the need for such forces. To be successful in negotiations, we must negotiate from strength, and irrespective of negotiations, I believe that our military forces must, in any event, be adequate to constitute a sufficient deterrent and to protect our people, if necessary.

Question. Doesn't this argument give priority to the presumed political impact of weapons systems regardless of their actual military efficacy?

Answer. No.

Question. Doesn't this argument convert negotiations about arms control into an excuse for a stepped-up arms race?

Answer. No.

Question. If this is to be your approach and your advice, how will you prevent massive increases in defense expenditures?

Answer. As I explained in answer to one of the previous questions, the determination of what and how many weapons to acquire should be based on their overall utility in our forces for deterrence in order to keep our military forces strong and to insure that we maintain a superiority in our technological base. As I noted previously, I have in no way suggested that weapons acquisition be accelerated for the sole purpose of influencing negotiations.

Question. You have stated that the United States should not play the role of policeman of the world. You say also, however, that a settlement which gets us out of Southeast Asia and gets our prisoners back, is not satisfactory because the area may remain unstable.

What is so special about that area that should make us the policeman for Southeast Asia?

Answer. The assumption of the question is not correct. We do not believe that the U.S. is a policeman for Southeast Asia. President Nixon's policy has reduced the level of U.S. forces in Vietnam from a ceiling of 549,000 ground combat forces to less than 23,800 military personnel this week. It is under this same policy that President Nixon has pursued the negotiation track to bring about a cease fire and to end the necessity for U.S. military involvement in Southeast Asia. That is why hundreds of thousands of Americans, sent there under previous policies, have come home from Southeast Asia; and that is what the Nixon Doctrine is all about, worldwide.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that a group of further questions, contained in my letter to Mr. Richardson of January 18, 1973, directed against his original answers, the replies to which have not yet been received, be inserted at this point in the RECORD. When they are received, I plan to vote for his confirmation.

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

JANUARY 18, 1973.

Hon. ELLIOT L. RICHARDSON,
Secretary of Health, Education and Welfare, Independence Avenue SW., Washington, D.C.

DEAR MR. SECRETARY: Thank you for your answers to my submitted questions. After reading them, I would ask the following:

I remain confused about the meaning you give to the term "clear sufficiency," by "clear sufficiency" do you mean effective deterrence of the use or threatened use of nuclear weapons, and not "superiority"?

At the same time, it would seem that an effort to achieve "superiority" is somehow different from an attempt to attain a first strike capability. Do you favor an attempt to attain nuclear superiority over the Soviet Union?

Alternatively, do you mean that "superiority" means no more than "clear sufficiency"; and if so, do you consider that the Soviet Union presently has a similar "clear sufficiency"? If the latter, does this mean that both countries somehow simultaneously can enjoy "superiority"?

Frankly, your answer to my question with regard to the objectives you would seek to achieve by renewed bombing of North Vietnam is not responsive. You state it is not clear that our objective of the return of our American prisoners of war could be "clearly distinguished and secured" in the absence of some progress toward additional objectives. Did not Dr. Kissinger's October outline of the proposed peace agreement indicate that it would bring about the return of our prisoners and an accounting for all missing in action within 60 days, subject only to the withdrawal of the remaining U.S. forces in South Vietnam? Do you have reason to believe that we cannot now reach this favorable an agreement and that we have missed this opportunity?

My questions did not assert that the United States had targeted civilian populations in North Vietnam. Rather, I referred to the bombing of targets in the populated areas. It is your position that we have not bombed targets in these populated areas? If so, how can one explain the admitted damage to a civilian hospital and to foreign embassies in downtown Hanoi?

Do you believe that the United States could resume the bombing of populated areas in North Vietnam without endangering relations with our allies?

Do you discount as frivolous or insincere the remonstrations that have been made by Australian officials, the resolution unanimously adopted by the Canadian Parliament and the comments of the Chancellor of the Federal Republic of Germany? Your answers confirm that the December bombing was directly related to the negotiations.

It is genuinely your expectation that revelation of the negotiating record would lead these allies to accept our use of intensive bombing as an appropriate negotiating tool?

Your answer to my question about the interest of the United States which is at stake in Southeast Asia refers only to our general interest in world stability and order, and in the peaceful resolution of international disputes. Would this interest, in your opinion, warrant involvement in local or regional disputes elsewhere in the world on the scale of our Vietnam involvement? If not, what is there about Southeast Asia that differentiates our interest there from the rest of the world?

Am I correct in understanding that you would reserve the possibility of resumption of United States military action in Southeast Asia in the event of violations of a settlement agreement?

In all frankness, your answer to my question with regard to the limits on the President's exclusive authority to make war again is also unresponsive. You state that "the President's decisions as Commander-in-Chief are required to be unilateral for only he is designated as Commander-in-Chief." Do you mean to suggest that any and all decisions on military actions in Southeast Asia are exclusively for the President under his Commander-in-Chief power? If not, may I ask again what you regard as the limits?

In addition, if the President has this exclusive power, how do you reconcile this with your statement that "in no other form of Government are the actions of the Chief Executive and Commander-in-Chief so safeguarded as in our Constitutional Republic"?

Does Congressional action in raising and supporting military forces, and in authorizing their overseas deployment, give the President sole power as Commander-in-Chief to determine when and how these forces are to be used?

I commend your candor, although I cannot agree with your reasoning, in stating that our NATO forces should not be reduced while negotiations for mutually balanced force reductions continue. With that premise, however, I would ask, do you expect our NATO allies also to hold the line, or will they continue to reduce their contribution to the NATO defense forces?

I am glad to have your clarification rejecting the "bargaining chip" argument as the basis for force structure decisions and weapons acquisition; and would, of course, agree that our military forces must "be adequate to constitute a sufficient deterrent and to protect our people, if necessary." With such forces, are we not also in a position to negotiate from strength?

You state you do not believe that the United States is a policeman for Southeast Asia. Would you therefore support the position that after the return of our prisoners of war and an accounting for those missing in action, the massive United States military forces that still remain in Southeast Asia should not again be committed to combat there?

To the following questions, I would also appreciate a reply:

Most of the questions raised in the Congress tend to involve our strategic forces; therefore much less attention is devoted to the cost and mission of our conventional, general purpose forces.

In this connection, kindly furnish for the record the amount of the Fiscal Year 1973 budget which is primarily devoted to our NATO commitment, either directly or indirectly.

I note that, as submitted, the budget provided $8.8 billion for strategic forces and $25.6 billion for general purpose forces, with the other major programs, such as R&D, Guard and Reserve, etc, constituting the remainder. The cost of our general purpose forces, therefore, is on the order of $3 as compared to $1 for our strategic forces. (This assumes, of course, that the remainder of the budget support is in approximately the same proportion as the direct cost of the strategic and general purpose forces. The total requested FY 73 budget authority was $81.7 billion.)

It is my understanding that most of our general purpose forces are primarily earmarked for the NATO contingency, especially since the Nixon Doctrine excludes the use of land forces in the Far East. I realize that estimates of the NATO cost to this country have varied over the years. Several years ago the Department estimated the annual cost at $14 billion. This calculation, however, omitted several significant cost items; and a more recent estimate, by outside sources, has been on the order of $25 billion annually.

I would ask for your estimate, including all costs—annual costs of the Reserves, now totaling over $4 billion annually and most of which is ear-marked for NATO use, plus a proper proportion of retired pay, now also amounting to $5 billion annually, properly attributable to the cost of having maintained the NATO commitment.

This question makes clear that the conventional cost should not be limited to those United States troops which are stationed in NATO.

Sincerely,

STUART SYMINGTON.

Mr. HUGHES. Mr. President, if no one wishes to speak at this moment, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. 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. STENNIS. Mr. President, I yield 3 minutes to the Senator from Texas.

Mr. TOWER. I thank my distinguished chairman.

I shall be brief, Mr. President. I have not said anything during the course of this debate because I know that the distinguished chairman of the committee is the most able advocate that Mr. Clements can have. But I am delighted to have the opportunity to stand on the floor of the U.S. Senate and urge the confirmation of the nomination of a man such as Bill Clements.

Bill Clements is a self-made man. He has contributed a great deal to the economy of our State. He is one of the great producers in these United States. By "producers" I mean one who has contributed to the economic growth of our country. He is a man who is tough-minded and able, and yet is warm and human and public spirited.

He has a long record of having worked unselfishly for various worthwhile causes. In the State of Texas, he served very ably, at the call of his President, on the blue ribbon defense panel and worked with great diligence on that commission to analyze and try to recommend solutions to the various problems that confront the Department of Defense.

It has been my privilege to know Bill Clements as a community leader, as one interested in public affairs, and to work with him in his capacity as chairman of the board of governors of Southern Methodist University, a post that he now reluctantly relinquishes for the purpose of broader service to his country.

I know of his interest in young people, and that is evidenced by his intensive activity and leadership in the Boy Scouts movement. As one of those concerned with higher education, I have been gratified at his efforts in the interests of privately supported education in the United States. I hope the day never comes when education will be a monopoly of the State. Institutions of higher education these days face a state of financial crisis.

Bill Clements is the kind of man who gives of his own resources financially and of his time and his immense talent and energy to furthering privately supported higher education in this country. I think I would not be remiss in quoting what the president of Southern Methodist University said of Bill Clements' departure from the board of governors. He said, simply, "He will be irreplaceable." It is that kind of irreplaceable man who should fill positions in the Government of the United States.

I certainly can attest to his character and his honesty, and I hope that nothing that has been said here about his financial connections will be interpreted as reflecting on his character or his integrity, because he certainly has proved that he has both. This man is a naturally unselfish servant of his fellow man. I hope we do not get to the point in the U.S. Senate that we ultimately insist that a man virtually pauperize himself for the privilege of serving the people of the United States. The only men who should serve in high positions in Government are those who have already proved themselves to be successful and capable, and we are not going to be able to recruit such men if we insist that they suffer economic punishment every time they agree to serve.

I would note that people who serve in capacities such as that for which Mr. Clements has been nominated have more rigid requirements in terms of conflict of interest than we in the Senate have. What he holds and has been asked to divest himself of, we could legally hold and still vote on vital matters of authorization and appropriation that might favorably influence the economic condition of companies in which we might have securities.

So again I want to commend Mr. Clements for having stripped himself of those things that we have asked him to divest himself of, for his willingness to serve his country, and to express the certain knowledge that he will be a faithful, able, and constructive public servant. I urge the confirmation of his nomination by the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time do I have remaining—the time that I control?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. STENNIS. Mr. President, how much time is remaining for the other side?

The PRESIDING OFFICER. The other side has 32 minutes remaining.

Mr. STENNIS. Mr. President, will the Senator from Iowa yield to me 10 minutes of his 32 minutes?

Mr. HUGHES. I am happy to yield to the distinguished chairman of the committee such time as he may need.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. I thank the Senator for yielding. I did not hesitate to ask the Senator to yield because I knew he would be happy to do so.

The PRESIDING OFFICER. The Senator may proceed.

JAMES R. SCHLESINGER

Mr. STENNIS. Mr. President, James R. Schlesinger has been nominated by the President to be Director of the Central Intelligence Agency. He has been serving now since 1971 as Chairman of the Atomic Energy Commission. He was, of course, confirmed by the Senate as a member of that Commission in 1971.

The Committee on Armed Services recommends approval of Mr. Schlesinger's nomination. Twelve of our 15 committee members were recorded in favor of the nomination and there were no dissents. Two members recorded themselves as present; one of them only because he wished to reserve the right to delay certain Presidential nominations, and the other because he was not a committee member at the time the hearings were held.

Mr. Schlesinger has a distinguished record, in Government and in the academic world. He has specialized in the area of national security, and I believe he is well qualified to serve as head of the Central Intelligence Agency and as coordinator for the entire intelligence community.

INDEPENDENT JUDGMENTS

Because of the sensitivity of this position, the hearings on Mr. Schlesinger's nomination were held in executive session. As chairman, I have told the Senator from Missouri (Mr. SYMINGTON) that we will try to hold some hearings later in which Mr. Schlesinger can testify publicly—at least at the start.

I want Senators to know now, however, that Mr. Schlesinger has assured us that the intelligence community, under his leadership, will continue to make independent judgments, free of all pressures and influence. He wants to generate intelligence estimates which reflect an honest appraisal of all the data at hand.

To me this is supremely important. I believe the CIA has always sought to

produce independent assessments. If our experts ever depart from such an independent course, we are on our way to having no intelligence at all.

Mr. Schlesinger has also assured that he will appear to testify when called before the appropriate Senate and House committees.

What I have said about reports to the President means he is going to report directly to the President and the intelligence community of which he is the leader will make these independent judgments and directly report them. We think that is a highly important principle.

I am satisfied that Mr. Schlesinger is beyond all doubt well qualified to serve in this new position.

From 1969 through 1971 he was with the Bureau of the Budget and the new Office of Management and Budget. As assistant director of the OMB he was responsible for national security activities and international programs.

In that capacity he was intimately acquainted with the operations of the intelligence community. Just before moving to the AEC in 1971 he drafted certain recommendations on those operations which formed the basis for a reorganization of the intelligence community which was ordered by the President late in 1971.

I am sure this experience will serve him well in his new job. I hope the intelligence community, under his direction, will be able to generate the necessary intelligence for policy makers and eliminate duplication and the gathering of information which is not really needed.

Mr. President, the Central Intelligence Agency, the central part of it, has had a very clean budget and a very conservative budget under retiring Director Helms, who has done an outstanding job. I will have more to say about him later and his fine record. However, the reorganization of all the intelligence community had just been effected. He had not had a chance to get into that very much.

Mr. Schlesinger has given double assurance that he will, under that new plan, get into these additional aspects.

The Armed Services Committee, as is its custom, secured information from Mr. Schlesinger with respect to his financial holdings. He will, of course, not be directly involved in contracting, but he has agreed to divorce himself entirely from dealings with one firm in which he holds stock.

Mr. President, I think it is well known that I have admired the way in which Mr. Richard Helms has carried out his responsibilities as Director of Central Intelligence. I think we are fortunate to have a man of Mr. Schlesinger's qualifications nominated to succeed Mr. Helms. I urge that this nomination be approved by the Senate.

I ask that certain biographical data be printed in the RECORD at this point for the information of Senators.

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

JAMES R. SCHLESINGER

James R. Schlesinger was born in New York City on February 15, 1929. He attended schools in New York, and did college and graduate work at Harvard University from which he received an AB (summa cum laude) in 1950, an MA in 1952, and a PhD in 1956.

Career highlights:

1956–1963—Assistant and associate professor of economics, University of Virginia. During part of that period, he was a Consultant to the Federal Reserve Board of Governors, Consultant to the RAND Corporation, and was the Academic Consultant in Economics to the Naval War College in 1957. His lectures there appeared as a book, "The Political Economy of National Security," in 1960.

1963–1969—Senior staff member and later Director of Strategic Studies, the RAND Corporation, Santa Monica, California. He specialized in strategic analysis with particular reference to nuclear weaponry.

1969–1971—Assistant Director of the Bureau of the Budget and, subsequently Assistant Director of the Office of Management and Budget. He served as Acting Director of BOB during the transition to OMB. He had responsibility for OMB activities associated with national security and international programs, served as BOB representative on the Environmental Quality Council (predecessor of the present Council on Environmental Quality), and BOB–OMB representative on the Space Council, and on sundry National Security Council committees.

1971–present—Chairman, Atomic Energy Commission Head of U.S. Delegation to the 16th International Atomic Energy Agency General Conference.

Mr. Schlesinger is the author of numerous memoranda and technical articles on national security matters and on monetary, fiscal and labor economics.

He is married to the former Rachel Mellinger of Springfield, Ohio. They have eight children and live in Arlington, Virginia.

Mr. STENNIS. Mr. President, I repeat for emphasis that we were all impressed with Mr. Schlesinger's background, his fine grasp of problems, his intimate knowledge of those problems, and his overall capability. I think he will do a splendid job. I think it is a very difficult task. It is one of those agencies of Government that has to take the licks and bricks for everything that happens and everything that is said, and keep on doing a good job.

It would be frightening to me to think about us trying to exist in this modern world without a capable Central Intelligence Agency and particularly frightening to think how any human being could even begin to discharge his duties as President of the United States without a capable agency, with an outstanding man at the head of it. I think we have had a man who has done a very outstanding job, and that man is now retiring. I am happy that Mr. Schlesinger will be able to carry on.

Mr. President, I ask unanimous consent that there be printed in the RECORD certain portions of the report filed with the Senate on this nomination.

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

COMMITTEE ACTION

Mr. Schlesinger's nomination was forwarded to the Senate on January 4, 1973, and referred to the Committee on Armed Services on January 8, 1973. This report follows hearings held on January 12, 1973, during which the committee carefully scrutinized the nominee's credentials and qualifications. After full consideration, the committee finds the nominee eminently qualified for the position of Director of Central Intelligence and overwhelmingly recommends that the nomination be confirmed. The committee heard Mr. Schlesinger in executive session on the date noted above and his nomination was thereafter acted on favorably by the committee with 12 members voting in the affirmative, 2 voting present. There were no negative votes. It was agreed to report favorably the nomination of Mr. Schlesinger to the Senate.

QUALIFICATIONS

The nominee is currently serving as Chairman of the Atomic Energy Commission having been confirmed for that position by the U.S. Senate on August 6, 1971. During his career, Mr. Schlesinger has served in a number of other capacities of national importance. In 1969 and 1971 he was appointed Assistant Director of the Bureau of the Budget and later became the Acting Director during the transition to the Office of Management and Budget. He has also served on a number of councils and committees of the National Security Council where he occupied positions of leadership and responsibility.

The nominee's biographical sketch as provided to the committee is attached and made a part of this report.

WILLINGNESS TO TESTIFY

During the course of the hearings, Mr. Schlesinger assured the committee that he would willingly appear before the Senate committees when requested to testify as provided for in the resolution of the Senate Democratic conference.

FINANCIAL HOLDINGS

The committee found that Mr. Schlesinger had no securities which would give rise to a conflict of interest with respect to his duties as Director of Central Intelligence.

CONCLUSION

It is the view of the committee that Mr. James R. Schlesinger is thoroughly qualified for the post to which he has been nominated and favorably reports that nomination. The committee recommends the nominee's confirmation by the U.S. Senate.

BIOGRAPHICAL SKETCH OF JAMES R. SCHLESINGER

James R. Schlesinger was born in New York City on February 15, 1929. He attended schools in New York and did college and graduate work at Harvard University from which he received an AB (summa cum laude) in 1950, an MA in 1952, and a Ph. D. in 1956.

Career highlights

1956–63 Assistant and associate professor of economics, University of Virginia. During part of that period, he was a consultant to the Federal Reserve Board of Governors, consultant to the Federal Reserve Board of Governors, consultant to the Rand Corp., and was the Academic Consultant in Economics to the Naval War College in 1957. His lectures there appeared as a book, "The Political Economy of National Security," in 1960.

1963–69: Senior staff member and later Director of Strategic Studies, the Rand Corp., Santa Monica, Calif. He specialized in strategic analysis with particular reference to nuclear weaponry.

1969–71: Assistant Director of the Bureau of the Budget and, subsequently Assistant Director of the Office of Management and Budget. He served as Acting Director of BOB during the transition to OMB. He had responsibility for OMB activities associated with national security and international programs, served as BOB representative on the Environmental Quality Council (predecessor of the present Council on Environmental Quality), and BOB–OMB representative on the Space Council, and on sundry National Security Council committees.

1971–present: Chairman, Atomic Energy Commission, Head of U.S. delegation to the 16th International Atomic Energy Agency General Conference.

Mr. Schlesinger is the author of numerous memorandums and technical articles on na-

tional security matters and on monetary, fiscal, and labor economics.

He is married to the former Rachel Mellinger of Springfield, Ohio. They have eight children and live in Arlington, Va.

Mr. STENNIS. I am glad to yield now to anyone who wishes to speak either for or against the nomination.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield for a question.

Mr. MANSFIELD. Mr. President, have Mr. Clements and Mr. Schlesinger indicated their willingness to appear before the Senator's committee or other committees when reasonably and, to use the words of the distinguished Republican leader, seasonably requested?

Mr. STENNIS. Yes. That is covered in my opening statement. It was covered in the open hearings. Both of them clearly and willingly responded that they were willing when called to come in and testify.

Mr. MANSFIELD. I thank the Senator.

Mr. STENNIS. I am glad the Senator raised that point.

I am glad to yield now to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank the distinguished Senator from Mississippi. I commend him for the fine leadership he has exhibited in holding hearings in fairness and in justice and I am sure that it will inure to the benefit of the American public.

Mr. President, I rise to support the nomination of Mr. Schlesinger to be Director of the Central Intelligence Agency. We have had a lot of people come before the Committee on Armed Services during my 18 years in the Senate, and I think that one of the most impressive men I have ever known to appear before that committee is Dr. James R. Schlesinger. He is now chairman of the Atomic Energy Commission. He is a man of great ability and learning. He graduated from Harvard summa cum laude and he later received his masters degree and his doctors degree.

He has had experience in government in various capacities. He served as Assistant Director of the Budget, and during the transition period to the Office of Management and Budget, he acted as Director. He served on a number of councils and commissions and on the National Security Council.

In my judgment, it would be difficult for the President to locate a more able, a more experienced, and a better qualified person to serve as Director of the CIA.

This is a most sensitive position. It is a most important position. In fact, almost the life of the Nation depends upon not only our preparedness to meet an attack, but the information we receive as to what is going on in countries as to whether we will probably have an attack. The CIA is extremely important for that reason.

Dr. Schlesinger has signified his willingness to appear before committees, as stated by the chairman in response to the question of the distinguished majority leader. His testimony showed he had no securities which presented any conflict of interest.

The nominee's excellent background will enable him to perform as an effective coordinator of the intelligence community. His demonstrated managerial qualities will also be valuable in the management of the secret apparatus of the CIA. Hopefully, he can do away with any duplication which may now exist within the intelligence communities.

Mr. President, the nominee succeeds Richard Helms, who has performed with distinction in the high post of CIA Director. The nation owes Mr. Helms a debt of gratitude for the outstanding service he has rendered as CIA Director during the past 7 years. In closing, I hope the Senate will promptly confirm the nomination of Mr. Schlesinger as I feel he will be a credit to our Nation and will discharge his responsibilities to this office with great credit to himself, in addition.

Mr. HUGHES. Mr. President, I yield myself such time as I may need.

As the Senator from Iowa indicated earlier, he rises in support of the appointment of Dr. Schlesinger as Director of the CIA. The Senator from Iowa is indeed troubled many times about what condition world order seems to be in our lifetime, but in the order of the world today, with continued utilization of war as a political instrument for settling the differences between different segments of humanity on the earth, whether divided by region or by country, it seems to me that, in the interest of our society and our country, it is necessary to maintain such an instrumentality as the Central Intelligence Agency.

The control of such an agency is extremely important. The knowledge of what is being undertaken around the world by such an agency, both inside various countries of the earth and between the countries of the earth, is extremely important.

It has been hinted in the past that the involvement of this agency in the rise and fall of governments in various continents of the world has been a matter of common practice, that the wielding of influence to governments that are friendly to this Nation that we all love dearly is one of the prime purposes of its existence, that the gathering of information on present and potential adversaries of this Nation is of exceeding importance to the security of the Nation as well as to the balance of power in other areas of the world where international differences may exist between nations.

The potential to disrupt, to do wrong as well as good, exists in such an agency. The potential to sew the seeds of future wars may even exist in such an agency unless handled carefully by the best minds, the best consciences, and the best hearts that this country can produce.

The CIA has been known as the private intelligence eye of the President of the United States, an office that we all respect. It has the unilateral capability of conducting many affairs—most affairs—of which the people of this country will never be aware, that will never be disclosed to them. This being a democracy, a free society, they rely on the leadership of Congress to make determinations, as well as the President of the United States, in his conscience, in the direction of the affairs of our Nation.

The purpose and the reason for the Senator from Iowa's saying this today is to point out simply the fact that in an agency that seems absolutely essential to our survival as a free people, that has such great potential not only for security but for harm unless handled wisely, with conscience and political direction, and with moral concern for the survival of the human race, we must have the best that we can give and respect and honor.

I sat through the hearings on Dr. Schlesinger. This Senator was not familiar with this man in the past, but I was completely impressed with his directness and willingness to respond. The hearings that were held probably will not be disclosed to the public, though the Senator from Iowa wishes they would be, because it is the common practice not to disclose such hearings. But even in the dark recesses of secrecy there must be light, control, efficiency, and respect, and that is the kind of man or woman we are reaching for in this capacity continuously. It is my belief that the President has found such a man. It is my hope from the bottom of the heart that that belief is correct.

I think it would be important to this body to know that in the questioning there arose occasion to ask if this agency had ever been involved in the surveillance of public officials in this country, and the answer was direct. Dr. Schlesinger had been assured that the agency was never engaged in such activities, and he further stated he guaranteed that as long as he was Director they never would be engaged in such activities.

Such cannot be stated for other intelligence-gathering communities in our country. I hope they would take note of this practice, which is not only prevented by law but by common practice, and as they also have recently assured us that they are not doing, that they would guarantee the privacy and freedom of public officials, both elected and appointed, and all the people. As I read some recent history of our world for the past quarter of a century, I think I see the importance of this agency and of the ability of people in it to protect the future of our Nation. As our society advances and its capability for destruction advances and the delicate instrument of peace may be threatened and it becomes more important to protect ourselves against total destruction, the need for a man in this office with the greatest respect and integrity that can be found within the boundaries of our country increases proportionately.

The Senator from Iowa hopes we have such a man, and in fact believes that we have, and that is the reason he is supporting this nomination.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, let me say in passing that I know this is the first time in some while that there has been debate on the floor with reference to the financial holdings of gentlemen who are nominated to some of these offices. It is a wholesome thing to have such matters come out and explained. It is well to explain the committee's activities in this field.

I want to mention that many of these men are disposing of certain holdings and, in doing so, are making a considerable sacrifice in money by selling stock they would not otherwise have to sell.

I point out that it does not have to involve the sale of much stock to mean that a person would have to pay $50,000 in taxes on the profits.

I just mention those things in passing. That is one reason why we try to work out something that is reasonable and safe and logical and so that it will not require the nominee to be stripped to the bare bones financially and be forced to give up everything that he has pertaining to his family security.

The membership of the committee, since I have been serving on it, has been very reasonable in that respect. The members of the committe are very reasonable in performing one of their important functions in connection with this responsibility.

It seems to me, Mr. President, that there is a little more time here than we are actually going to have to use on these matters.

Mr. President, I note that it is only 10 minutes until the announced time for the vote. If no one wishes any time, 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, will the Senator from Mississippi or the Senator from Iowa yield me 2 minutes?

Mr. STENNIS. Mr. President, I yield the distinguished Senator from West Virginia such time as he may require.

DEPARTMENT OF AGRICULTURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed with the consideration of the nominations for the Department of Agriculture at this time.

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

The legislative clerk proceeded to read sundry nominations in the Department of Agriculture.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished chairman of the Committee on Agriculture and Forestry (Mr. TALMADGE) as to whether or not the committee has been given a satisfactory understanding from the nominees that they would appear before the committee and testify at the request of the committee in the future?

Mr. TALMADGE. Mr. President, I will say in response to the inquiry of the distinguished acting majority leader that I personally asked Mr. William W. Ervin, of Indiana, Mr. Clayton Yeutter, of Nebraska, and Mr. John Knebel, of Virginia, whether in the event the Committee on Agriculture and Forestry desired their presence for any reason, they would appear, and each answered in the affirmative.

Mr. ROBERT C. BYRD. And the chairman and the committee were satisfied completely on that point?

Mr. TALMADGE. The chairman and the committee were satisfied to the extent that we reported all three nominations to the Senate unanimously.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

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. ROBERT C. BYRD. 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.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Mississippi.

NOMINATION OF WILLIAM P. CLEMENTS, JR., TO BE DEPUTY SECRETARY OF DEFENSE AND NOMINATION OF JAMES R. SCHLESINGER TO BE DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. 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. STENNIS. Mr. President, I yield the Senator from Rhode Island such time as he may require.

Mr. PASTORE. Mr. President, first of all I want to compliment the President of the United States and also the committee for their action on the nomination of James R. Schlesinger to become the Director of the Central Intelligence Agency. I did not know Jim Schlesinger until he became the Chairman of the Atomic Energy Commission. I must say that I have never met a man with greater talent and more dedication, or better qualified to carry out that function. I am happy that the committee has seen fit to endorse the nomination, and I shall vote for its confirmation.

Mr. President, I understand that the Senator from Tennessee would like to have the floor for just a moment before the vote, which is scheduled to take place in approximately a minute and a half. I yield to the Senator from Tennessee.

Mr. STENNIS. Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee and wish I had more time.

Mr. BAKER. I thank the distinguished chairman for yielding to me so that I may add my endorsement and support to that of many others who have expressed support for the two nominees today.

Mr. President, I know both men and have known them over a period of time in an official capacity and also personally. I feel that they are both eminently well qualified and well suited to the jobs they are about to undertake.

I might mention one special thought about Mr. Schlesinger who served with such distinction as Chairman of the Atomic Energy Commission. As a member of the Joint Committee on Atomic Energy, I have had occasion to deal with Mr. Schlesinger on a number of difficult and complex issues. He is a dedicated public servant and will bring great dignity and efficiency to the administration of the job he is about to undertake.

I commend the President for his choices in both respects, and I shall happily support their confirmation.

Mr. STENNIS. Mr. President, what is the pending order of business before the Senate?

The PRESIDING OFFICER (Mr. BARTLETT). The hour of 4 p.m. having arrived, and pursuant to the previous order, the Senate will now proceed to vote on the nomination of William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense in the Department of Defense.

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

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. STENNIS. Those in favor of the nomination of Mr. Clements to be Deputy Secretary of Defense will vote "yea," and those opposed will vote "nay"; is that correct?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), and the Senator from Indiana (Mr. BAYH) are absent on official business.

I also announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL) is necessarily absent.

The Senator from New York (Mr. BUCKLEY), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

The Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The result was announced—yeas 74, nays 11, as follows:

[No. 2 Ex.]

YEAS—74

Aiken	Bentsen	Byrd, Harry F., Jr.
Allen	Bible	Cannon
Baker	Biden	Case
Bartlett	Brock	Chiles
Bellmon	Brooke	Clark
Bennett	Burdick	

Cook	Hruska	Pell
Cotton	Humphrey	Percy
Cranston	Jackson	Randolph
Curtis	Javits	Roth
Dole	Johnston	Saxbe
Domenici	Kennedy	Schweiker
Dominick	Long	Scott, Pa.
Eagleton	McClellan	Scott, Va.
Eastland	McClure	Sparkman
Ervin	McGee	Stafford
Fannin	McIntyre	Stennis
Fong	Metcalf	Symington
Griffin	Montoya	Taft
Gurney	Moss	Talmadge
Hansen	Muskie	Thurmond
Hart	Nunn	Tower
Haskell	Packwood	Weicker
Hatfield	Pastore	Williams
Helms	Pearson	Young

NAYS—11

Abourezk	Gravel	Mondale
Byrd, Robert C.	Hathaway	Nelson
Church	Hughes	Proxmire
Fulbright	Mansfield	

NOT VOTING—15

Bayh	Hollings	McGovern
Beall	Huddleston	Ribicoff
Buckley	Inouye	Stevens
Goldwater	Magnuson	Stevenson
Hartke	Mathias	Tunney

So the nomination of William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense in the Department of Defense, was confirmed.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of the nomination.

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

The Senate will now proceed to vote on the nomination of Mr. Schlesinger. The question is, Will the Senate advise and consent to the nomination of Mr. James R. Schlesinger to be Director of Central Intelligence? 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. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE) and the Senator from Indiana (Mr. BAYH) are absent on official business.

I also announce that the Senator from Kentucky (Mr. HUDDLESTON), is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL) is necessarily absent.

The Senator from New York (Mr. BUCKLEY), the Senator from Maryland (Mr. MATHIAS) and the Senator from Alaska (Mr. STEVENS) are absent on official business.

The Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The result was announced—yeas 85, nays 0, as follows:

[No. 3 Ex.]

YEAS—85

Abourezk	Eastland	Montoya
Aiken	Ervin	Moss
Allen	Fannin	Muskie
Baker	Fong	Nelson
Bartlett	Fulbright	Nunn
Bellmon	Gravel	Packwood
Bennett	Griffin	Pastore
Bentsen	Gurney	Pearson
Bible	Hansen	Pell
Biden	Hart	Percy
Brock	Haskell	Proxmire
Brooke	Hatfield	Randolph
Burdick	Hathaway	Roth
Byrd, Harry F., Jr.	Helms	Saxbe
	Hruska	Schweiker
Byrd, Robert C.	Hughes	Scott, Pa.
Cannon	Humphrey	Scott, Va.
Case	Jackson	Sparkman
Chiles	Javits	Stafford
Church	Johnston	Stennis
Clark	Kennedy	Symington
Cook	Long	Taft
Cotton	Mansfield	Talmadge
Cranston	McClellan	Thurmond
Curtis	McClure	Tower
Dole	McGee	Weicker
Domenici	McIntyre	Williams
Dominick	Metcalf	Young
Eagleton	Mondale	

NAYS—0

NOT VOTING—15

Bayh	Hollings	McGovern
Beall	Huddleston	Ribicoff
Buckley	Inouye	Stevens
Goldwater	Magnuson	Stevenson
Hartke	Mathias	Tunney

So the nomination of James R. Schlesinger, of Virginia, to be Director of Central Intelligence, was confirmed.

Mr. STENNIS. Mr. President, I move to reconsider the vote whereby the nomination was confirmed.

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

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask that the President be notified immediately of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

TRIBUTE TO RICHARD M. HELMS ON HIS RETIREMENT AS DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

Mr. STENNIS. Mr. President, we have rarely had a chance to talk about Mr. Helms here since he has been the Director of the Central Intelligence Agency. One such matter arose in connection with an amendment to an appropriations bill. I remember that we had a debate that night. The late senior Senator from Louisiana, Mr. Ellender, the chairman of our Appropriations Committee, and several of us had worked on that budget for years. We brought out then the outstanding work that Mr. Helms had done.

Mr. Helms has served for 6 years as the Director of the CIA. He is the first one who came up through the ranks. He has been in the intelligence work and in the Central Intelligence Agency since it was created. He came all the way up and was nominated 6 years ago by the late President Lyndon Johnson. He served with distinction.

Frankly, I was disappointed when I heard he was going to retire. My statement does not relate in any way to the ability of Mr. Schlesinger. I have already stated he is an outstanding man. I have said this even before I knew who his successor might be.

Mr. President, 6 years is a long enough time to carry the load and responsibility of being the Director of the CIA and carrying the things in his head that only he knows. They are not written anywhere, many of them. He is aware of disturbing things, that come to him, upon which he has to make a judgment.

It is not altogether a thankless task. However, we do not have an opportunity to realize what all of these men undergo and the load they carry. Still they have to smile and keep quiet when someone attacks them, and those attacks come largely because the person who attacks them does not know all the facts.

I want to say a word of appreciation today for the outstanding job, performed over more than 6 years, by Mr. Helms as Director of Central Intelligence—a position which includes responsibility for administration of the Central Intelligence Agency and for coordination of the entire intelligence community. And that includes the other agencies of the Government that are engaged in the collection of intelligence information as well as those partially passing on it.

I also want to pay a personal tribute to Mr. Helms. He has spent a lifetime in the intelligence business—a business that is different, uncertain, difficult and greatly misunderstood at times by many. Nevertheless, this splendid official leaves his job with a richly deserved reputation for personal integrity.

Mr. President, I emphasize that matter of personal integrity and all of the ups and downs and shifts in stands and changes of climate as well as changes made in the intelligence climate in terms of war and otherwise.

Mr. Helms has handled one of the Nation's most difficult jobs and handled it exceedingly well. Moreover, he has set a precedent by showing that a career intelligence officer can aspire to—and fill—the top intelligence job in the Nation—in fact the top job of its kind in the world.

Mr. Helms began his intelligence career in World War II. He joined the Central Intelligence Agency when it was established on September 18, 1947, after service with predecessor organizations. In CIA he rose to Deputy to the Deputy Director for Plans, and, in 1962 to Deputy Director for Plans.

He was named Director of Central Intelligence by President Johnson in June 1966. Renominated by President Nixon in 1969, he has served under two Presidents, one a Democrat and one a Republican.

Under the direction of Mr. Helms, CIA has applied itself to the gathering and analysis of intelligence. Policymaking

has been left to the policymakers as Mr. Helms said it would be when he testified before the Senate Armed Services Committee on his nomination in 1966.

Those of us close to his work agree that Mr. Helms has done an outstanding job in a position which will always be, by its nature, subject to some controversy and criticism.

Mr. Helms will be 60 in a couple of months, and that is the rather rigidly enforced retirement age in CIA. Characteristically, however, though he could surely retire in good conscience, he has accepted another important position in Government service.

After he leaves CIA, he will go to Iran as U.S. Ambassador. I believe he will do an outstanding job in this highly important position. My warm congratulations and hearty good wishes go with him.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

INTERNATIONAL CLERGY WEEK IN THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 163.

The PRESIDING OFFICER laid before the Senate the joint resolution (H.J. Res. 163) designating the week commencing January 28, 1973, as "International Clergy Week in the United States," and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be read a third time, read the third time, and passed.

NOMINATION OF ELLIOT RICHARDSON TO BE SECRETARY OF THE DEPARTMENT OF DEFENSE

Mr. STENNIS. Mr. President, I wanted to make a statement or two for the record with regard to the nomination of Mr. Richardson. The nomination was scheduled to be taken up on Thursday of this week. Of course, the Senate will not be in session, for reasons already given. As I understand, the nomination will be open to debate on Friday of this week, but the vote will be carried over until Monday of next week.

Mr. MANSFIELD. The Senator from Mississippi is correct.

Mr. STENNIS. For the information of Senators who expected to be here then—no one is at fault—it could have been taken up this afternoon, but it will have to go over. I ask the leadership if there could be an agreement now to have a vote on the nomination on Monday and agree to a time for discussion prior to that vote.

Mr. MANSFIELD. Mr. President, I ask unanimous consent—and I think I do this with the approval of the concerned parties; if not, it will be subject to change—that at the hour of 1 o'clock on Monday next, the Senate go into executive session to consider the nomination of Mr. Richardson to be Secretary of Defense, and that the vote occur at the hour of 2 o'clock, the time to be equally divided in the interim.

The PRESIDING OFFICER. To be controlled by whom?

Mr. MANSFIELD. To be controlled by the distinguished chairman of the committee—

Mr. STENNIS. And the Senator from Missouri, if he desires; otherwise the leader.

Mr. MANSFIELD. The majority leader or whomever he may designate.

Mr. JAVITS. Mr. President, if the Senator will yield, will 2 or 3 minutes be available to me at that time?

Mr. MANSFIELD. Mr. President, I change the time for the vote from the hour of 2 o'clock to 2:30 on Monday next.

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

Mr. STENNIS. Mr. President, I wish to state that the Senate will have some debate on Friday on the confirmation of the nomination of Mr. Elliot Richardson to be Secretary of the Department of Defense. The matter will then go over according to the unanimous-consent agreement and be debated further beginning at 1 o'clock on Monday, with a vote to be had at 2:30 that afternoon.

I am not going to be able to be present in the Chamber on Friday. Therefore I want to hereby endorse Mr. Richardson and his qualifications for the post of Secretary of the Department of Defense.

We have had a very thorough consideration of his qualifications. His financial picture was fully disclosed. We have carefully, as always, gone through the matter of the possibility of conflict of interest. He fully met all of the requirements of the committee under the general formula and the requirements of the committee with reference to his financial holdings and the conflict of interest question.

Mr. President, Mr. Richardson is an experienced man in governmental affairs. One thing that I do want to emphasize is that it is understood that he will have access to the President of the United States on major decisions involving the Department of Defense and the military and any situation involving the possible use of the military.

I think that is an important point, Mr. President. I am not referring to any other situation, of course, but it is something that is important to my mind.

I can recommend and do recommend now to the Senate his confirmation to the post of Secretary of the Department of Defense.

As far as I now know, there is no substantial objection to Mr. Richardson's confirmation. The matters have been fully taken up and the facts have been developed. They are now better understood, and we have cleared up the points that were raised.

Mr. President, I yield the floor.

ORDER FOR THE YEAS AND NAYS ON CONFIRMATION OF NOMINATION OF MR. ELLIOT RICHARDSON TO BE SECRETARY OF THE DEPARTMENT OF DEFENSE

Mr. ROBERT C. BYRD. Mr. President, at the request of a Senator, I ask unanimous consent, as in executive session, that it be in order, at this time, to order the yeas and nays on the confirmation of the nomination of Mr. Richardson on Monday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Is there a sufficient second on ordering the yeas and nays? There is a sufficient second, the yeas and nays are ordered.

DIRECTOR OF THE COST OF LIVING COUNCIL SUBJECT TO SENATE CONFIRMATION

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar No. 1, S. 421.

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

The assistant legislative clerk read the bill (S. 421) by title, as follows:

A bill to provide that appointments to the Office of Director of the Cost of Living Council shall be subject to confirmation by the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, the pending bill, S. 421, is a bill to provide that appointments to the Office of Director of the Cost of Living Council shall be subject to confirmation by the Senate. The bill was reported unanimously by the Committee on Banking, Housing and Urban Affairs. As a matter of fact, the action was recommended by the administration itself. Secretary Shultz said he would be very glad to have the appointee to the office required to be confirmed by the Senate. He thought it ought to be done.

I call attention to the fact that this gentleman is already serving. It was hoped we could get this legislation through earlier in order that we might be ready for confirmation on the 29th, when Mr. Dunlop comes before the Senate for testimony.

Mr. TOWER. Mr. President, will my distinguished friend yield?

Mr. SPARKMAN. I yield.

Mr. TOWER. Mr. President, I concur in and confirm everything that the distinguished Chairman of the Banking, Housing and Urban Affairs Committee has said. This is legislation that was recommended by the administration, because of the far-reaching authority and responsibility of the Director of the Cost of Living Council, particularly now in the absence of the Wage Board and the Price Commission. It was thought by the administration that this should be done. Of course, this means that, being subject to confirmation, the Director of the Cost of Living Council also will be subject to

coming down to us on the Hill and talking with us from time to time if we request his presence.

Speaking for the minority, I know of no objection on this side, and therefore support this legislation.

It is my understanding that the chairman intends to call hearings for Monday, the 29th. Is that correct?

Mr. SPARKMAN. That is correct.

Mr. TOWER. So I am hopeful we can act with great dispatch on this nomination.

Noting the facility of the distinguished chairman of the Banking, Housing and Urban Affairs Committee for getting things done, I think it is characteristic that he is the floor manager of the first bill to be reported to the Senate this year.

Mr. SPARKMAN. Mr. President, I should like to mention one thing that we might keep in mind. This man takes the place of the two men who had headed the Wage Board and the Price Commission under phase II. Actually, while they were not originally required to be confirmed, we did pass legislation to the effect that anyone coming after them would be confirmed.

Mr. TOWER. Mr. President, the Senator is correct. Actually, what we specified was that the Chairman of the Wage Board and the Chairman of the Price Commission be confirmed.

Mr. SPARKMAN. The Senator is correct.

Mr. TOWER. And they are no longer with us. There never has been a requirement that that be changed. Actually Mr. Dunlop, the nominee, will take over the job for phase III. And I think that it would be proper that we should have confirmation of him.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished chairman of the committee. Since the President announced his phase III and the decision to drop mandatory controls and decided to drop the Wage Board and the Price Commission, it occurred to me that we should have an opportunity to pass on this cost-of-living matter.

We knew that Donald Rumsfeld, who headed it before, was considered to be in the White House and therefore would not require confirmation.

I am delighted to see that both the chairman of the committee and the ranking minority member both agree that Mr. Dunlop should be confirmed. I am delighted to hear that the administration also does.

I am sure, as the chairman of the committee pointed out, we did originally require that any member of the Wage Price Board could be appointed in the future if he received Senate confirmation. So, if we do not confirm Mr. Dunlop, it would be a serious mistake.

I think very highly of Mr. Dunlop's ability. I have known him for more than 30 years. I have followed his career. He has done a superlative job. However, it is so important that we question Mr. Dunlop in considerable detail about his plans. He has had great experience in wage negotiations and very little experience in the price field. It is so important that we get his views.

We all realize that the inflation continues and is very bad. I spoke earlier today and said that we have inflation and that the costs are greater than before phase II was put into effect, in spite of the fact that we have high unemployment. We need a change, and we need a far more vigorous enforcement.

I am very hopeful that the confirmation session we have with Mr. Dunlop will assure the Congress, the country, and also the committee that we have given consideration to determining how we can get better results than we have so far.

Mr. Dunlop has great ability. I think that with respect to John Dunlop there is no question that he would appear to make a good appointee.

I am very happy that the chairman of the committee and the ranking minority member agree with me that we should have confirmation.

I am delighted that it is being pushed as hard as it is by the chairman of the committee.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 421) was passed as follows:

S. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204 of the Economic Stabilization Act of 1970 is amended—

(1) by inserting "(a)" before "The President"; and

(2) by adding at the end thereof a new subsection as follows:

"(b) Effective on the day after the date of enactment of this subsection, the Director of the Cost of Living Council, established by section 2 of Executive Order Numbered 11615 of August 15, 1971, and continued by Executive Order Numbered 11695 of January 11, 1973, shall be appointed by the President by and with the advice and consent of the Senate, and no individual shall hold that position after such date unless he has been so appointed."

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

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RESUMPTION OF TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be the resumption of a period for the transaction of routine morning business with statements therein limited to 3 minutes, the period not to exceed beyond 15 minutes.

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

Mr. ROBERT C. BYRD. Mr. President, in accordance with paragraph 1, rule V, the Standing Rules of the Senate, I ask unanimous consent that a leave of absence be granted for today to the distinguished Senator from Kentucky (Mr. HUDDLESTON) because of a death in the family.

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

ADDITIONAL STATEMENTS

SENATOR McGOVERN IN LONDON

Mr. GOLDWATER. Mr. President, my purpose today is to inquire of my friends on the majority side of the aisle whether the titular head of their party, Senator GEORGE MCGOVERN, of South Dakota, intends to establish an American "government-in-exile" in London until such time as the American people, Congress, and the press recover from what he sees as an "exhaustion of public spirit."

When I read the Senator's remarks from abroad 1 day following the inauguration of President Nixon, I felt astounded that the 1972 Democrat nominee for President is still unable to accept his defeat in good grace. It seems Senator MCGOVERN still believes that his overwhelming defeat was none of his own making. Instead, he blames the press, the Democrat Party, the liberals, and the American people for taking the wrong course and making the wrong decision. What is more, he indulged in some ill-timed remarks about the President and Vietnam in one of the major examples of bad taste that I have ever seen in American politics. For example, the Sunday Times of London quoted Senator MCGOVERN as saying that the latest round of bombing of North Vietnam may have had something to do with the President's emotional makeup. The paper goes on to quote MCGOVERN as saying:

I won't go so far as to say he's insane. I will go so far as to say I find his behavior peculiar.

Mr. President, I perhaps have a better idea than most of how a man feels following a resounding defeat for national office, so I feel qualified to offer Senator MCGOVERN a word of advice. That advice is that the American people appreciate a good loser, but they have absolutely no sympathy with a sorehead. If anyone's behavior can be said to be peculiar at this time, when peace negotiations in Paris are at their most delicate stage, it is the behavior of the Democrat Senator from South Dakota.

ABOLITION OF "REAP"

Mr. MOSS. Mr. President, I have already forcefully protested the action by this administration to halt the rural environmental assistance program—REAP—under which the Federal Government shares conservation-practice costs with the farmer.

To my mind, REAP is one of the most constructive and worthwhile programs ever authorized because it is of continuing benefit to both our environment and our economy, and it encourages self-initiative.

There has just come to my desk one of the best statements on the program, and how it works, that I have seen. It was prepared by the Utah State Commissioner of Agriculture, Mr. Joseph H. Francis. I ask unanimous consent that it be printed in the RECORD.

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

WHY THE "RURAL ENVIRONMENTAL ASSISTANCE PROGRAM" SHOULD BE CONTINUED

I am deeply concerned with the recent announcement eliminating the Rural Environmental Assistance Program. This program has had a tremendous impact in Utah. It has provided the greatest incentive there is—Federal cost-share—to get farmers and ranchers to take care of erosion, sediment, and pollution abatement problems on land under their control. These problems just don't get taken care of without some incentive. I have always felt that the public as well as the private landowner has a responsibility to help preserve our natural resources for future generations.

Many years ago, a soil and water conservation "team" was organized in Utah. This team was made up of:

Soil Conservation Service—Technical service.

Agricultural Stabilization & Conservation Service—Cost-share.

Extension Service—Education and information.

Soil Conservation District—Conservation planning.

State Division of Water Resources—Interest-free loans.

Farmers Home Administration—Loans.

It is through the success of this program, with the farmer providing 60 percent plus of the actual cost, that agriculture has been able to maintain a high level of production, that dust no longer clouds the atmosphere, that our streams are not completely polluted with sediment, that our privately owned rangelands are not denuded and have been able to withstand the pressure of private and public use, and that our wildlife resource has been able to survive.

The conservation of our soil and water resources should be the goal of every American. Private landowners cannot be expected to stand the total cost of erosion control, sediment retention, and salt balance in the substrata. To think that the job is now complete or that this effort should be temporarily shelved in preference to other programs is, in my judgment, false economy.

The elimination of the Rural Environmental Assistance Program is particularly disturbing at a time when the public is demanding a so called "cleanup of the environment," and when the Environmental Protection Agency is invoking new regulations daily on discharge into livestreams. It is beyond comprehension to expect farmers and ranchers to fully finance the cost of structures and land treatment measures necessary to comply with these new demands. Many will be forced out of business.

Maybe Utah has problems which are not prevalent in other areas. The pioneers, in settling the mountain west, concentrated as a matter of necessity on alluvial fans created by mountain streams. The increased concentration of humans and animals along these streams has created a pollution problem of substantial proportion.

We recognize the need for corrective action and feel that some very successful coordinated programs have been developed during the past two years. For example, an action committee consisting of the State Division of Environmental Health, State Department of Agriculture, State Extension Service, and the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service and Soil Conservation Service, was formulated and a plan of action established to abate pollution of livestreams by animal waste. This program was just getting a good start, with 276 projects initiated.

Without the cost-share incentive, this plan will come to a halt, as farmers (cannot) voluntarily perform these expensive measures without assistance.

One outstanding feature in the Utah program has been the fact that 100 percent of the Federal funds provided were used in the application of enduring-type conservation measures having a lifespan varying from 8 to 50 years.

In light of these facts, I sincerely hope that some appropriate action will be taken to re-evaluate and reinstate the Rural Environmental Assistance Program.

GUY E. BASYE LETTER

Mr. MCCLELLAN. Mr. President, I recently received a letter from Mr. Guy E. Basye, executive vice president of the Bruner-Ivory Handle Co. of Hope, Ark., which I would like to share with the Members of this body. It is, I believe, an eloquent statement of the fiscal predicament in which we have found ourselves after years of unbalanced budgets, deficit spending, and credit-card financing.

No nation can long prosper and progress unless it rests upon a firm fiscal foundation. We must have a policy geared to the needs of its citizens but consistent with the available resources. As Mr. Bayse states, it is up to the Congress of the United States to "come to grips" with this situation. I believe it is imperative that we work, with all diligence, to restore sound fiscal policies that will reduce the heavy deficits being incurred by our Government. A balanced budget should be our primary and early objective.

I ask unanimous consent that Mr. Bayse's letter be printed in the RECORD.

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

BRUNER-IVORY HANDLE CO.,
Hope, Ark., January 15, 1973.

Senator JOHN W. MCCLELLAN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The almost constant deficit this Country has suffered in its financial affairs in the past many years, not only has become chronic, but has worsened. The public concern has pretty well eroded and the only salvation this Country has, not only to its financial integrity, but its very existence as a Democracy rests with Congress. Unless that body awakes to its responsibilities and exercises a workable control, the future of this Country is eventually one of failure as a Democracy.

This failure would have occurred long ago, except for the fact, most other Countries of the World have been in the same position, and their financial integrity has eroded along with ours.

Unfortunately for us, however, the West Germans and the Japanese, who lost the War are beginning to practice and enjoy an integrity with their financial structure that will eventually destroy us. When any Country starts establishing a financially strong monetary system, those who do not have a similar system will inevitably suffer and their system will be destroyed. We only have to observe our balance of payment deficit, which responds very well to our other financial situation, and with the United States our deficit of payments is a barometer on which we can see quite clearly what is going to happen to us.

Senator McClellan, the Brock Bill does offer some control over our Federal budget. We urge you to study this bill carefully, and give it the benefit of your sound and experienced thinking. We have been laboring under the illusion that we can spend more than we take in, but the signs are already out and unless some control is exercised, this Country will not long stand in its position.

This is, we believe, one of the most serious situations which has faced this Nation, and we hope you will come to grips with the situation.

Yours very truly,

GUY E. BASYE,
Executive Vice President.

ALEXANDER PETÖFI AND THE FIGHT FOR FREEDOM

Mr. PERCY. Mr. President, this year marks the 150th anniversary of the birth of Alexander Petöfi, Hungarian poet and freedom fighter, who gave his life in the struggle for national independence against the armies of the Hapsburgs and the Russian czar. Petöfi's name, like that of his illustrious contemporary and fellow patriot, Louis Kossuth, has become a symbol of man's quest for freedom and human and national dignity. Petöfi is justly acclaimed as one of Hungary's greatest poets, an outstanding talent among a galaxy of Hungarian literary giants of the first half of the 19th century, including Ferenc Kazinczy, Dániel Berzsenyi, Józef Katona, the two Kisfaludy brothers, Ferenc Kölcsey, Baron Józef Eötovös, Mór Jòkai, Mihály Tompa, Mihály Vörösmarty, and János Arany.

Alexander Petöfi was born on January 1, 1823, in Koskörös and grew up in Félegyháza on the Great Hungarian Plain. He never lost his spiritual and poetic bonds with his native surroundings and throughout his short life remained proud of his humble rural origins in the Puszta-lowland. Part of Petöfi's genius is in the sincere and direct manner that his writings have conveyed to the world the beauty and strength of the Magyar language and brave spirit of the Hungarian people.

The young and restless Petöfi enlisted early in the army but was released because of illness. After suffering privations as a struggling and unknown writer, be gained poetic recognition in 1842 when a leading literary periodical, Athenaeum, printed one of his poems. Two years later Petöfi turned the corner in his career with the publication in book form of his poems, and a complete edition of his poems appeared in 1847. Petöfi became widely recognized and honored for his literary achievements, no small feat for a young man in his early twenties.

With his rise in the literary world, Petöfi became closely associated with other patriotic and revolutionary elements in Hungary. His poems took on a more overtly political tone as he chafed under the restrictions of the Austrian censors, and the oppression of his country by the Hapsburgs.

Events in Europe came to a head with the February Revolution in 1848, which inspired Louis Kossuth to call Hungarians to arms against the Hapsburg

dynasty. Petöfi joined Kossuth in demanding Hungarian independence, and appealing for freedom of the serfs, freedom of the press, and the use of the Hungarian language. The revolution broke out in Budapest on March 15. It is described how Petöfi mounted the steps of the National Museum that day to proclaim, in the words of his poem, "To arms, Magyar!" We can also imagine with what high hopes for a new era Petöfi and his fellow revolutionaries drove away the Hapsburg censors in order to publish copies of this poem for distribution to the people.

But, as in 1956, events were soon to smash these hopes. The Hapsburgs sent troops to quash the uprising, and obtained the aid of the Russian Czar, who intervened in Hungary with an army of 200,000. Petöfi fought bravely as an officer in the Hungarian National Army. On July 31, 1849, the Hungarian freedom fighters were overcome by vastly superior Russian forces near Segesvar in Transylvania. Petöfi was never seen again.

It is said that on the morning of this fateful battle Petöfi recited his eloquent poem on behalf of liberty, "Egy gondolat bánt engemet"—"One thought torments me":

One thought torments me: that I lie
Upon a featherbed to die!
Slowly wither, slowly waste away,
Flowerlike, the furtive earthworm's prey;
Like a candle slowly to be spent
In an empty, lonely tenement.
No death like this, my Lord Divine,
No death like this, be ever mine!
Let me be a tree through which the lightning flashes,
Or the tempest plucks up the roots and smashes;
Let me be a rock from mountain rent asunder,
Hurtled to the gorge by skyearthshaking thunder . . .
When once they rise, all fettered folk
Who've had enough of chain and yoke,
With faces red and banners red, in line
Emblazoned there this sacred countersign:
"World Liberty!"
Exultantly,
Their exultations ring from East to West,
When tyrants come to battle with their best;
My life, let me yield
On the battlefield!
'Tis there that the blood of youth shall flow from my heart,
And when, from my lips, last paeans of joy but start,
Let them be drowned in the clatter of steel,
In the road of the guns, in the trumpet's peal,
And through my still corpse
Shall horse after horse
Full gallop ahead to the victory won,
And there shall I lie to be trampelled upon.—
'Tis there they shall gather my scattered bones,
When once the great day of burial comes . . .
With solemn, muffled drumbeats for the dead,
With sableshrouded banners borned ahead,
One grave for all the brave who died for thee,
O sacrosanct World Liberty!

We do not know where Petöfi fell or how he died. We do know, however, the cause for which he and many of his countrymen have died, and this is a cause that we honor now, as we take this opportunity to pay homage to Alexander Petöfi, the man and poet.

FREEDOM OF THE PRESS

Mr. ERVIN. Mr. President, many Americans have become concerned about recent Government policies and practices which have tended to undermine freedom of the press in our country. One of these practices is the increased Government subpenaing of newsmen for their confidential sources and information.

Over the past several years, I have on numerous occasions expressed my concern about this matter. Although there are certainly some circumstances in which information from newsmen is absolutely necessary to the effective operation of our system of criminal justice, I am strongly opposed to widespread and careless issuance of subpenas to newsmen where Government can obtain information it needs through its own investigative resources.

The Senate Subcommittee on Constitutional Rights held a series of hearings on this matter in the 92d Congress and has scheduled additional hearings to begin on February 20, 1973. It is my opinion that a careful evaluation of the competing interests of effective law enforcement and freedom of the press in this context is one of the most important subjects before the Congress and the country at this time.

The editors of Newsday share my interest in this subject and have recently published an excellent special edition, entitled "Your Freedom To Know," which includes numerous articles on the subpena problem. I was pleased to contribute an article to this special edition and ask unanimous consent that it be printed in the RECORD.

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

FREEDOM OF THE PRESS IN PERIL—PART IV

(By SAM ERVIN, JR.)

Since 1969 we have witnessed the development of a serious conflict between the asserted interests of law enforcement and the interests of preserving a robust and independent press, free from government control and intimidation. The increased subpenaing of newsmen by grand juries and other governmental units has resulted in unprecedented hostile relations between government and the press and, more seriously, undermined the public's confidence in our government's commitment to First Amendment principles.

The problem is not a new one. Indeed, built into our Constitution's explicit protection of a free press is necessary conflict between those who govern and those who were assumed by our Founding Fathers to be vigilant critics of government. It need not concern us, then, that there may be criticism of the press by government officials from time to time. Government officials, like other Americans, have First Amendment rights to express their disagreements with the printed and spoken word of other citizens, including members of the press.

The problem with which I am concerned is what appears to be a dangerous disregard by government of the vital role which a free press plays in our society. In no other way can I understand the rash of subpenas which have been issued to journalists over the past few years. I have regretfully concluded that in many instances these subpenas were issued to substitute for the investigative work which is the responsibility of law enforcement officials. In some cases, it has even appeared that intimidation of the press was an associated reason for the issuance of the subpena.

Consequently, the Senate Subcommittee on Constitutional Rights initiated hearings in 1971 on "the state of freedom of the press in America." Attention at these hearings was focused on the problem of government subpenaing of newsmen. Several bills, introduced in the last Congress, to give protection to newsmen against arbitrary and unnecessary subpenas were considered.

It had been my view that the First Amendment's guarantee of freedom of the press was sufficient in itself as a basis for disallowing arbitrary and unnecessary government subpenaing of newsmen. In the course of the hearings I expressed my hope that the Supreme Court would affirm the wise holding of the Ninth Circuit Court of Appeals in the case of Earl Caldwell (*Branzburg v. Hayes*), which recognized such a First Amendment protection. Once having established a constitutional basis for a newsman's privilege, the courts could best balance the competing interests between the press and government on a case-by-case basis.

Unfortunately, the Supreme Court did not follow the decision of the Ninth Circuit.

In protecting New York Times reporter Caldwell from appearing before a federal grand jury in California investigating the Black Panthers, Judge Merrill of the Ninth Circuit Court wrote: "The need for an untrammeled press takes on special urgency in times of widespread protest and dissent. In such times the First Amendment protections exist to maintain communication with dissenting groups and to provide the public with a wide range of information about the nature of protest and heterodoxy." He warned about the threat to freedom of the press which comes from fear of government interference with the newsmen's investigative process. He cautioned: "To convert news gatherers into Department of Justice investigators is to invade the autonomy of the press by imposing a governmental function upon them. To do so where the result is to diminish their future capacity as news gatherers is destructive of their public function."

Neither the district court nor the Ninth Circuit Court of Appeals in the Caldwell case purported to establish a sweeping, unlimited privilege for newsmen. The general rule set forth by the Court of Appeals requires a balancing of the interests of the First Amendment and the interests of law enforcement. It would simply require that where the public's First Amendment "right to be informed" would be jeopardized by a journalist's submitting to secret grand jury interrogation, the government must demonstrate a compelling need for the witness' presence before he can be subpenaed. The Ninth Circuit opinion emphasized that its rule was a narrow one. It specifically noted: "Not every news source is as sensitive as the Black Panther Party has been shown to be respecting the performance of the 'establishment' press or the extent to which that performance is open to view." The decision struck a wise balance between First Amendment and law enforcement interests under the circumstances of this particular case.

I am compelled to say that the Supreme Court's reasons for rejecting the Ninth Circuit's decisions are neither impressive nor persuasive. The majority opinion does not take into account, the practical effect of its holding on newsmen and the public's right to be informed. At one point the majority opinion naively describes the consequences of its decision as not "forbidding" or "restricting" the use of confidential sources by the press.

Of course, it would be absolutely unprecedented and unconstitutional for the government to "forbid" or "restrict" newsmen from using confidential sources in their effort to enlighten Americans on matters of public concern. That is not the problem raised by the subpenas to Caldwell and other reporters. The problem is how a reporter can continue to gather news and to report to the public from and about sensitive persons and issues when that reporter can be compelled to disclose these confidential sources and information in secret grand jury interrogations.

Aggressive and curious newspaper reporters have always been a tempting and easy source of information for government. Nevertheless whatever short-term benefits may flow from government's reliance upon newsmen as a substitute for its own investigations, the long-term threat to the public's right to be informed about the controversial as well as the routine is too great a risk to take in a free society.

Several affidavits filed with the Ninth Circuit Court by some of the country's outstanding newsmen underline the practical importance of protecting newsmen's confidential sources. They uniformly warn that without some protection from zealous law enforcement, sensitive sources for news about controversial subjects will quickly dry up.

The rationale for protecting newsmen from government inquiry is not to protect them individually, but to insure that the public has access to that free flow of information so vital to a democracy. The First Amendment, including its guarantee of a free press, was designed to make Americans politically, intellectually, and spiritually free. Its prohibition against government suppression and intimidation of the press is couched in sweeping language. In my judgment, the Founding Fathers intended the First Amendment's protection of the press to be literally construed.

In *Branzburg v. Hayes*, the Supreme Court's majority has overlooked the philosophy of the First Amendment's guarantee of a free press. The five-justice majority has casually dismissed the practical effects of its holding which will certainly undermine the ability of reporters to search out the truth for the American people. The majority has apparently forgotten the historic dangers always implicit when government, even for the most noble of purposes, interferes with and restricts the operations of the press. And, I am sadly compelled to believe, it has not fully understood the grand and hopeful assumptions which underlay our Founding Fathers' conviction that men have nothing to fear from freedom of thought, speech, and press as long as truth is free to combat error.

Inasmuch as the Supreme Court has rejected a constitutionally based privilege for newsmen, proposed legislation establishing a privilege for newsmen deserves renewed consideration. After the *Branzburg* decision, I introduced a bill which was designed to protect newsmen with respect to the federal criminal process. Its provisions include:

"A newsman shall be competent and compellable to testify as a witness in a criminal proceeding before a Federal grand jury or a criminal action in a Federal court in respect to information gathered by him for the purpose stated if these conditions concur in respect to such information: First, the information is based on the personal knowledge of the newsman rather than on hearsay communications received by him from others; second, the information tends to prove or disprove the commission of a crime allegedly committed by a third person which is being investigated by the grand jury or made the subject of prosecution in the court; and, third, testimony similar to the information is not readily obtainable from another source." If the testimony sought does not satisfy the three conditions, the bill would provide for a motion to quash the subpena.

While my bill was clearly more limited in its scope than other proposals, I believe it represents balancing of the interests of law enforcement and the interests of a free press. There was not sufficient time remaining in the last Congress to give serious consideration to this bill or several others on this subject. Similar legislative proposals will be introduced in the 93rd Congress, and I intend for the Subcommittee on Constitutional Rights to hold additional hearings on the subject.

With the recent history of the jailing of reporters, I believe that the next Congress will give considerable attention to legislative proposals designed to overcome the unfortunate Supreme Court decision in *Branzburg v. Hayes*, and, thereby, to revitalize the great principle of the First Amendment that the press shall be free from government control and intimidation.

ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. SCOTT of Pennsylvania. Mr. President, January 22 marked the 55th anniversary of the independence of the Ukraine, a time of independence that was all too short-lived. The valiant people of the Ukraine have battled for their freedom for centuries. Many have died, but the spirit of liberty is still very evident.

The Ukrainian people declared their independence on January 22, 1918 after a struggle which began in the mid-17th century when they were brought under Russian rule. Unfortunately, in 1920 Red army troops overran, crushed, and enslaved the new republic. For 5½ decades they have suffered the grim tyranny of Soviet colonial rule.

We hope that at some point in the future of our planet, all men will be free to live in an era of freedom and justice. Pennsylvanians of Ukrainian descent stand together in reminding the world that native Ukrainians still seek a future of independence. Therefore, all citizens of the Commonwealth and the Nation should stand behind these courageous people.

UKRAINIAN INDEPENDENCE

Mr. TAFT. Mr. President, the history of every nationality is studded with glorious moments interspersed with moments of agony and tragedy. In the history of the Ukrainian peoples one of the most glorious historic moments was January 22, 1918, the day when the Ukrainian National Rada proclaimed the independence of Ukraine by its fourth universal.

The Ukrainian nation dates its recorded history to the early ninth century when Kiev, on the banks of the mighty river Dnipro, was an important trade center on the route from Greece to the northern realm of the Vikings. The princess who ruled Kiev gradually grew in strength and influence to the point where they ruled over all the territory of Eastern Europe, and dictated trading policy to Constantinople. At the time, the people called themselves literally "Rusyns", and the country "Rus,"—or transliterated from the old Slavanic into English; "Ruthenians" in "Ruthenia".

The archeological prehistory of Ukraine dates back to the Neolithic Age when the ethnological areas of Ukraine were populated by eastern Slavic tribes who permanently settled these lands and cultivated them. These beginnings are quite independent and different from the origins of the Russian-Slavic tribes. Subsequent development of the Ukrainian and Russian nationality groups went in diverse directions, creating two separate and distinct nationalities. As a matter of fact, Kievian Rus' had passed its zenith before Moscow and the principality of Moscovy—the ancestor of Russia—became a city of any importance.

The 17th and 18th centuries brought back the resurgence of the Ukrainian states in the form of the Cossak Hetmante. This Cossak state was the scourge of the Turks and Tartars, and other Mongol nomad hordes plundering Europe. The Cossak Hetmans were the logical successors of the Princess of Kievian Rus'.

In the mid-18th century Ukrainian land fell under the subjugation of foreign powers. But the Ukrainian spirit was not to be subdued. Great Ukrainian poets like Kotlarevsky, Shevchenko, Shashkevych, and Franko rose to the occasion to remind the people of their tradition and their destiny. These great prophets laid the cornerstone for the proclamation of the Ukrainian independence in the political vacuum created in the Russian and Austro-Hungarian empires toward the end of the First World War.

Ukrainian independence was short-lived. The Russian Bolsheviks formed an illegitimate puppet regime in Ukraine which quickly asked for Russian military aid to help quell the "unrest" in Ukraine. With such aid, Ukraine was quickly forced into the "voluntary" federation of "independent" states, the Union of Soviet Socialist Republics.

But the Ukrainian spirit again remained unconquered. Scores of young Ukrainian intellectuals, born and reared entirely under communism, our now questioning why they are not allowed the freedom to express their ideas; why Russian imperialists are instituting pogrom against the language and culture of Ukraine; why all the citizens of the U.S.S.R.—of diverse nationality backgrounds—are to be made uniformly Russian.

During this glorious celebration of the proclamation of Ukrainian independence on January 22, 1918, let us bow our heads to the brave spirit of men, which does not bend in the face of tyranny. Because of this great spirit, slavery shall not be tolerated, and Ukraine—as well as all subjugated and captive nations—shall again be free.

PRESERVING A FREE PRESS

Mr. FULBRIGHT. Mr. President, in recent months there have been a series of moves on several fronts which threaten to undercut the role of a free and independent press in our society.

Any infringement on press freedom, any intimidation of journalists, particularly by the Government, undermines the

strength of our country and our democratic system.

In addition to the developments which threaten to stifle press freedom, there is the corollary problem of increased Government secrecy, and of the lack of information and communication from the executive branch to the Congress and the people. Executive privilege and impoundment of funds appropriated by Congress are the order of the day. Policies are decided upon and enacted without consultation with Congress or explanation to the public. News conferences are rare and restricted.

Ironically, one of the few examples of communication from the executive branch in recent months was an extensive interview with the President's special assistant for national security affairs by an Italian journalist. Yet this same official is unavailable for testimony before appropriate congressional committees.

The executive's disdain for the Congress and its constitutional responsibilities and for the public's need and right to be informed about governmental affairs must be viewed alongside the refusal by the Supreme Court to protect newsmen from compulsory disclosure of news sources; the use of the Office of Telecommunications policy to intimidate the broadcast media; and the effort to relegate public broadcasting to an insignificant and innocuous role.

DISCLOSURE OF NEWS SOURCES

Several legislative proposals concerning protection of newsmen from forced disclosure of confidential news sources and information have been introduced in this session of Congress. I have been a sponsor of such proposals since 1970, and I am hopeful that we are moving toward enactment of legislation in this field.

What is at stake is not just the rights of newsmen, but the right of the public to know. As the Arkansas Democrat pointed out in an editorial following the jailing of newsman Peter Bridge last fall:

> It's not the journalist but the public that will be the real loser if a bill isn't passed, setting a national standard for dealing with this problem. People must be able to talk to the journalist in confidence. What government underling would point to corruption on a high level, or what radical group would admit a reporter to its inner councils, if they knew that by doing so they risked their jobs or freedom? Worse yet, how many reporters would continue to go after these important, controversial stories if they might wind up like Peter Bridge?

Although I have been advocating legislation on this subject for several years—primarily because of the Justice Department's efforts to subpoena reporters' notes, confidential materials and television tapes—it has been made even more imperative by the 5 to 4 Supreme Court decision of June 29, 1972, in Branzburg against Hayes. Since that ruling at least four reporters have been jailed for refusing to reveal their confidential news sources to courts and grand juries. Numerous others have been threatened with such action. The likelihood of a chilling effect of all this on the freedom of the press to investigate, expose and report without fear of governmental interference is obvious.

A number of States, including Arkansas, have some form of shield law which generally provide protection of confidentiality. However, I think we should have a uniform national standard which will constitute a reasonable balance between law enforcement and freedom of the press. We must assure that our newsmen remain free to inform the public and do not become agents of the government.

INTIMIDATION OF BROADCAST MEDIA

The Office of Telecommunications Policy, a creation of the Nixon administration, is another example of the President's efforts to consolidate power in the White House and away from the Cabinet departments, the regulatory agencies, and the Congress. The OTP has become the major instrument in the administration's thrust against the television networks, private and public.

The Director of the OTP, Mr. Clay T. Whitehead, has come to be referred to as a "broadcasting czar," although he operates under no statutory authority. His speech in Indianapolis last month and some of his subsequent pronouncements have, in the words of the Washington Star-News, "cast a chill on people everywhere who revere the first amendment."

Mr. Whitehead has proposed changes in licensing practices which would circumvent the authority of the Federal Communications Commission and drive a wedge between networks and local stations through a divide-and-conquer approach.

The Christian Science Monitor summed up these most recent developments very well:

> There is a simple explanation of why the Nixon Administration has resumed the offensive against the American television networks . . . Almost nightly, those networks have audacity to talk back to the man in the White House . . .
>
> And there is an equally simple explanation of the choice of weapons by the White House in the new offensive. It is proposing legislation which would require the individual stations which are licensed by the federal government to police the networks which are not. The individual station is always worried about losing its license. It can be intimidated.

Although covered with high-sounding free-press phraseology, Mr. Whitehead's statements are clearly aimed at stifling serious news and public affairs programing on television. This has been the approach taken by this administration since the Vice President's speech attacking the press in November, 1969.

As a number of commentators have noted, what the administration appears to want is a situation similar to that which prevailed in France under De Gaulle where television served as a vehicle for government views, which were never questioned or doubted. So all the talk about less government control of communications is actuailly a cover for a move to increase executive branch influence over the media.

Indeed, many would say that the administration's efforts began to bear fruit long ago in the form of reduced public affairs programing.

As Ben Bagdikian wrote in the Columbia Journalism Review:

> A sample study of leading papers and network specials during the presidential campaign makes it clear that the Nixon Administration's three-year war against the news media has succeeded. There has been a retrogression in printing newsworthy information that is critical of the Administration and a notable decline in investigation of apparent wrongdoing when it is likely to anger or embarrass the White House. This, coupled with the shrewd manipulation of the media by Nixon officials, has moved the American news system closer to becoming a propaganda arm of the administration in power.

Mr. Bagdikian notes that CBS, for example, in the campaigns in 1960, 1964, and 1968, presented an average of seven political election specials, usually at prime time, but in 1972 only two. ABC had none this year.

For all the complaining of Mr. Whitehead and others at the White House, it is not exactly as if the President had been shut out of television. In the months prior to the 1972 election, the President received extensive coverage—and properly so—of his trips to China and Russia. He was featured in specials such as "Christmas at the White House" and "A Day in the Presidency," as well as any news conference or major speeches he scheduled. The Republican National Convention was thoroughly covered.

Mr. Whitehead has conceded that, if adopted, the White House proposal would take away some of the power of the FCC. Congress must be careful about allowing still more power to drift to the Executive. Of course there are some, such as Wayne Green of the Wall Street Journal, who have suggested "that the administration won't really push for passage of the bill—that its real objective is just to frighten the networks into friendlier coverage of President Nixon."

In addition to this latest foray against the networks, Mr. Whitehead and the OTP also played a leading role in the move against public television and a less publicized but significant role in establishing regulations for cable television. There are many who feel that the OTP exercised undue influence on the cable policy adopted by the FCC, supposedly an independent regulatory agency. The regulations are commendable in many respects, but sharply limit cable service in major cities. According to news reports, Mr. Whitehead's office has been working on recommendations for the future growth of the cable industry. Because of the importance which cable TV will have in the years ahead, Congress should keep a watchful eye on developments in this area.

THE DEMISE OF PUBLIC TELEVISION

I have spoken on previous occasions about the demise of public television, engineered by the White House. I view this as one of the more tragic results of the Nixon policy, because public television had great potential for overcoming many of the deficiencies which plague commercial television.

I particularly regret the part played by Congress in contributing to this demise

by accepting the President's veto last year of increased funding for public broadcasting. The reduced funding was followed by Mr. Nixon's appointment of a man who said he had "never seen a public TV show" as president of the Corporation for Public Broadcasting. Subsequently and predictably the Nixon team has moved to rid public TV of most of its public affairs programs.

Despite Mr. Whitehead's talk about the need for more local control in public television, it is the Presidentially appointed CPB board—not the station-manager oriented board of the Public Broadcasting System—which has been calling the shots in recent weeks. For example, two of the programs vetoed by the CPB board—William F. Buckley, Jr., "Firing Line" and "Washington Week in Review"—were voted as the two most popular programs by 140 local station managers last fall.

One area in which public broadcasting had offered a special service to the public was in its coverage of Congress, including live coverage of important congressional hearings. In an era when the President can make such effective use of television to present his views, it is important that the Congress as an institution, as a co-equal branch of Government, have some access to television.

Mr. President, these developments which I have outlined, along with a number of related occurrences, merit the Senate's serious attention. The telecommunications policy of this administration seems clear: Television should be for lulling people to sleep; any serious examination of issues is to be discouraged.

I am pleased to note that the chairman of the Subcommittee on Constitutional Rights (Mr. ERVIN) has announced hearings on the various measures to protect newsmen from being compelled to disclose confidential sources and information, and that the chairman of the Communications Subcommittee of the Commerce Committee (Mr. PASTORE) is considering a review of the administration's proposals on television.

The Senate cannot afford to treat these matters lightly. As the Arkansas Gazette said in a recent editorial:

> The administration's pressures against both television news and newspapers have been unrelenting in the first term. . . . The pressures promise to grow in the second term. . . . What we face, in any case, is the gravest threat to press freedom in the history of the republic.

Mr. President, I ask unanimous consent to have printed in the RECORD a sampling of letters I have received from Arkansas concerning the administration's actions. Additionally, I ask unanimous consent to include several recent editorials from the Arkansas press, and articles by Herbert Mitgang of the New York Times, and William F. Thomas of the Los Angeles Times.

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

LITTLE ROCK, ARK.,
January 2, 1973.

Senator J. W. FULBRIGHT
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I am a regular listener of the weekly TV program entitled "Washington Week in Review" aired over the Arkansas Educational Television Station, Channel 2, located at Conway, Arkansas.

The MC of this show stated recently that a decision has been made to drop this program next June. I wish to register my strong objections to such action. The essence of a democratic form of government is that the citizens be informed. The participants on this show are well known, well informed and articular members of the staffs of leading newspapers and magazines in this country. They do more than read a carefully drawn up account of the major happenings and issues of the day.

I think we need more, not fewer programs of this kind. It seems apparent that the present Administration has intimidated the 3 major networks to the extent that they no longer give in-depth analysis of major issues confronting this nation that they did a few years ago.

I urge that you find out there reasons given for the decision to drop the show "Washington Week in Review" and if the reasons given, in your judgment, are not valid ones, that you voice a protest to such action.

Sincerely yours,

CLAY R. MOORE.

FORDYCE, ARK.,
January 1, 1973.

Hon. J. WILLIAM FULBRIGHT,
Washington, D.C.

DEAR SIR: Enclosed is a copy of a letter I sent to NPACT regarding "Washington Week in Review." I trust that you will use your influence to keep this program, and others, on the air.

Public Television has many splendid programs and it would be regrettable to make some changes that have been planned.

Yours very truly,

(Miss) HELEN SPARKS.

FORDYCE, ARK.,
December 29, 1972.

NPACT
Washington, D.C.

GENTLEMEN: I look forward each week to "Washington Week in Review." Issues about which we, the public, should be informed are presented in an interesting manner. I trust that appropriations will be available for this program to be continued after the present funding ends.

Yours very truly,

(Miss) HELEN SPARKS.

KEITH, CLEGG & ECKERT,
Magnolia, Ark., December 26, 1972.

NPACT
Central Station
Washington, D.C.

GENTLEMEN: This letter is written to protest the removal of the program "Washington Week in Review" from the National Educational Television schedule.

I watch this program regularly on Channel 2, Conway, Arkansas, and find it to be one of the finest and most informative news programs on the air. The program is rendering a great service to the public, and it would be a tragedy if it were not continued.

I am sending a copy of this letter to Senators McClellan and Fulbright and to my congressman, and I urge them to use their influence to see that this fine program is continued.

Yours very truly,

OLIVER M. CLEGG.

FAYETTEVILLE, ARK.,
December 27, 1972.

Senator J. WILLIAM FULBRIGHT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I am writing to convey my opposition to the legislation being proposed by President Nixon concerning the licenses of local television stations. The bill would give him the power to revoke these local station licenses if he disagrees with their "balance of the news".

I am extremely opposed to such an obvious violation of the First Amendment. I am hoping that when this legislation comes before you, your vote will be against it.

Please write regarding your views. Thank you.

Sincerely,

TAMMI REED.

[From the Arkansas Gazette, Dec. 22, 1972]

THE GRAVEST THREAT TO PRESS FREEDOM

In a single issue of the Gazette (Thursday's) there were four news articles about four separate cases in which newspaper or television reporters are now engaged in fighting or fending off contempt of court citations, all hinging on the newsmen refusing to identify confidential sources.

Such contempt charges are not new in the newspaper business but what is unprecedented is their rising volume and frequency. In various sections of the country, judges, prosecutors, defense attorneys, and assorted politicians have been taking their cues from an ominous 5–4 decision rendered by the U.S. Supreme Court earlier in the year: The court held that newspapermen have only a qualified privilege of confidentiality, not the unquestioned confidentiality relationship routinely granted lawyers and clergy.

Both state and federal courts are getting into the act now, with a vengeance, in threatening newsmen with jail sentences, and there is every indication that the state legislatures are not far behind. In Tennessee a recent move was made to jail a reporter for contempt of a legislative investigating committee; the effort failed, but only on a technical defect, not on a constitutional ground.

Look what the Nixon Court hath wrought, and the worst is unquestionably yet to come.

In the single newspaper there were the four datelines on issues involving confidential sources: In Los Angeles, William T. Farr lost another motion in Superior Court and remained in county jail, where he is serving a contempt sentence for refusal to divulge a source connected with the Manson murder case. Also in Los Angeles, a radio man named Jim Mitchell was ordered to turn over to the county Grand Jury some tapes he took in interviews on bail bond practices. In Chattanooga, Tenn., Harry Thornton, a TV talk-show man, was out on bond under a jail sentence imposed in state court after he had withheld the identity of a source. And in Washington D.C., John F. Lawrence, bureau chief for the Los Angeles Times, was allowed to remain out of jail while appealing contempt sentence rising from the celebrated Watergate bugging case; Lawrence is withholding tapes of interviews that even defense attorneys (in the Watergate case) are trying to gain access to.

The worst is yet to come, for the Supreme Court has let down the floodgates for a tide of contempt charges against newsmen. Everywhere in this country there are lawyers and courts that have *long* wanted to make the press not the critic but the handmaiden of the judicial system; and, of course, everywhere there are politicians who regard the press (rightly) as a natural adversary, one who (wrongly) may be tamed by any means, fair or foul.

The threat of contempt has always existed for newspapermen guarding their sources (and their honor) and some of us have done time in jail, or been threatened with jail. But the threat has never been of the current dimensions, for in the "old days" the constitutional issue had not been actually defined. It would have been better left undefined, for adversary parties to settle from year to year as best they could, but in any event the "old days" ended with the Supreme Court's narrow, authoritarian-minded deci-

sion in the case it adjudged 5–4 this year. It will soon be up to the high court to try and control—if it has in mind to—the forces that it has unleashed to attack the freedom of the press guaranteed in the Constitution.

It is, in the end, the First Amendment to the Constitution upon which newspapermen have stood in the past, in protecting sources, and upon which they must continue to stand in the future, in spite of the adverse 5–4 ruling of the Nixon court.

There are certain state "shield" laws, of course, including Arkansas's, which is a fairly good one. A "shield" statute granting a newsman the right of confidentiality must look attractive, unquestionably, to a newsman who is facing a sentence in jail; we do not doubt that William T. Farr would find a "shield" law immensely attractive in California at this moment.

Nevertheless, the "shield" law—state or federal—must ever be regarded with reservations, simply because it is statutory rather than constitutional. What a legislature, or a Congress, giveth, a legislature or a Congress can take away.

The first Amendment is the bedrock of the newsman's claim to a right in protecting a news source. If there is to be a free press, then the press mut have full freedom to develop its news sources without inhibition in its quest for fact and truth. If the search for fact and truth is restricted, and the development of confidential sources throttled, by the dead hand of narrow judicial interpretation, then the ultimate damage will be done not so much to the press as to the public. It is the public that will know less of what is happening in government, behind the handouts, at a time when the public desperately needs to know more.

What we have at hand in this country is a developing crisis in the interpretation of the First Amendment generally and freedom of the press particularly. It is a crisis that is reaching full crest under the Nixon administration, for it is the Nixon crowd that has systematically sought to threaten and bludgeon the media—press and television—into adopting less skeptical, less inquiring, less critical attitudes and practices. Paradoxically, the press itself has contributed to the very danger that is rising because, almost incredibly, some 90 percent of the newspapers that made endorsements picked Nixon for re-election.

The administration's pressures against both television news and newspapers have been unrelenting in the first term—the manifestations ranging from prior censorship in the Pentagon Papers case to the gentle threats of Spiro T. Agnew against enfranchised television. The pressures promise to grow in the second term. The enemies of press freedom in the administration and elsewhere have a considerable arsenal of weapons, but one of their most promising now is the contempt of court citation. This is a bludgeon that will be used with increasing frequency in the "four more years" ahead, at the least. What we face, in any case, is the gravest threat to press freedom in the history of the republic.

WARNING IS NOW

Clay T. Whitehead, director of White House Telecommunications Policy, says that the Nixon Administration has drafted legislation to hold local tv and radio stations accountable at license renewal time for "balance and taste" of all network and entertainment programs they broadcast. Mr. Whitehead made the announcement this week in a talk at Indianapolis, one of the administration's favorite sounding board communities.

Whitehead is the ranking White House official in the broadcast field, so his remarks can be considered as more than aberrant mumblings in the dark. Coupled with the administration's announced curtailment of "news shows" and, indeed, of network produced entertainment by the Public Broadcasting System, this signals clearly President Nixon's decision to bring as much of the nation's media as possible under the executive thumb.

In our view this is an intolerable proposal. Sad to say, it is also an anticipated one. Mr. Nixon made the overtures before the election. His "mandate" now prods him into overt action. The entire Bill of Rights is the prize that awaits the winner of the confrontation. And the Bill of Rights is no "special interest" proposition . . . it is the "silent majority's" freedom, too.

Legislative action is suggested by Mr. Whitehead, and to be sure, if the administration can obtain statutory authority, the jig will indeed be up. There is a frightening audaciousness about Mr. Whitehead's proposition, it seems to us, because the executive arm of government has been doing quite well without specific law. To raise the question in Congress is to take a chance with a cause that is under control, already. The law, however, would seal the case. As things now stand, the press still has some tools with which to fight back. Congress, for instance, might be persuaded to redress the First Amendment and halt the harassment of newspapers and reporters for honoring confidential sources of news.

[From the Arkansas Democrat, Jan. 3, 1973]

JOURNALISTS AND JUDGES

So far the public has not been aroused by the jailing of newspapermen for refusing to identify the sources of their information. Even some journalists pooh-pooh the idea of a national shield law that would prevent such incarcerations, saying that as long as we have the first amendment to the Constitution everything is okay.

They would have a hard time convincing Peter Bridge of Newark, N.J., of that. Bridge just spent 21 days in jail for refusing to answer a bunch of irrelevant questions posed to him by a prosecuting attorney who was plainly on a fishing expedition.

William T. Farr of Los Angeles wouldn't buy the legalistic argument either. Farr is now back in jail (in a room with no window and no one else to talk to), where, as far as anyone can tell right now, he may spend the rest of his life unless he complies with the orders of the judge who presided at the Charles Manson trial. Farr covered the trial for a Los Angeles newspaper. While it was going on, some lawyers, disobeying Judge Older's instructions, slipped Farr some sensational information on the promise that he would not reveal who gave it to him. Judge Older was furious when the information came out, but conceded Farr's right not to reveal his source under a California shield law. A few months later, Farr quit his newspaper job, and Judge Older told him he had lost his immunity and demanded the names. Farr still refused, knowing that the lawyers face not only jail terms but disbarment. Farr, who is again working for a newspaper, has exhausted every remedy.

A national shield law (other than setting a pattern) probably would not have helped Bridge and Farr, but it would have helped Earl Caldwell of the New York Times. He refused even to answer a grand jury subpoena, for fear that the group (the Black Panthers) he was going to be queried about might kill him. He had gained their confidence before writing a series about them, and since grand jury sessions are secret, he knew that if he put his foot inside the door he would be suspected of spilling his guts, whether he did or not. But the Supreme Court said that Caldwell did not have the right to refuse a subpoena.

The case of reporter Joseph Weiler of the Commercial Appeal is probably the most significant one of all. Following tips from employes of a state hospital for retarded children, Weiler wrote a series in the Memphis paper telling how some hospital employes had beaten retarded children. There was no question about the accuracy of the reports—there have been firings since the stories appeared. But a committee from the Tennessee Senate called Weiler before it and demanded that he tell them who had furnished him the information. The senator's concern, in other words, was not the children but who squealed. Weiler refused to tell. He is to come before the Senate committee again on December 14, and if he refuses a second time, he probably will be sent to jail for contempt of the legislature.

Obviously, this is the kind of case that is important to the public. If people are afraid to report corruption in government to the press (and they will be if their jobs or safety are at stake), will the public ever know it exists? The cases of Bridge and Farr and Caldwell are more personal tragedies, created for the most part by insensitive judges. As an aside, it is very sobering to realize that all their cases involved judges who are appointed, not elected.

[From the Paragould (Ark.) Daily Press, Dec. 20, 1972]

NO RESPECT FOR FREEDOM

Recent comments by a White House official concerning upcoming legislation requiring more stringent criteria for broadcaster's license renewal has pointed once again to the current administration's lack of respect for the freedom of the press and free speech.

White House official Clay T. Whitehead, director of the Office of Telecommunications Policy, said his office was preparing legislation to require broadcasting stations to meet two criteria in order to get license renewal.

(1) Demonstrate that it has been "substantially attuned to the needs and interest" of the community it serves.

(2) Show that it has afforded opportunities for the presentation of conflicting views on controversial issues.

These measures are hoped to reduce the so-called "ideological plugola" and the consistent bias of the news media.

The Daily Press has always held strong convictions concerning the responsibility of the news media in covering and reporting the news—particularly in presenting the news as objectively as possible.

However, we also realize that no human being is capable of being completely objective and that human bias is always present.

We do not believe that it is the government's responsibility to decide who is meeting the needs and interest of the community and to see that more than one view on a subject is given.

This is the role of the community and is exercised with the supplying or denying of financial support.

When legislation is passed expulgating "bias," it is merely a shabby coat for legislation calling for expulgation of unwanted "bias."

It is our hope that this and other signs of disrespect of the freedom of speech and freedom of the press is not a portent of what's to come with Nixon's second term.

[From the Southwest (Ark.) Times Record Jan. 9, 1973]

NEWSMEN NEED FULL PROTECTION

There should be quick action by the Congress on a proposal by the Newspaper Publishers' Association, to protect the free flow of information to the American people.

The publishers' association has laid it on the line—only unqualified privilege will keep the lines of communication. This would mean a law that newsmen could not be forced to disclose information on news sources or unpublished quotes or other materials dealing with their gathering of information.

Recently, there has been an unprecedented move to jail newsmen who refused to violate the pledges of confidentiality under which they received information, much of which resulted in top-flight stories revealing matters vital to the people.

Incidentally, that's where many of the most important stories originate—by tips from people who feel that they cannot risk having their names revealed. And if they cant' be assured of confidence, they simply dont' provide the tips.

Already, one major publisher remarked, sources of information are drying up as a result of the many efforts to force newsmen to reveal where they got information.

Numerous proposals for partial immunity have been advanced. None of these will get the job done. Only complete immunity on matters related to the gathering of news and the writing of stories will do it.

So this is what the publishers' association has proposed.

A federal law providing that immunity should be passed as soon as one can be drawn and studied. And each state then should follow with similar laws.

Only in that way can the practical spirit of the First Amendment, guaranteeing freedom of the press from restrictions, be assured and preserved.

[From the New York Times, Dec. 18, 1972]

WATCH ON THE MEDIA

(By Herbert Mitgang)

More than five years after the Freedom of Information Act became Federal law, it is still difficult for journalists, historians and researchers to obtain information freely. The idea behind the law was to take the rubber stamp marked "Confidential" out of the hands of bureaucrats and open up public records, opinions and policies of Federal agencies to public scrutiny. It hasn't worked that way.

When President Johnson signed the bill, he declared that it struck a proper balance between Government confidentiality and the people's right to know. In actual practice, it has taken court actions to gain access to Government records. An effort is finally being made to declassify the tons of documents by the Interagency Classification Review Committee, under the chairmanship of former Ambassador John Eisenhower. This historical survey will take years.

But more than mere documents are involved. There is a matter of the negative tone in Washington.

The White House and its large communications staff have lengthened the distance between executive branch, Congress and the public. Of course, every Administration has instinctively applied cosmetics to its public face, but this is the first one operating for a full term under the mandate of the Freedom of Information Act. The result is that official information—especially if it appears to brush the Administration's robes unfavorably—is not communicated but excommunicated.

The other day Senator Symington of Missouri, a former Air Force Secretary who has been questioning the wisdom of the President's B–52 foreign policy in Southeast Asia, said: "I would hope that during this session of Congress everything possible is done to eliminate unnecessary secrecy especially as in most cases this practice has nothing to do with the security of the United States and, in fact, actually operates against that security."

This point was underscored before the House Subcommittee on Freedom of Information by Rear Adm. Gene R. La Rocque, a former Mediterranean fleet commander who since retiring has headed the independent Center for Defense Information. Admiral La Rocque said that Pentagon classification was designed to keep facts from civilians in the State and Defense Departments and that some Congressmen were considered "bad security risks" because they shared information with the public.

Reputable historians trying to unearth facts often encounter Catch-22 conditions. The Authors League of America and its members have resisted those bureaucrats offering "cooperation" on condition that manuscripts be checked and approved before book publication. The Department of Housing and Urban Development has denied requests for information about slum housing appraisals. The Department of Agriculture turned down the consumer-oriented Center for the Study of Responsive Law in Washington when it asked for research materials about pesticide safety.

The unprecedented attempt by the Administration to block publication of the Pentagon Papers, a historical study of the Vietnam war, took place despite the Freedom of Information Act, not to mention the First Amendment. And the Justice Department is still diverting its "war on crime" energies to the hot pursuit of scholars who had the temerity to share their knowledge of the real war with the public. Such Government activities not only defy the intent of the Freedom of Information Act; they serve as warnings to journalists, professors, librarians and others whose fortunes fall within the line of vision—budgetary, perhaps punitive—of the Federal Government.

The executive branch's battery of media watchmen are busiest with broadcasting because of its franchises and large audiences. At least one White House aide, eyes glued to the news programs on the commercial networks, grades reporters as for or against the President. In one case that sent a chill through network newsrooms, a correspondent received a personal communication from a highly placed Administration official questioning his patriotism after he had reported from North Vietnam. Good news (meaning good for the Administration) gets a call or a letter of praise.

The major pressure on the commercial and public stations originates from the White House Office of Telecommunications Policy, whose director has made it clear that controversial subjects in the great documentary tradition should be avoided. The same viewpoint has been echoed by the President's new head of the Corporation for Public Broadcasting, which finances major programs on educational stations. This Government corporation is now engaged in a battle to downgrade the Public Broadcasting Service, its creative and interconnecting arm responsible for serious news shows.

Long before there was a Freedom of Information Act, Henry David Thoreau was jailed for speaking out and defying the Government's role in the Mexican war, last century's Vietnam. "A very few men serve the State with their consciences," he wrote, "and they are commonly treated as enemies by it." Grand juries, subpoenas and even Government jailers will be unable to overpower today's men of conscience.

[From the Los Angeles Times, Dec. 24, 1972]

WARTS AND ALL, OUR CAUSE IS YOUR CAUSE

(By William F. Thomas)

It will come as no surprise to you that the press is in serious trouble with the courts. Our people are going to jail and, perhaps even more serious in the long view, some elements of the press already are avoiding the kind of story that might cause them trouble.

The question, of course, is why. Why this confrontation with the courts on issues so basic that they have been accepted—with occasional lapses, it is true—for a couple of hundred years?

You have heard many answers in recent months, references to the Constitution, to hallowed tradition, to the appropriate utterances of the great and famous, to the public weal.

Many of these have been eloquent and penetrating and true but, judging from some of our mail and from public statements by a variety of spokesmen, qualified and unqualified, they do not seem to have answered all of the questions.

One reason seems to be that we have not always explained ourselves in less than abstract terms.

When we're asked, "How come you guys don't have to obey the judge just like everybody else?" we often come back with the Constitution. Which is valid, but not altogether convincing, since the other side is always citing the Constitution, too.

So. Why are we so special? And how do you answer that question without the risk of sanctimony?

One way to begin might be to admit to some imperfection. As all the world knows anyway, we have booted some beauties. So pomposity, with which we often seem afflicted, ill becomes us and deflects attention from our cause.

And we do have a cause, and by we I mean all journalists, print and electronic, newspaper and magazine. Warts and all, we are your only avenue of information, for all practical purposes, except agencies and people directly involved in whatever it is you want information about.

If you want to know what the governor did today—without us—you will have to listen to the governor himself and his friends and opponents.

Without us, if you want to know what happened in City Council, you will have press releases from parties involved.

If you want to know what happened in the courtroom—without us—you must rely on the judge to explain and evaluate his own actions, and each attorney to do the same—providing the judge will permit you to hear anything at all.

And so it goes. With all our faults, it's hard to visualize an American public that would knowingly permit the stifling of the press, whose main purpose is to inform it, however imperfectly, and leave itself to the position of making judgments based on information by press release.

I exaggerate, of course, but not so much as you might think.

Let me give you a few specifics, true specifics.

Some years ago The Times published a prize-winning series of stories on zoning practices which attempted, with considerable success, to shed some light on the way in which land intended for one purpose got to be used for quite another purpose.

The original source was a very prominent lawyer, angered by what he considered the chicanery he was forced to engage in to do business in this field.

However, he was not angry enough to forget that he had to continue to do business with the public officials who caused his anguish, so he would not permit use of his name or even the publication of specifics which would tend to identify him.

But he provided enough information, under our guarantee that he would never be publicly identified, to lead to other sources and—after several years of hard work—to the series itself.

This, more or less, is the pattern followed in other such stories, in The Times, in other newspapers, in the electronic media.

Which leads us back to the judge. Because he is now insisting that we publicly identify such sources when he decides this is in the interest of the court and even, as has happened, in the interest of a grand jury investigation.

Well, this is fine for the judge and for the grand jury, but it's hell on wheels for us, and thus for you.

Even if some of us go to jail to protect

sources, and you have seen that happen, we soon are not going to have any.

It doesn't take a cynic to figure out that few potential sources will take a chance on a newsman's continued willingness to go to jail to protect his anonymity. Jail, after all, is not a fun experience.

If you think the fears of our potential sources are unreal, let me cite another specific.

The principal source in another Times series, this time outside the city, was a man of courage who permitted himself to be publicly quoted and provided facts and figures.

Two convictions of public officials resulted from those stories, and a shakeup in procedures of a public agency which spends millions of your dollars.

Our source, however, was fired by the agency's directors after 27 years on the job, and got his job back only after more than two years of litigation and considerable publicity resulting in public pressure.

Another example: After literally years of trying to find a businessman willing to tell in detail how he did business with a public agency, we persuaded one to do so as a public service. Anonymously, of course, for he wanted to continue to be a businessman.

Two weeks ago, long after this story was published, he called me and asked if these stories about the judges and newsmen's sources meant he faced the danger of retroactive identification. He was serious, and he was afraid.

Do you think this respectable man, and others like him and others not so respectable, will ever tell what they know to a newspaper again?

And if they don't, do you think that you will ever hear through any other avenue what it is that they have to tell you?

Until late last week, The Times had been backed against the wall from an entirely unexpected direction. The Watergate case confronted us with a demand that we turn over to the defense attorney everything we possess—notes, memos, tape recordings, everything—having anything at all to do with an interview with the chief prosecution witness. Such an order only months ago would have been unthinkable.

If we had lost our appeals—and today's Supreme Court has already made clear its contempt for the rights of the press—we and all the media would have become a grab bag for every attorney in every conceivable kind of case.

Give us all you've got that has anything to do with our client or his opponent, they would be able to say—even though they may not have the foggiest notion what we have in our files or, indeed, whether we have anything at all.

And it wouldn't be long, obviously, before there would be little of value in our files pertaining to anything, for nobody in his right mind would thenceforth communicate with us except by press release.

The Watergate case was resolved unexpectedly when the confidential source we were protecting requested that we release his tape recordings in his own best interest, but the issues raised here are sure to confront us again.

So this business of getting at our sources works in many ways, but they all have the same result: We lose our sources, we spend an awful lot of time in court—not to mention money—and we would be less than human if we did not begin to get cautious. And all of this means there is an increasing number of things you are not likely to hear about in the future.

Even large, successful newspapers are tempted now to squint carefully at stories with danger flags stickings out all over them, stories in the public interest.

The trouble is, these would include the kind of stories that won two of The Times' Pulitzer Prizes in the past five years. At the time of the riots, can you imagine the people of Watts talking frankly with us about their troubles with the police, or educators talking candidly about the schools there, to mention only a few, if they knew we might be forced to publicly identify them?

The same goes for the many businessmen and public officials who provided the leads for stories on the city commissions which resulted in indictments, convictions and—we hope—some changes in attitudes and procedures there.

If it's tough for the big papers imagine what it must be like for the smaller ones. The Times in the past four years has fought 30 subpoenas involving either our people or our information, and staved off some 50 other attempts to obtain our materials.

We have been through the appellate procedures many times and all the way to the Supreme Court twice. We have spent well in excess of $100,000, and the rate of such spending is rising sharply. One of our reporters is in jail, another was jailed briefly last week, and the chances against others meeting the same fate are not good.

How many small newspapers or magazines or radio or TV stations do you think have the resources or the will to put up this kind of fight? Most don't even *have* legal staffs, and few have great financial resources, and it is to their credit that more of them don't simply lie down and play dead.

How did we get into this terrible fix?

Well, you can get as many explanations as you ask for. Some blame the newspapers themselves. Sensationalism, and lack of sensitivity for the rights of defendants, they say, brought our plight upon ourselves.

A grain of truth here, of course, but this scenario falls down in some important aspects. For one thing, newspapers have been steadily heading in the direction of less sensationalism, not more. For another, many of the cases in which we find ourselves in the most trouble have more to do with the use of our information to help the defendant or the prosecution than with punishing us for hurting either one.

In other words, many of our problems stem from attempts to force the press to serve as an agent of the judge, the prosecution or the defense.

So the complicated issue of fair trial, under whose name all of these restrictions started building, is of doubtful application to many of them.

Others seeking the cause of our dilemma blame the judges, as public officials whose awesome powers have brought to some a God-complex, leading them to run their public institutions by their own rules at the expense of the rights of public and press. A grain of truth here, too, but again some troubling factors.

For instance, the powers of judges have not not been substantially redefined, or enlarged, except by their own decisions, yet it has been only in recent years that they seized this bit in their teeth.

Another thing. Many of the judges involved in the kind of case we're talking about are good judges, decent men, motivated by understandable intentions with which we can sympathize, not all of them, but many.

So how *did* we get from there to nere?

I think it's possible that in the beginning we just drifted here, undramatic as that sounds, scarcely noticing that we had started on a route that could take us over the cliff.

The first limited gag rules, in fact, sounded reasonable to many of us, coming in the wake of the Sam Sheppard case and in the frantic atmosphere created by early television techniques.

These early orders instructed attorneys officially involved in court proceedings not to discuss certain aspects publicly.

This was disquieting to some of us, but the orders did not seem to be severely enforced and were rarely as restrictive in practice as they were to become.

Later, we did take gag orders—which by then were far more sweeping—to higher courts, and we succeeded in reversing some. Others we simply worked around. In the meantime, gag orders were being issued and enforced, some unchallenged, and as judges found out they could do this the orders began to build upon themselves.

Looking back, we should have recognized that the first step could be fatal: The day judges successfully seized the power to say who shall speak outside the courtroom, and when, and about what, we should have heard echoes from the past.

It's hard to surrender just a little bit of principle without losing it altogether.

And history should have told us that it is folly to depend on reasonable and decent men not to abuse the power they acquire when that little bit of principle is allowed to slip away.

At least some of the ecclesiastical judges of the Inquisition must have been decent and reasonable men, for their time, as were members of the revolutionary courts of France, and those in the American colonies who adjudged witches and the like.

So it's not the men but the system which has gone awry. And I mean *awry*. In a few short years the public has lost control of the administration of justice to a staggering degree, and more and more of our trials are assuming the despotic characteristics familiar to other times, other places.

If you doubt that, consider just some of the evidence:

1—Trials are now being held in secret, one of them in California. The judge has without challenge cleared the courtroom of public and press and then has made decisions of substance affecting the trial. Upon reopening the trial he has refused to provide any record of the secret proceedings.

2—Secret proceedings by another California judge moved an appellate court to comment as follows: " . . . it is startling to see the evils of secret proceedings so proliferating . . . that the court could reach the astonishing result of committing a citizen to jail in secret proceedings, could contemplate inquisitorial proceedings against the newspaper reporter for reporting this commitment, and could adopt the position that the district attorney, the chief law enforcement officer in the county, was prohibited on pain of contempt from advising the public that someone had been sent secretly to jail . . ."

3—Courts in California, Louisiana, and Arkansas have tried to impose direct and prior censorship upon the media. And they have threatened them with punishment if they attempted to report what was taking place along the way to a verdict involving individuals and the public, both of which we all used to think were entitled to public trials.

So, the press is losing its voice and the public is losing control of its own institutions, a sorry state of affairs for both of us.

What to do? It seems to us that now the people must act, as they have in the past, to preserve their freedoms, and set down some rules to make their wishes clear.

If they prefer a frightened press to a bold and unfettered one, with its admitted drawbacks and excesses, they can remain mute.

If they perceive, as we do, the very real peril of a tyranny by the courts, they can, through those they elected to act for them, draw up laws that would avert this danger.

As always, the future is in their hands.

SENATE REPUBLICANS ELIMINATE SENIORITY SYSTEM

Mr. TAFT. Mr. President I am pleased that the Republican conference in the

Senate has taken a major step toward the elimination of the seniority system on our side of the aisle. Since 1846, the seniority system has meant that ability and responsibility are not factors in the selection of committee leadership. The surrender of congressional authority to a centralized executive is in no small part attributable to the fact that the seniority system has weakened party responsibility within the Senate.

As I pointed out in my testimony before the ad hoc committee, presided over by the distinguished Senator from Maryland (Mr. MATHIAS) and the distingushed Senator from Illinois (Mr. STEVENSON), "the seniority system has permitted chairmen and subcommittee chairmen to rise to and remain in power despite ill health or mental incapacity.

In 1942, the Senate Privileges and Elections Subcommittee accused one Senator of "gross impropriety, lawlessness, shotgun law enforcement, jail breaking, violation of oath as an attorney, rabble rousing, civil disobedience, breach of the peace, obstruction of justice, and tampering with court officials."

Because of the seniority system, however, this model of decorum went on to become chairman of the Senate Judiciary Committee.

With the reforms now adopted by the Senate Republican Conference, we have undercut the seniority system in the selection of ranking members and committee chairmen and have gone a long way in making the Senate more responsive to public opinion and party leadership.

Much, however, remains to be done if we are to renew public confidence in the Senate as an institution.

Indicative of the public call for reform is an article by James M. Perry, entitled "What Congress Needs To Do Is Vote, Vote, Vote," published in the January 20, 1973, National Observer. I ask unanimous consent that the article be printed in the RECORD.

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

WHAT CONGRESS NEEDS TO DO IS VOTE, VOTE, VOTE

(By James M. Perry)

You can't take a vacation any more without returning to discover that the nation is up to its ears in a brand-new "crisis." I've been away for five weeks and, sure enough, we have another one—the "Crisis in Congress," Time magazine calls it. Apocalyptically, Time says:

"The U.S. is facing a constitutional crisis. That branch of government that most closely represents the people is not yet broken, but it is bent and in danger of snapping."

And Warren Weaver, Jr., in his new book, "Both Your Houses: The Truth About Congress," says:

"The Capitol is a hall of illusions, peopled by the myths that the legislative branch remains proudly co-equal. . . . Clumsy, unresponsive, controlled in large part by its most ordinary members, the national legislature blunders on, facing nuclear problems with colonial procedures, insisting all the while that nothing is wrong. In fact, a great many things are wrong."

Well, Weaver is right. A great many things are very wrong. Congress is about as up-to-date as Kansas City. The "crisis," presumably, is compounded by the presence of Richard Nixon—"The Sullen Emperor," the New York Times has called him—in the White House, a Wizard of Oz, running everything secretly behind the great, whirling clanking machinery of the Executive Branch.

I am not overly sympathetic with members of Congress whining about usurpation of their powers by the White House. If a woman spends years staggering from bar to bar dripping with diamonds, well, someday somebody is going to heist the goodies. You can't blame the executive for making the legislative rip-off.

SOLUTION IS OBVIOUS

The important thing to remember about this "crisis" is that the solution is so obvious: All Congress has to do is vote.

If the leaders can't lead, Congress can vote to replace them.

If its committee chairmen are crusty with age, it can vote to get new chairmen.

If it can't get the information it needs to make independent judgments, it can vote to buy computers and data-retrieval systems.

If it doesn't have the staff to read what the computers print, it can vote to hire computer-age employes.

If it believes that some members can't vote their convictions because special interests have financed their campaigns, it can vote for public financing of campaigns.

If it believes that lobbyists distaste the terms of some legislation, it can vote to tighten the rules governing the conduct of lobbyists.

If it believes that its own members ought to understand the rules under which Congress is run, it can vote to put those rules on paper, now.

If the press won't pay attention to what the Congress is doing, the Congress can vote to open its meetings and even, heavens above, to allow TV cameras on the floor.

If the Senate can't get on with its business because of filibusters, or the threat of them, the Senate can vote to make filibusters a lot more difficult.

If Congress believes that honesty starts at home, it can vote to make its own Congressional Record honest.

And, finally, if it believes that Presidents have been permitted to fight their own wars, in their own way and at their own leisure, it can vote to stop payments for such Napoleonic adventures.

Or, it could go even further. It could vote for a "war powers bill," such as the one that was introduced by Senator Jacob Javits, passed last year in the Senate by a vote of 68–16, only to die later, as adjournment neared, in conference committee. The bill, soon to be reintroduced, would limit the conditions under which a President could order American troops (or advisers) into combat, and then require the President to seek congressional approval of his decision within 30 days.

It could vote for such a bill—if only it would. But it won't. It won't, so far, do any of these things and, thus, it is a "crises" of Congress' own making. It is not an institutional "crisis," because the institution stands; it is a problem of leadership and a will to use the institution in ways the Constitution directed.

JOHNSON, KENNEDY RIP-OFFS

It is no use to turn our anger towards the White House, because this President is not alone in specializing in legislative rip-offs. Presidents have been manhandling the Congress ever since we had Presidents, and our most recent Presidents—Johnson and Kennedy—were no exceptions. It is a situation that is built into the system.

It is my own suspicion that we've probably turned the corner, even as we have now discovered how badly the corner needs to be turned. It is fair to say, I think, that the membership in this Congres is more alert, less somnolent; more rebellious, less complacent; more sophisticated, less parochial than it has been in the past.

Modest reforms have been made, and the reform movement is almost certain to continue, probably at an accelerated pace. Beginning this session, as a very minor example, the House will use for the first time a computer-operated electronic voting system, designed by former quarterback Frank Ryan. The first patent for an electric vote recorder, Congressional Quarterly points out, was granted to Thomas Edison more than a century ago. Well, that's progress.

It is a glorious opportunity for the Congress, whose members are always complaining that nobody pays them much attention. Now they'll get the attention, if for no other reason than that the President seems to have disappeared, which is strange because I thought he'd won a great landslide victory just before I began my vacation.

NIXON'S REORGANIZATIONS

I thought we'd get to meet him again, perhaps on more convivial terms than when we last saw him. But he marched into his Cabinet meeting when the victory was won and told everyone to get their resignations down on paper. Then he began accepting the resignations and changing around people's jobs and reorganizing the Government in the exact way that Congress had said he couldn't.

And then he began bombing North Vietnam back into the Stone Age. It is all very puzzling. Last I heard, "peace was at hand." But Kissinger is back in Paris and perhaps Nixon just forgot, in a moment's irritation, what the game plan really was. Or maybe Kissinger misunderstood. We don't really know, because Nixon won't tell us, and even Secretary of State Rogers, who usually doesn't know, won't talk to us or the Congress.

Nixon does want the Redskins to win the Super Bowl; we do know that. If he loses, watch out. Maybe we'll bomb Miami.

It is easy—or, it's so easy—to be facetious, but this really is something of a problem. How can the Congress proceed, even in its ancient, clumsy way, if it doesn't know what the people down Pennsylvania Avenue are doing? How can we the people react when no one will tell us what's happening?

Goldwater, among others, tells us to shut up because the President, with all his intelligence resources, knows best. Well, John Kennedy knew best when he foundered in the Bay of Pigs and Lyndon Johnson knew best when he sent ground troops to Vietnam.

What we need most right now, it seems to me, is openness—by the President and by the Congress. It is here that Congress is on such treacherous ground itself because it has long believed it is some kind of club—two clubs, really, the Senate and the House, and never the twain shall meet.

If the Congress really is ready to take on the White House, it could begin by opening its own windows, and let the sunshine in. Let it be, Let it be.

NEW DIMENSIONS ADDED TO FUELS AND ENERGY CRISIS—TRUCK STOP OPERATORS URGE HIGH PRIORITY ON DIESEL FUEL FOR HAULING LIVESTOCK AND PERISHABLE FOODS; ASK FOR SPEED IN DELIVERY OF OIL IMPORTS AND FOR LESS RESTRICTIONS ON COAL FOR USE IN UTILITY PLANTS

Mr. RANDOLPH. Mr. President, from the National Association of Truck Stop Operators comes further evidence of the breadth and depth of the energy crisis. We learn from this organization that oil

companies increased prices and rationed allocations of diesel fuel as early as November 1972—and more and more truck stops are being included each week in the percentage allocations. In turn, the truck stop operators are being forced by these circumstances to both ration diesel fuel to their truck driver customers and charge higher prices.

Perhaps, Mr. President, too few of us pause to realize what the rationing of diesel fuel affects, because, in our energy crisis considerations, so much accent is placed on the shortages of heating fuels and on the threat to the supply of electric energy.

Special concern should be given to the fact that trucks on our highways are hauling vital foodstuffs—58 percent of all trucking, household furnishings and other items for moving and storage—21 percent, steel and steel products—15 percent, and new passenger automobiles, trucks and other vehicles—6 percent. Diesel shortages are occurring not only in the fuels which power the Nation's diesel trucks and tractor-trailers, but also in those which power highway and other heavy construction and earth-moving equipment vital to numerous industries.

Our country—Government and private sector alike—seem to have so mismanaged the fuels and energy segments of our economy that the crisis which was being forecasted as many as a dozen years ago by some of us is growing at a near-catastrophic rate.

In some broad aspects, chaos already exists—and realists in both Government and the private sector are aware of these conditions.

Yet, Mr. President, as I declared in this forum last week: The energy crisis is now, and we need action—not rhetoric—to establish policies as the basis for solutions, beginning now—not later. Such policies cannot successfully be established on an ad hoc basis within the executive branch alone—and certainly not by fiat within private industry alone. Congress has not fully faced up to its responsibilities and, in this absence, the executive branch also has failed miserably over the span of the last 12 years to fill the void left by inadequate congressional action.

Just as we have failed through legislation and regulation to totally halt and to repair the results of many decades of environmental excesses and destruction, so will we find it impossible to immediately right all of the wrongs perpetrated against fuels and energy. An almost boundless demand for energy has been created by our high standard of living. We must quicken the pace of our efforts to develop and set forth in law the fuels and energy policies already too long undeveloped and undeclared. We will flounder and fall into a serious state of chaos if we delay longer the compromising that will be necessary to reach policy conclusions.

In my speech, "National Energy Policy—The Key to National Well-Being; 26 Proposals for Action," in the Senate on January 16, 1973, I spoke of what I consider to be necessary ingredients of such a national policy, and, as noted in the title, I listed 26 proposals for action in the development and structuring of policy.

The National Association of Truck Stop Operators, in a January 22, 1973, letter to this Senator and others, suggested that

> The lifting of oil import quotas by the Executive Branch . . . is a help but is too late in coming to ease the current dilemma of the nation's truck stop/trucking industry.

It was noted, furthermore, that:

> The effect of the lifting of oil import quotas will not be felt for perhaps 2 to 3 weeks, and, in the interim, more cold weather . . . will further accentuate the (diesel fuel) crisis. Livestock could freeze to death at some truck stop, as we understand has happened. Inflation will soar, and the economy will be hit drastically. . . . May we suggest that the following steps be taken at once, even by Executive Order, if necessary:
>
> 1. Establish a list of priority users of diesel fuel. And, with 58 percent of the nation's trucks hauling food, the truck stop operator, as a supplier to these trucks, should receive top consideration.
> 2. Accelerate the government machinery to rush through the delivery of oil imports.
> 3. Permit the utilities which are burning oil to generate electrical energy to revert back to burning high-grade coal—especially those utility plants with high stacks.

Mr. President, there cannot be any doubt that the domestic fuels and energy industries have so mismanaged their affairs or the Federal Government has failed so badly in meeting its responsibilities that our country is at a point where it is far, far too dependent on foreign sources for fuel to energize the Nation.

I have believed in the import quota system because I had faith that, in America, we could produce from our vast supply of fossil fuels—and from atomic energy—so much total energy that we would not have to call on foreign sources to the degree that we are now forced to call on imports of oil and liquefied natural gas. I continue to believe that we not only should have done so but that we could have more domestic natural gas than is in production and supply today. Also, we should be supplementing our pipeline gas supply with gasified coal. And I continue to believe that we could have more American oil than we have. In fact, we also could be supplementing or replacing a considerable amount of natural gas and oil under utility boilers with low-B.t.u. gas produced from our abundant coal reserves.

Although the direct burning of coal under utility boilers creates environmental problems there is no reason to let the coal industry dwindle away and die for want of the kinds of markets for coal that pipeline quality gas, low-B.t.u. gasification for the advanced power cycle generation of electricity, and coal liquefaction can provide. These processes are reliably reported to be potentially as environmentally clean in their production and in their end product uses as is the burning of natural gas and most oil. So, why are they being neglected or pushed so far into the future as to be practically useless as solutions for today's energy crisis?

There are too many voices crying for oil—foreign oil, no less—or foreign liquefied natural gas—imported, no less—to do the whole job. This, to me, is worse than playing Russian roulette with our country's energy supplies, with the stakes being security, and, indeed, America's economic future.

We have spent billions upon billions of dollars allegedly to stop the thrust of communism in Southeast Asia. We have spent billions on space shots to the moon. Are we left in such a limp and impotent condition that we cannot provide a foundation for our own energy supplies from our own domestic sources. We are making a mockery of our national will and of our Nation's technological competence by spending so much of our treasure on foreign oil and gas. It is sad to see more than 2,000 coal mining jobs lost in my home State recently because of environmental considerations and other factors which could be overcome if there was a will and an inclination to do so.

WHY NOT APPLY NIXON SELF-RELIANCE FOR POOR TO WELL-TO-DO?

Mr. PROXMIRE. Mr. President, in President Nixon's second inaugural address there were some stirring lines which seemed to echo President Kennedy's inaugural address.

President Nixon admonished the people of the United States as follows:

> Let us remember that America was built not by Government, but by people—not by welfare, but by work—not by shirking responsibility, but by seeking responsibility.
>
> In our own lives, let each of us ask not just what will Government do for me, but what can I do for myself?
>
> In the challenges we face together let each of us ask not just how Government can help, but how can I help?

No one can object to these admonitions and exhortations. They echo Abraham Lincoln's definition of the legitimate objects of Government that Government should do for the people "whatever they need to have done, but cannot do at all, or cannot so well do for themselves, in their separate and individual capacities."

FREEZE ON FUNDS CARRIES OUT PRINCIPLES

Now the President has begun to carry out those principles as well as to assert them.

He has asked those on welfare to find work and to get off welfare.

He has asked those with very low incomes to find their own house to live in instead of waiting for the Government to provide them a house to live in at rents they can afford.

He has told farmers who need disaster loans under the Farmer's Home Administration's disaster loan program that in the future they will have to look elsewhere—probably to themselves—for help.

THE POOR, BLACKS, AND FARMERS ALREADY AFFECTED

President Nixon has put these principles into effect, especially for the poor, the black, and the farmer struck by disaster. My own view is that he has carried the matter somewhat too far and has forgotten Lincoln's view that these are

the individuals Government can rightfully help.

But I am waiting for the President to apply his principles more broadly.

Why not ask Lockheed Aircraft to ask not just what the Government can do for Lockheed but what Lockheed can do for itself? We could immediately revoke the $250 million loan guarantee the Government has granted them.

How about asking the Gap Instrument Corp. to ask "not just how Government can help," but how the Gap Corp. can help itself? The Government could sell the $1.7 million in preferred Gap stock it bought only recently to help bail out that company.

MAY ASK OIL INDUSTRY TO GIVE UP PRIVILEGES

How about asking the gas and oil industry to "seek responsibility" and voluntarily begin to pay Federal taxes at a rate equal to that paid by other American corporations? Of course this would require great sacrifice and self-reliance on the part of this industry. They would have to give up the depletion allowance, the intangible drilling and development cost provision, and the masking of foreign royalties paid as domestic tax payments. In totality, this would cost from $3.5 to $4 billion a year if the industry was to follow the President's admonition. But as they are among his most loyal supporters, it may be that they will step forward and voluntarily help make the President's stirring inaugural words a reality. Think what that would do to help us out of the present dire financial circumstances in which we find ourselves.

WHAT IF PROCESS BEGAN TO CATCH ON?

The process might even begin to be catching—

Grumman Aircraft would build the F–14 without additional funds;

The sugar subsidy to the big producers would end;

The big banks would begin to pay interest on the several billion dollars a year in government tax and loan accounts they now hold interest free;

Farmers receiving more than $20,000 a year in subsidies would return them to the Treasury;

The big landowners who now get the benefits of reclamation funds would agree to pay back interest on those funds as well as the capital;

American firms who benefit from cheap loans under the Export-Import Bank program would agree to pay the market rate;

Radio and TV station owners would voluntarily grant the Government a cut on the vast sums they have earned from the privilege of using the limited airways owned by the people of the United States;

Those who use the airlines would agree to pay higher prices for tickets so that the lines could be self-sustaining instead of depending upon the Government to build airports, provide weather services, install safety and landing equipment, and the other subsidies so necessary to their business;

Government executives might voluntarily agree to give up their limousines; the military might be willing to forgo their commissary privileges which lets them buy food at prices far below those found elsewhere.

Doctors might agree to a freeze on their charges under medicare.

The more than 100 individuals with annual incomes in excess of $200,000 who now pay no Federal taxes at all might agree to pay at the same level as a high school teacher making $15,000 a year.

United States Steel might agree to reimburse the Government for the cost of dredging the Delaware River up to its Fairless Works which let it get its ore barges to the plant more cheaply.

Our ambassadors might even agree to forgo public funds to pay for their servants when abroad.

In a fit of patriotic fervor Members of Congress might even voluntarily limit, if not forgo altogether, the annual junkets abroad which now seem to have become one of the unnecessary prerequisites of office.

VAST CHANGES WOULD BE BROUGHT ABOUT

If the opulent as well as the poor were required to carry out President Nixon's admonitions to seek responsibility rather than to shirk it, to ask what I can do for myself rather than what the Government can do for me, and to ask how can I help myself rather than how Uncle Sam can help me, vast changes would occur in the country.

The budget itself could be balanced, the deficit would end, the pressures caused by these factors on our balance of payments and balance of trade would halt, inflation would be stopped, the Federal payroll would be reduced, the security of the country would increase from the greater efficiency at the Department of Defense, and miracles upon miracles, we might even be able to reduce taxes and let individuals spend a greater share of their hard earned wages on the things they choose to spend them on themselves.

WHY NOT APPLY IT TO LITTON INDUSTRIES?

I hope, Mr. President, that you will issue orders to your new Director of the Office of Management and Budget that you meant business when you uttered those general words in your inaugural address and inform Mr. Ash that when you said that America was built not by welfare but by work, you were including his old company, Litton Industries, in the compass of your words.

UKRAINIAN INDEPENDENCE DAY

Mr. YOUNG. Mr. President, Monday, January 22, was the 55th anniversary of the proclamation of the independence of the Ukraine and the 54th anniversary of the act of union which united all Ukrainian lands into one independent and sovereign state. I want to join with others in observing these two very important events.

Dr. Anthony Zukowsky, a physician from Steele, N. Dak., and the national vice president of the Ukrainian Congress Committee of America, has written a letter to me which very effectively sets forth the tragic treatment Ukrainians received from Soviet Russia over a period of more than half a century.

I agree wholeheartedly with Dr. Zukowsky and the people he represents. There has never been any question about their loyalty to the United States of America and our form of government. This is especially appreciated at a time when, to say the least, there is a lack of appreciation in many people for our form of government.

Mr. President, I ask unanimous consent that Dr. Zukowsky's letter be printed in the RECORD.

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

UKRAINIAN CONGRESS COMMITTEE OF AMERICA, INC., STATE BRANCH OF NORTH DAKOTA,
Steele, N. Dak., January 12, 1973.

Hon. MILTON R. YOUNG,
U.S. Senator, U.S. Senate Building, Washington, D.C.

DEAR SENATOR YOUNG: January 22, 1973, will mark the 55th Anniversary of the proclamation of the Independence of the Ukraine, and the 54th Anniversary of the Act of Union, whereby all Ukrainian ethnographic lands were united into one independent and sovereign state of the Ukrainian nation. Both the Independence of Ukraine and the Act of Union were proclaimed in Kiev, capital of Ukraine, on January 22, 1918 and January 22, 1919.

Regrettably, the young Ukrainian democratic republic was immediately attacked by Communist Russia, despite the fact that the new Soviet Russian government had officially recognized Ukraine as an independent and sovereign state. The same recognition to Ukraine was granted by the Central Powers and the number of states of the *Entente*, including France and Great Britain. By 1920, Ukriane, alone and unaided succumbed to the vastly superior forces of Communist Russia, which destroyed the Ukrainian National Republic, created a Communist puppet government in Ukraine known as the "Ukrainian Soviet Socialist Republic," and incorporated it forcibly into the "Union of Soviet Socialist Republics" (USSR).

Today, the Kremlin is preparing whole-year celebrations throughout the Soviet Russian empire to commemorate the 50th anniversary of the "founding" of the Soviet Union, which was established on December 30, 1922.

In this connection, the Central Committee of the Communist Party of the Soviet Russian empire (CPSU) and all its subservient branches in the so-called "union republics" are conducting a mammoth propaganda campaign for the purpose of creating another Soviet myth, namely, that the USSR is a model multinational state, in which all component member-republics are truly "sovereign" in which the nationality problem has been "solved" satisfactorily and in which relations between the various nations are based on the "principles of true equality and friendship."

But, the reality is something different, as we can see in the case of Ukraine and the 47-million Ukrianian nation.

The entire history of Soviet-dominated Ukraine is a ghastly record in inhumanity, outright persecution and genocide, Russification and violations of human rights on a scale not known in mankind's history. Under Stalin, Ukraine was marked for physical destruction and denationalization; under Khrushchev and Brezhnev-Kosygin the outright terror was replaced by the subtle process of destroying the Ukrainian national consciousness and identity through Russification, persecution of "Ukrainian bourgeois nationalism," and the propagation of "fusion" of all non-Russian nations in a spurious "all-Soviet people" which essentially would be the Russian people.

In summing up the Soviet Russian rule in Ukraine, the following results exemplify the enslavement of Ukraine:

During the 50-year rule of Moscow over Ukrainian literally millions of Ukrainians have been annihilated by the man-made famines, deportations and outright executions;

Both the Ukrainian Autocephalic Orthodox Church and the Ukrainian Catholic Church were ruthlessly destroyed and their faithful members were incorporated into the Kremlin-controlled Russian Orthodox Church;

All aspects of Ukrainian life are rigidly controlled and directed by Moscow; the Academy of Sciences, all scientific and research institutions, universities, technicums, publications, the press, party and government apparatuses, youth, women's organizations, trade unions, and so forth;

Arrests, trials and convictions of hundreds of young Ukrainian intellectuals—poets, writers, literary critics, playwrights, professors and students are charged with "anti-Soviet propaganda and agitation" though, in fact, these people profess loyalty to the Soviet state, but fight against its abuses, violations and police rule. Among them are noted writers and thinkers such as V. Chornovil, I. Dzyuba, I. Svitlychy, E. Sverstiuk, V. Moroz, L. Plushch, and many others. Yuriy Schukhevych, the son of General Roman Shukhevych, commander-in-chief of the UPA, has been in and out of Soviet concentration camps since the age of 15; in September 1972, he was again sentenced to ten years at hard labor for refusing to denounce his assassinated father and the ideal for which he was killed: a free Ukraine.

Today, Ukraine more than ever is a colony of Communist Russia, a land of inhuman persecution and economic exploitation.

Therefore, we kindly request that you make appropriate statement on January 22nd on the floor of the United States Senate in support of the Ukrainian people in their undaunted struggle for human rights and freedom, which are the basic presents of our modern and civilized society.

Respectfully yours,

Dr. ANTHONY ZUKOWSKY,
President, UCCA, State Branch of North Dakota, National Vice-President of UCCA.

THE BOMBING OF NORTH VIETNAM

Mr. MONDALE. Mr. President, the bombing of North Vietnam last December was costly to our Nation in many ways. Morally, psychologically, and spiritually this bombing cost each and every one of us a great deal. But we should also not forget the cost in dollars which this bombing meant. An editorial which appeared in the Duluth News-Tribune on December 28 brings home these costs very concretely. This editorial forcefully relates the cost of each B–52 bomber lost during these attacks to projects such as schools, hospitals, and cultural centers which enrich—rather than destroy—life. It is a lesson which each of us should remember.

I request unanimous consent that a copy of this editorial be printed at the closing of my remarks.

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

AN EXPENSIVE 10 DAYS

Sen. George McGovern gets better looking every day, doesn't he?

He simply wanted to pull the United States out of Vietnam, almost regardless of the consequences. We remain there, now as involved as ever, and as each new B–52 bomber goes down over North Vietnam, McGovern's stock seems to rise.

A concern for the political and military risks of this new bombing offensive was expressed in this space on Sunday. Let us consider now simply the economics of this offensive.

North Vietnam claims it has shot down 61 American planes since the new air attacks began on Dec. 18. North Vietnam reports that 21 of these planes are B–52 bombers.

United States military authorities report, however, the loss of only 12 such bombers. So it's a difference of give or take 9, a difference which is substantial.

But it is a difference that diminishes when you consider what one B–52 bomber is worth: $8 million. The dollar loss thus far, then, is between $96 million and $168 million in just 10 days of bombing. At best, American dollars are being shot from the sky at a rate of $9.6 million a day. At worst, it's $16.8 million a day.

Think of it. Little wonder that people like McGovern said we have to reorder national priorities. No, we don't want to beat every sword into a plowshare. Maybe McGovern was wrong in seeking too much of a cutback in military spending. But when you consider the way we are currently spending money over North Vietnam, you must concede that McGovern and his followers had a point, however much they exaggerated it, or overpressed it.

Take the $8 million of one downed bomber. The Duluth Arena-Auditorium was built for $6.5 million. Duluth Central High School cost $6 million. The recent addition and modernization of Miller-Dwan Hospital cost about $6.7 million. The planned Area Cultural Center in the old Union Depot is estimated to cost about $2.3 million. The total cost of new construction at UMD during the current fiscal year—including a food service center, a performing arts building, a classroom and laboratory building for the dental hygiene program, a residence hall, a new heating plant boiler, and a remodeling of the science building—is estimated at $7.7 million.

All these major additions to the various health, educational, and cultural services of this city, in other words, could be more than paid for by the cost of only four of those large bombers. Think of the housing, food, and clothing that this money could buy.

Certainly there are extenuating circumstances. The war is complex beyond any one man's description or point of view. But for perspective, and perhaps for some reconsideration of national priorities in the future, it would seem constructive to look frankly at the dollars that have been blown up and shot down in the past 10 days over Vietnam.

VA ADMINISTRATOR REPLIES TO VIETNAM VET

Mr. HANSEN. Mr. President, knowing that Senators want to have all the facts so that they can make informed judgments on the issues confronting us, I would like to give them the benefit of the letter which Administrator of Veterans' Affairs Donald E. Johnson wrote to the producer of the "Today Show" following the December 14 program on which Vietnam veteran, Robert Muller, was interviewed by Joe Garagiola and Frank McGee.

The Administrator's letter was written and sent to the "Today Show" producer the day before that interview was carried in the December 21 Washington Post as an article entitled "Disabled GI: 'Civil Rights for Us All'."

Since the Washington Post article was reprinted in the January 11 RECORD, I ask unanimous consent that Administrator Johnson's letter responding to the Muller interview be printed in the RECORD.

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

VETERANS' ADMINISTRATION,
Washington, D.C., December 21, 1972.

Mr. STUART SCHULBERG,
Producer, the Today Show, National Broadcasting Co. (TV), New York, N.Y.

DEAR MR. SCHULBERG: On December 14, 1972, Robert Muller, a paraplegic veteran of service in Vietnam, was interviewed on the Today show.

Although we salute the determination and fortitude of this young veteran who is making commendable progress in overcoming his war-incurred disability, we must protest the grossly distorted picture of service provided by the Veterans Administration conveyed to your millions of viewers.

I would add that even a cursory check for accuracy by your program officials would have established the absurdity of some of the statements made on the program.

Mr. Muller, for instance, said that VA hospital staffs are at the lowest level ever. The truth: VA hospital staffs are now at the *highest* levels in history. The ratio of hospital employees to patients has increased more than 40-percent from 104 for each 100 patients as recently as 1965 to the 149 for each 100 patients provided in the President's budget for the current fiscal year.

Mr. Muller deplored the dearth of doctors and nurses in the VA system. The truth: The nearly 17,000 medical employees *added* in the past six years include 1,788 more doctors, and 3,163 more nurses.

Throughout the veteran's commentary the implication rang loud and clear that the Government is refusing to provide money to give adequate care to veterans in VA hospitals. The truth: VA's current budget includes $2.6-billion for hospital and medical care, the highest appropriation in VA annals. VA's medical budget this year is more than twice what it was in 1965.

Mr. Muller accused President Nixon of recently vetoing legislation that appropriated funds for VA hospitals. He apparently was referring to H.R. 10880, which the President declined to approve on October 27, 1972.

No appropriated funds were involved in this measure. It was an authorization bill. Many of the provisions of H.R. 10880 were recommended initially to Congress by the Administration, but the legislation was amended by Congress, including the addition of a provision opening the VA hospital system for the care of non-veterans for the first time. The bill also set a mandatory base on the number of patients treated in VA hospitals, which VA opposed as a totally unnecessary provision that would lead to inefficient medical treatment and wasteful administrative practices.

"The tragic result," the President said in a statement, "would be a lower quality of medical care to all patients. While I strongly support the VA health care system and will continue to encourage its improvement in the future, I cannot approve a bad bill."

The veteran claims that VA hospitals in the early 1950's were the best in the country, but have deteriorated sadly since then. Although the VA agrees that its hospital system was excellent at that stage in time, the system is even better today with the great advances that have been made in sophistication of treatment and equipment, and the added budget and staffing support VA hospitals now receive.

VA today is providing better care for far more veterans than it did in the 1950's.

In 1955, for instance, VA hospitals treated 584,000 patients, and handled 3.6-million visits by veterans to fee-basis private practice doctors and VA clinics for outpatient care. In the fiscal year just concluded, VA treated more than 846,000 patients in its facilities, and handled nearly 9.5-million outpatient visits. There have been big increases in the hospital staffs since 1955. The VA medical care appropriation today is almost four-times the $687-million appropriation in 1955.

The veteran narrated for your viewers what he seemed to feel was almost a personal vendetta against him by the VA. He talked of a refusal to provide braces for him, and claimed the VA "let me know . . . when I came back that if I wanted anything in life, anything, it was up to me because they weren't going to help me."

This just does not make sense, for the sole mission of the VA is to help veterans, and those who have been disabled in the service of their country have a special priority. Helping to carry out this empathetic mission are nearly 88,000 employees in the VA work force who themselves are veterans, including nearly 15,500 war-disabled veterans as well as more than 18,000 younger Vietnam Era veterans.

Mr. Muller was provided braces, as are all paraplegic patients who can benefit by their use, but the determination as to *when* braces can best be provided without detriment to the individual must be made by the medical staff, not the patient.

There is just no way, of course, to ever do enough to fully compensate those who suffered severely disabling war injuries, but the VA, acting on behalf of the American people, does do everything humanly possible to help.

Benefits available to these veterans include lifetime medical care, prosthetic devices, up to $1,232-per-month in disability compensation payments, $170-per-month allowances plus paid-for tuition, fees and books for vocational rehabilitation training, free life insurance, a grant of $2,800 for the purchase of an automobile plus purchase of necessary adaptive equipment, and a VA grant of $17,500 toward the purchase of a so-called wheelchair home.

I do want to repeat that the VA has full admiration for the manner in which Mr. Muller is overcoming his disability, and we are grateful our agency has been able to assist in his readjustment process.

Mr. Muller is fully entitled to his views, but we believe the TODAY show has an obligation to place these views in proper perspective by acquainting your audience with the facts I have outlined.

Sincerely,

DONALD E. JOHNSON,
Administrator.

TRIBUTE TO SECRETARY OF DEFENSE MELVIN LAIRD

Mr. BELLMON. Mr. President, the imminent cessation of hostilities in Vietnam has understandably raised the expectations and hopes of all Americans for a prolonged period of peace in Southeast Asia.

Realistically, however, it needs to be recognized that a cease-fire agreement may not bring a total or lasting end to the bloodshed. Vietnam may enjoy a period of calm, but conditions are such that civil strife of a serious nature may recur and continue for some time to come. Members may remember that such was the pattern in Korea where only now have conditions begun to develop which offer hope for true peace between the North and South.

As a result of the administration's Vietnamization program, South Vietnam has been greatly strengthened. It now has one of the world's largest air and land forces equipped with the most modern and sophisticated military hardware. The United States has done everything realistically possible to assure South Vietnam the opportunity and the ability to provide for its own defense and for the security of its people.

It is in the best interests of both nations for the United States to withdraw its forces so the South Vietnamese can stand alone. For the United States to stay longer would be to gamble that South Vietnam would become totally and permanently dependent upon other countries for its defense and internal security.

As South Vietnam assumes full responsibility for its own defense, we pray that it will be strong enough—morally and politically, as well as militarily—to defend itself from further aggression, and that its leaders will use wisely their political and military capability for the security and welfare of the Vietnamese people. With equal ardor we pray that the leaders of North Vietnam and their allies will abandon the use of arms as the means to achieve their goals.

Mr. President, much of the credit for the strengthening of the South Vietnamese forces and the orderly withdrawal of American military forces from Southeast Asia must be given to the Secretary of Defense, Melvin Laird. During his 4 years as Secretary of Defense, he has presided over the Vietnamization program. Secretary Laird has performed superbly in scaling down American participation in the Vietnam war while equipping the Vietnamese to provide for their own defense. He has held the key position in the eye of the tempest which has raged in this country over Vietnam during a 4-year period and has won the confidence and admiration of American people everywhere by his firm, fair, courageous, and skillful administration.

As Mel Laird steps down as Secretary of Defense and retires from Government service, it seems appropriate that we take note of his many accomplishments over the past 4 years.

Even though Mel Laird inherited a full-scale war which dominated much of his attention, he still found time to initiate a complete overhaul of the Department of Defense. Under his direction, a new concept of management emerged, which among other things, returned to the military much of the weapons acquisitions process. He also reorganized the Pentagon, and established a new position of Assistant Secretary of Intelligence to oversee the Department's intelligence activities. And by presidential directive, a Defense Investigative Service was established to centralize control of all personal security investigations.

Throughout his tenure, Mel Laird was the leading proponent of an all-volunteer Army, and in keeping with this objective he has steadily moved toward abolishing the draft.

Soon after his appointment as Secretary of Defense, he recognized the need to improve combat readiness of the National Guard and Reserve units, as well as the need of more balanced mix and levels among the Active, Guard, and Reserve military units in order to maintain national security most economically. He sought to achieve these goals by establishing greater incentives for volunteer service, and by greatly improving both the quantity and quality of equipment and training for Reserve Forces.

Mr. President, these are but a few of the many contributions of Mel Laird during the past 4 years. The list is long and impressive, and he has clearly established himself as one of the greatest Secretaries of Defense.

I join Senators in offering our thanks to Mel Laird for his many years to service to his country, and wish him the very best in the years ahead.

LIVING STANDARDS FOR RURAL CITIZENS

Mr. FULBRIGHT. Mr. President, in the past several weeks, we have witnessed sweeping cuts and changes in a number of programs which have been the mainstay of the Federal Government's efforts to insure a decent standard of living for our rural citizens.

In a series of unilateral actions Mr. Nixon has taken steps to withhold more than $1.5 billion which the Congress had appropriated and change the entire direction of farm spending and rural programs.

He has discontinued the rural emergency loan program thus halting the flow of low-interest loans to farmers in counties designated disaster areas as a result of severe weather damage to crops, livestock, and other property.

He has arrogantly converted the REA electric and telephone 2 percent direct loan program into a guaranteed loan program with 5 percent interest rates. If allowed to stand, this action will mean higher electric bills for some 25 million rural electric consumers, not to mention the impairment of essential services for millions of others.

He has instituted a freeze on three major rural housing programs which Congress established to insure that decent housing would be within the reach of low income families. It has been estimated that this will result in depriving more than 80,000 families of some $1.5 billion in loan assistance in the new fiscal year. The freeze will also impair a number of smaller programs which provide much needed credit for farm labor housing, rural rental and cooperative housing, and direct grants to small communities for installing water and sewer systems.

He has terminated the $210 million rural environmental assistance program, which for more than three decades has proved highly successful in meeting the pressing conservation and environmental problems of our Nation's farms. The discontinuation of this important program and the $10 million water bank program certainly violates the intent of Congress and will severely hamper important environmntal efforts which substantially benefit the public at large.

Mr. President, these actions must be reversed by the Congress. Mr. Nixon is now using the procedure of impoundment in an unprecedented manner to alter and eliminate congressional au-

thorization and funding of essential rural programs. In my judgment, his decisions in regard to these programs represent a further indication of his disregard for the constitutional powers of Congress as a co-equal branch of government.

I believe, however, that we can and will meet these most recent threats to our constitutionally assigned role and responsibility. In this spirit, I have joined Senator ERVIN and a number of other Senators in sponsoring legislation aimed at ending this unconstitutional practice of impoundment and curbing the powers of the Office of Management and Budget. In addition, I think that the measure which Senator HUMPHREY introduced, which I have also cosponsored, dealing with the REA problem is a definite step in the right direction. It lets the President know that we view his actions in undermining the REA direct loan program and in changing and terminating the other programs I have mentioned as a usurpation of our powers as set forth in the Constitution.

In his 1972 message to Congress on rural development, Mr. Nixon stated:

From the beginning of our history the vitality of rural America has been at the heart of our nation's strength. It is essential that we preserve and expand that vitality in the years ahead.

Certainly, the cuts and changes in rural programs which we have observed in recent weeks are totally inconsistent with preserving and expanding rural America. It is now up to Congress to correct this breach of promise to our rural citizens.

I ask unanimous consent to have printed in the RECORD a number of letters and articles which clearly illustrate the impact that the President's action will have on my own State and its people.

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

[From the Washington Post, Dec. 29, 1972]

EMERGENCY FARM AID SHUT OFF

The Nixon Administration has shut off emergency disaster loans to farmers in another move to hold federal spending to the $250 billion ceiling the President has imposed.

The Farmers Home Administration was ordered Wednesday to halt the flow of loans to farmers in counties designated disaster areas as a result of severe weather damage to crops, livestock, and other property.

The Agriculture Department said FHA field offices were instructed to stop accepting applications in counties where the loans had been available for 60 days or more, and in other counties when the two-month deadline expires.

George C. Knapp, an FHA assistant administrator, said he has no idea how much money the government might save by the order.

Emergency FHA loans since July 1 totaled $79 million to 15,855 borrowers as of Nov. 30. A total of $140 million in emergency assistance had been projected for the fiscal year ending June 30.

But other USDA sources put the figure much higher, perhaps near $600 million by next summer.

Farmers throughout much of the country, including the Corn Belt, have suffered extensive crop losses this fall because of poor harvest weather.

In its brief announcement, USDA said the loan shutdown "was taken to counteract inflationary pressures" and to keep the federal budget within a $250 billion limit set by Mr. Nixon for the current fiscal year.

One factor in the decision, sources said, was the administration view that emergency loans had increased at an "alarming rate" after congressional moves this year to liberalize the assistance program.

The action provoked a sharp response from the Ohio Farm Bureau Federation, which accused the Nixon Administration of "turning its back on farmers in the hour of their greatest need."

"Farmers are not asking for a handout. All we request are loans to cover bona fide losses which are totally beyond the control of the farmer," said federation president Leonard Schnell.

Ohio's crop loss is estimated at $250 million, with some areas reporting 50 per cent of their soybeans still unharvested because of wet weather.

R. BLOCK & SONS CO.,
Wynne, Ark., December 29, 1972.

DEAR SENATOR FULBRIGHT: The President's action in denying disaster loans to farmers for production of crops in 1973 is shocking and callous.

Please exert your considerable powers to force reconsideration of this ill advised decision. If Government can aid hurricane victims in the Wyoming Valley of Pennsylvania and a stricken company like Lockheed surely it can do no less for stricken farmers across wide areas of the Midwest and Central South.

With all best wishes in your effort.

Sincerely yours,

DAVE BLOCK, JR.

EUDONA, ARK.,
January 12, 1972.

J. W. FULBRIGHT.

DEAR SIR: I'm a resident of Chicot County, Ark., and a farmer. I'm writing you to let you know I'm in need of help. As you know our crops burned up in the summer to lack of rain. And in the fall it rained to where we farmers couldn't gather much of it. We still have crops in the field but can't gather it for being so wet. Most of it is ruined. I've gone to Farmers Home Administration for loan and help. The man tells me no money available. I need money for land payment, equipment payment and a loan for this year. Sure would appreciate it if you all could help me and farmers in this area. At this point I'm about to lose everything I have. Farming is my way of making a living. I need help now. We need somebody to talk to for some help.

Sincerely yours,

JIM ALLEN.

January 1, 1973.

Senator J. W. FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I am writing this letter to protest the recent cutbacks in federal cost-sharing funds. This action comes at a time when farmers in this area are experiencing the worst harvest time ever. I have been a farmer for twenty-six years, and I have been a member of the Yell County ASCS committee for the past fifteen years, and I can assure you that this past year has been the most adverse year for Yell County farmers that any of us can remember. If FHA emergency loans are not available, then many of us will be unable to continue farming.

Sincerely yours,

M. Y. CHIVERS, JR.

[From the Washington Post, Dec. 30, 1972]

CRACKDOWN ENDS CHEAP REA LOANS

(By Bernard Brenner)

Continuing a sweeping budget crackdown on federal rural and farm spending, the administration yesterday wiped out the low-cost REA rural electric credit system launched in New Deal days and replaced it with a system of higher-interest loans.

A spokesman for rural cooperatives promptly denounced the cutback, which is expected to cut federal spending in the current fiscal year by perhaps up to $279 million, and vowed to fight the move on Capitol Hill "with all the resources at our command."

Bitter protests also were expected from other rural groups and lawmakers already up in arms over recent orders to curtail or eliminate conservation subsidy and emergency farm loan programs.

Acting on orders from the White House Office of Management and Budget (OMB), the Agriculture Department announced the REA change. It said the Rural Electrification Administration (REA) would halt its traditional program of direct federal loans to rural electric and telephone systems, at a fixed 2 per cent interest rate, effective Jan. 1.

The REA program, launched in 1935 to bring light to a countryside still partly living in an oil lamp and candle age since has electrified practically all rural areas.

In place of the old program, officials said future REA loans would be made with a private fund insured or guaranteed by the government. Interest on the insured loans will be 5 per cent, a spokesman said.

Robert D. Partridge, general manager of the National Rural Electric Cooperative Association, a trade association for some 1,000 REA co-ops, told newsmen his group would urge President Nixon to reverse the action and fight on Capitol Hill should that fail.

January 9, 1973.

DEAR SENATOR FULBRIGHT: Will you please tell me why the Administration abolished the Rural Electrification Act?

Our government gives millions of dollars to other countries. My husband worked hard all his life, and gave payments to Social Security. Now I am an eighty year old widow living on Social Security. I do without foods that I need, because they cost too much. I feel around the house in the dark instead of turning on a light, trying to save on my electric bill. If the abolishment of the Rural Electrification Act is permitted to stand my electric bills will be increased.

Will you please do what you can to see that my, and many others, condition is not made worse?

Yours truly,

Mrs. BEATRICE CLAYTON.

MT. JUDEA, ARK.,
January 13, 1973.

SENATOR J. W. FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR SIR: Due to the abolishment, by executive action, of the REA 2% Loan Program, I feel it necessary to send this letter to let you know that we of the Newton County Area are opposed to such action.

We request, since the borrowed money is being repayed, that you oppose this action also.

My yearly salary is hardly above the $5,000 bracket, but I do try to make an honest living. Such action causing an increase in retail prices for electric service could make the difference in getting by and becoming a poverty victim.

So many other programs and actions such as the War Debts and various poverty programs have proved futile, and are not paying off! But this program is.

Please voice opposition to the abolishment of the REA 2% Loan Program.

Yours truly,

STANLEY TAYLOR.

GENTRY, ARK.,
January 13, 1973.

DEAR SENATOR: I know you are real busy but we would like for you to do what ever you can to help retract what the administration has done to the R.E.A. It will make a good many if we older people have to be without for we are on a limit income it seems to me like they are letting the ax fall on the ones least able to bear the burden so what ever you can do will be appreciated Thanks.

Mrs. WINNIE SEVERN.

GENTRY, ARK.

SENATOR J. W. FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR SIR: We are writing to you in regards to the abolishing of the Rural Electrification Act.

We raise broilers on our farm and I am sure you are aware of the threat to this industry. Having the danger of higher electric rates with added deduction in income—would certainly cause us and other farmers financial disaster. I am sure you can understand we could not continue farming with any kind of a living if these things come about. We like the farm and want our children reared on the farm, but we need to make a living also. Please do not allow them to abolish the Rural Electrification Act as we certainly do not need the added expense of higher electric rates. Thank you.

Mr. and Mrs. CECIL SARRATT.

BENTONVILLE, ARK.,
January 19, 1973.

DEAR SIR: Please don't let them abolish the REA 2% loan.

Here are our reasons. First off we're farmers. We have come to depend upon the use of electric service.

We use it to cook with—heat with—hot water heater; it also supplies all of our water for the home and the feed lots.

We also use it to heat the farrowing houses for our sows and little pigs.

If the REA low loan cost is abolished, the price of the electric service would be out of our means. And I don't know what we would do without this service.

Sincerely,

Mr. and Mrs. HOWARD TURNER,
Rt. 2, Box 194A, Bentonville, Ark. 72712.

ROGERS, ARK.,
January 8, 1973.

J. W. FULBRIGHT.

DEAR SIR: I understand the Rural Electrification Act of 1944 has been abolished by the Administration. I think it will mean higher electric rates. It has been the means of helping the rural people to a better life. It still is needed to help rural people who want to build homes and enjoy rural living.

Sincerely,

P. G. KIRK.

ROGERS, ARK.

Honorable Senator FULBRIGHT: I am writing this letter as an urgent message to all Arkansas Congressmen and Senators, asking each one's help in solving the greatest problem ever to face the Rural Electrification Program.

As you know, last week the Administration, by Executive action, abolished the Rural Electrification Act. If permitted to stand, it will destroy the REA low interest loan program and with it many of the rural electric systems.

The REA program is not a give-away such as many we know today. In fact the government has not lost one dime on the program in its 36 years of existence. It is in fact being repaid with interest.

As a citizen of the great state of Arkansas I ask you not to let the abolishment of the REA 2% loan program be permitted.

There is no need for this type of action, as we taxpayers cannot much longer handle these high cost money increases.

I am sure you will not let this change be made.

Respectfully,

Mr. & Mrs. RICHARD B. HYLTON.

GENTRY, ARK.
December 8, 1972.

Senator J. W. FULBRIGHT,
Washington, D.C.

SIR: It has been brought to our attention that the Rural Electrification Act has been abolished as of last week. Also that it will force the patrons to pay prices much above our ability to pay. Especially the older people like us who are trying to live in our own homes on a very limited income.

We may be forced to burn wood, use coal oil lamps and draw water from the well.

Please help—help.

Mr. & Mrs. WM. MULLEN.

JASPER, ARK.,
January 9, 1973.

Senator J. W. FULBRIGHT,
Washington, D.C.

DEAR SIR: We have never written to a Senator before; but now, all of us country people, who depend on Rural Electric, need your help desperately.

Last week the Rural Electrification Act was abolished. As we understand it, loans to the REA at 2% interest, as made possible by the Pace Act of 1944, will not be available any longer.

We wonder if the Administration would have abolished this Act if they had known how many elderly and disabled persons now live in rural areas, because they can not afford the high taxes and expensive property in town. Many of us live on Social Security, Pensions, and Welfare checks. Rural electric rates are already higher than in town; and unless the REA is able to get the 2% loans, they will have to increase the retail rates to us members.

Will you please do all you can to help us rural people, who need to have the Rural Electrification Act reinstated?

Thank you for your help.

Respectfully,

WILLIAM K. BARRETT.
WINIFRED C. BARRETT.

BENTONVILLE, ARK.,
January 8, 1973.

Senator J. W. FULBRIGHT,
Washington, D.C.

HONORABLE SENATOR: We are writing to ask your opposition to the abolishment of the R.E.A. 2% loan programs.

We feel that if these cooperatives are forced to pay a high rate of interest, many of them will be destroyed, leaving rural people without electricity. Those who survive will be forced to raise rates and this will truly hurt the farmer. Since the government is not losing on the program, we can see no reason for the abolishment. Please oppose it.

Yours truly,

Mr. and Mrs. ARTHUR TOWNSEND.

ROGERS, ARK.

Senator J. W. FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I aw writing to you in regards to the Rural Electrification Act, which last week was abolished by executive action, and this will hurt all of your constituents that have been loyal to you here in Arkansas, that are covered by R.E.A. (Carroll Electric Coop).

We are paying a large rate now and if they have to raise rates like they say they will have to, it makes it hard on people like us with fixed income or low incomes with no other source of power. Please isn't there something you and our other Senators from Arkansas can do, to help the average person in your state. Would like to hear from you on the matter if you have time.

Respectfully yours,

JOE SCANLON.

ROGERS, ARK.,
January 10, 1973.

Senator J. W. FULBRIGHT,
New Senate Office Building,
Washington, D.C.

SENATOR: In the last 24 months we in northwest Arkansas have been subjected to spiraling prices for everything from groceries and daily living expenses to payroll deduction taxes and social security increases. This is very discouraging to me, as a wage earner for my family, to see my dollars siphoned away by our bureaucratic process and spent in a reckless and foolish manner.

To be specific, I refer to the recent abolishment of the Rural Electrification Act by the current administration. I disapprove of this action since this would mean another increase in our cost of living. I appeal to you as a concerned citizen to use your capable influence to reverse this administrative act.

Respectively,

PRESTON L. GARDNER.

KECK'S COLONIAL HOUSE,
Bella Vista, Ark.

Senator J. W. FULBRIGHT.

GREETINGS SIR: Don't kill the R.E.A. Program. If you are for the little man—The small farmer, The Small Business Man, The Poor boys—then Vote to keep R.E.A. Cut the Graft and Greed of the Big Boys.

The big get bigger—the Small get Smaller—with the help of the Senate & Congress. Why?

Respectfully,

Mr. CLARK KECK,
Mr. E. E. KECK.

[From the Arkansas Gazette, Jan. 13, 1973]

ORDER TO END LOAN PROGRAM HURTS ARKANSAS

Arkansas will be one of the states hardest hit by the Nixon administration's cancellation of cut-rate housing loans for rural families.

The administration Tuesday ordered field officers of the Farmers Home Administration to cancel immediately rural low-interest housing loans grants and 1 per cent loans to build farm labor housing, and rental and cooperative housing loans for rural areas. Loans for individual family housing comprise the largest portion of the FHA housing program.

In fiscal year 1972 Arkansas ranked fifth in the nation in the receipt of FHA housing loans.

At the end of the last fiscal year the Arkansas office of the FHA had made 5,467 housing loans totaling $64,971,090. Of those loans, 3,095 were subsidized low-interest loans totaling $40,401,380.

The FHA has the authority to make housing loans at 7.25 per cent interest to families who live in communities with a population of less than 10,000 and who cannot find housing loans elsewhere. If the family's income is less than $7,000, the FHA had the authority, until Tuesday, to give that family a subsidized loan for as low as 1 per cent interest. Only the subsidized loans have been canceled.

As of November 30, in fiscal year 1973 the Little Rock office of the FHA had made 2,382 housing loans totaling $30,846,570. Of those loans, 1,380 were low-interest loans totaling $19,424,380.

The FHA has also been ordered to cease giving "conditional commitments" to rural housing builders. Formerly the FHA had the authority to tell a builder that if his housing met FHA specifications, the FHA would give an eligible applicant a loan to buy the house if the funds were available.

McCLURE REALTY CO.,
Malvern, Ark., January 10, 1973.

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

DEAR SENATOR: It was with a great deal of concern and disappointment that I read today's paper which sets out the fact that the Nixon administration has frozen the rural housing loans. I am particularly concerned about the Farmer's Home Administration loan program which has been so useful and successful in our area. This program has provided many modern homes for rural low income families who could not afford one any other way.

If there is anything that you can do to reverse the current decision by the Nixon administration, I would certainly appreciate your help. I am sure I speak for most of the other citizens of the state of Arkansas.

Thanks very much for your consideration.

Yours very truly,

GEORGE L. McCLURE.

DOVER, ARK.,
January 12, 1973.

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

DEAR SENATOR FULBRIGHT: I am a VISTA Volunteer working as a housing aide with a Community Action Agency here in West Central Arkansas called the Arkansas River Valley Area Council (ARVAC).

I have become increasingly aware of alarming indications that the rural housing program and Federally assisted programs generally are being drastically cut back. I understand that the Administration plans to curtail some housing programs, eliminate others, and impose moratoriums on still others.

As an omen of what may be coming, I have just found out that the interest credit program of the Farmers Home Administration has been frozen. The interest credit program when combined with a FmHA 502 New Home Loan or a FmHA 504 Home Repair Loan is the *only* large-scale ongoing housing program in rural areas which can and has brought decent housing into the reach of low income peoples.

It would seem that only immediate and effective Congressional pressure can prevent the elimination of the rural housing program.

I urge you to do what you can to reverse the present Administration plans for the sake of the many low income people who are so desperately in need of decent living conditions.

Thank you for your time and attention.

Sincerely yours,

GREG HAAG,
VISTA Volunteer.

BEARDEN, ARK., *January 12, 1973.*

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

DEAR SIR: I am alarmed that the Administration may curtail some housing programs, particularly the programs that are designed to help low income families. I am an Action Volunteer working in a rural area and assigned to aiding low income families obtain loans for housing. I am able to help some of these families obtain or improve their housing through the subsidy programs of the Farmers Home Administration. However there are still a great number that cannot even qualify for these subsidized loans.

The emphasis should be aimed at improving rather than curtailing our present housing programs if we are to help reduce the blight of shameful housing in America.

I urge that you propose or support legislation that will persuade the Administration to reverse its present plans in respect to curtailing subsidized housing programs for the poor.

Respectfully,

WILLIAM J. MASON.

HEBER HOMES, INC.,
Heber Springs, Ark., January 9, 1973.

J. WILLIAM FULBRIGHT,
Congressman from Arkansas,
Washington, D.C.

GENTLEMEN: I was just informed that the President has stopped all government subsidized housing programs. As you know, this is a very badly needed program for Arkansas and, over all, it has been a big success in helping those people who needed it most in this country. Undoubtedly, the President has gone off the deep end since his overwhelming re-election vote.

I was under the impression that we were to stop sending money overseas, such as to the stupid Viet Nam war, and use the money for our own people. No sooner does this program get started good than it is stopped.

I would appreciate your using your influence to get this program reinstated as soon as possible; by "this program" I mean the Farmers Home Administration low-income, government subsidy loans. This program is very vital to our area's economy. I would appreciate your immediate attention on this matter.

Please advise me your course of action and feelings regarding this situation.

Very truly yours,

BEN F. CASTON,
An Arkansas Constituent.

[From the Arkansas Gazette, Jan. 3, 1973]

HISTORY RECALLED IN DEATH OF REAP

(By Leland DuVall)

Rural Environmental Assistance Program is a new name for one of the oldest farm programs. Perhaps it should be referred to in the past tense; the Nixon administration killed it by edict with an announcement released this week and retroactive to December 22.

REAP, operated under its earlier names, dates back to the New Deal and one form was included in the old Agricultural Adjustment Act, which also was known as the Triple-A. From the beginning, the mission has been unchanged. It was designed and operated as a government-assisted effort to make certain that the land and water resources of this country would be used wisely and would be preserved for the benefit of future generations.

About two thirds to three fourths of the raw materials on which the American economy is based are agricultural in origin. The demand for these raw materials has been expanding rapidly because of increased population, greater demands in the export markets and the expansion of per capita consumption resulting from improved income and corresponding gains in the standard of living of consumers.

The Agricultural Conservation Program, which was renamed REAP, was a national effort to make certain that soil and water resources would be adequate to meet these growing needs. In the early days of the republic, no one considered this matter. Land resources were regarded as inexhaustible. Each squatter homesteaded a little plot, cleared and burned the trees and farmed the new land until the fertility declined. Then he moved to a new location and homesteaded another farm.

In time, the process covered almost all the land that was suitable for farming—and a great deal that should never have been cleared or broken in the first place. The early farmers simply mined the soil of its nutrients and their legacy was about as valuable as an abandoned strip mine. Crop rows often ran down steep hills and marked the paths of future gullies. Soil melted and flowed in a thick slurry to the creeks and, eventually, to the mouths of the rivers.

On the plains, farmers stripped the cover from the fields—in the process of mining the soil—and wind erosion proved to be at least as destructive as the washing.

The climax was reached in the 1930 decade. Land fertility in the uneven sectors of states such as Arkansas had dropped to a level that made farming an impossible assignment. Even when the land was new, farming had been a subsistence occupation that offered little opportunity for profit. When the fertility, accumulated over the centuries by the process of plant growth and decay, was used (or mined out) survival became impossible and large numbers of farms were abandoned.

For the most part, the act of packing up and moving away was not particularly spectacular. It attracted attention only when the migration became massive as families herded together on the roads to California or some other promised land. Observers, writers, conservationist and politicians noted the lemming-like flights from the desolate regions.

On the Great Plains, the results of soil abuse were quite spectacular. They took the form of massive dust storms that buried fences smothered houses and utterly destroyed the fertility that remained after the years of unwise cropping. Land that once had supported a variety of living creatures threatened to become a permanent desert. (This statement is not an exaggeration. Similar disasters have been experienced around the world and some of the great deserts once supported important civilizations.)

Our current ecologists and environmentalists who may not remember the "black dusters" and the red rivers may take a less dismal view of current conditions if they would examine the huge problem in relation to the past and the possible developments of the future. The added perspective might enable them to see that the worst water pollution even known on this continent was registered when soil erosion was a natural byproduct of farming. In those days, virtually all the rivers ran thick with mud, which is a serious pollutant. The black duster probably was the worst form of air pollution ever encountered in this country and it certainly covered a larger area than any of our current trouble spots. The whole Los Angeles smudge pot would cover no more territory than Hall County, Tex.; the black dusters swept across many states—from North Dakota to the Gulf—and their pollution spread its films in Arkansas and many states that contributed nothing to the contamination of the atmosphere.

This little recounting of recent history is necessary in order to bring into focus the government program that became known as REAP.

Back in the 1930 decade—when the hills were melting in the spring rains and running down to the sea and when the Great Plains were being rearranged into a desert—the true conservationists knew that landowners, as a group, would not and could not solve the problems without assistance. The tradition of "mining the soil" was so well established that an incentive for change was essential. Proceeding by trial and error, the conservationists (in and out of government) developed a plan that would provide both the incentive and the technical assistance that would assure success of the effort to save and use the country's soil and water resources.

The Soil Conservation Service would provide the technical assistance and would help the landowners learn and apply the techniques that would make the best use of soil and water resources.

Predecessors of the agency now known as the Agricultural Stabilization and Conservation Service would provide assistance in a number of ways, including cost-sharing for the work that could not be justified completely on the basis of economic benefits to the owners.

Other agencies would contribute to the effort to stimulate conservation of the basic soil and water resources. The Agricultural Extension Service, primarily an "educational" agency, would emphasize the benefits of conservation as part of its comprehensive program. Farmers Home Administration would make loans to help finance some conservation projects. The Forest Service would demonstrate the benefits of good conservation practices on its land. In the early days of the program, the Civilian Conservation Corps constructed demonstration projects and helped spread the gospel of conservation. Virtually all the farm-oriented agencies (and some in the Interior Department) got into the act.

The net result of this essential effort was that the "traditions" of agriculture were rewritten. The idea of "mining" the soil was replaced by farming methods designed to rebuild fertility while continuing the process of growing crops.

No one should need to be reminded of the importance of this new concept, not only to the landowners but to the country as a whole. The six-inch crust of topsoil provides two thirds to three fourths of the raw materials for the American economy; if too much of it is destroyed, everyone suffers. Fortunately, soil and water are "renewable" resources.

REAP and its predecessor programs served as a sort of extra incentive to induce landowners to carry out conservation practices that could not be justified by the immediate returns to farmers but that had lasting benefits for the country as a whole. Costs were shared by the government only on practices which farmers and ranchers would not have carried out (to the needed extent) without assistance. These practices included cover crops and reforestation on worn-out fields where the owner could not expect to derive a near-term return on the investment. They also included water impoundments, erosion control and the addition of phosphate or limestone to fields that were so poor that nature could hardly gain a foothold in her effort to rebuild the topsoil.

The program has been in operation for almost four decades. During the period, the fertility of farm land in the United States has been improved significantly. Yields of food and feed crops have risen at a spectacular rate. Admittedly, REAP and its predecessors were responsible for only part of the gain. Better seed and improved farming methods may have been responsible for most of the improvement but the best hybrid corn produces only a poor yield when it is planted on an eroded field.

The net result of all the improvements—conservation, better management and other upgraded farming practices—has been ample supplies of food and fiber for an expanded population with increased buying power. In addition, agriculture has produced for an expanded export market.

All this would not have been possible if the general fertility of the nation's soil had not been improved over the years and REAP and its predecessors (in conjunction with the other government agencies) contributed to the improvement.

The other major benefit derived from the special effort has been a general upgrading of the environment. Streams run clearer than ever before, which means that the potential water supplies for cities have been increased and improved. Dust storms have been halted and the wind no longer rearranges the landscape and threatens to create deserts.

Now President Nixon has killed REAP with a stroke of his executive pen. His argument, as restated by a spokesman for the Agriculture Department, was that the program no longer was needed. The battle has been won.

Persons familiar with the situation believe there are still marginal projects—those that benefit the community and the nation as a whole but may not provide an immediate profit to the landowner—which will be postponed or abandoned if the government does not share the cost.

GREEN FOREST SCHOOLS,
Green Forest, Ark., January 12, 1973.

Senator J. W. FULBRIGHT,
New Senate Office Building,
Washington, D.C.

DEAR MR. FULBRIGHT: Many of the people in our area are deeply concerned with the President's program as it applies to the people of the rural areas of our state and nation.

We understand he is terminating the R. E. A. P. program, which has been very beneficial to the small farmers of Arkansas, as well as a fine conservation program.

Also, we have been informed that the Rural Electrification Act has been abolished. Having lived in the rural area all my life, I remember what country life was like before R. E. A.

Last, but very important, I understand the appropriation for the Elementary Secondary Education Act of 1965 is being drastically curtailed, and probably eliminated in the near future.

It seems to me that all the above programs are vital to the economy of our country and we hope you will do what you can to see that they are continued.

I get the impression that the President's program is to make the rich richer, and the poor poorer. I think, if he is really sincere about economizing, he should begin abroad by eliminating some of the waste which is so prevalent.

Sincerely yours,

RUE GRIFFITH,
Superintendent of Schools.

PEOPLES BANK AND TRUST CO.,
Mountain Home, Ark., January 2, 1973.

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

DEAR SENATOR FULBRIGHT: This letter is in regard to the termination of the Rural Environmental Assistance Program (REAP).

Our area is made up primarily of small farmers who match the cost-sharing of the REAP program with their own funds for conservation practices totaling approximately $100 thousand annually. We feel the termination of this program will be detrimental to the Nation's economy. This program has been more beneficial to farm people and the entire Nation than any other government farm program since it was established under the Soil Conservation and Domestic Allotment Act of 1936.

We, as a financial institution, urge you to make a vigorous effort to restore the Rural Environmental Assistance program as funded by Congress.

Yours truly,

NEIL NELSON,
Executive Vice-President.

DE QUEEN, ARK.,
December 27, 1972.

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

DEAR SENATOR FULBRIGHT: Once again the battle is on for the ACP–REAP (Rural Environmental Assistance Program), and we urgently need your support.

There was a notice in our local paper today that the REAP program is terminated to assist in curbing government spending. So once again we farmers are to bear the brunt of cut in government spending.

Sir, I know this ACP–REAP Program has been brought to your attention time and time again by our state farmers.

I hope you will give this battle your wholehearted support for the benefit of Arkansas farmers and for the nation as a whole.

Thank you sincerely,

ROBERT HIGGINS.

HORATIO, ARK.,
December 28, 1972.

DEAR SENATOR FULBRIGHT: In as much as the land and other natural resources are America's most valuable possessions. I was disappointed to read in my local paper that the President has cancelled the Rural Environmental Assistance Program. In my opinion the importance of this program has been under-estimated.

Please get behind a movement to re-instate this valuable environmental protection program.

Thank you,

TY COBB.

DE QUEEN, ARK.,
December 27, 1972.

DEAR SENATOR FULBRIGHT: We small farmers and the Nation as a whole needs the REAP Program.

Please try to get it reinstated.

Thank you,

DAN CALDWELL.

LAMAR, ARK.,
January 3, 1973.

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

DEAR SENATOR: We the farmers know that in the past you have supported our program, and at this time we need your help on the Rural Environmental Assistance Program.

The farmers in this area depend on this program to better establish permanent pastures and conserve our soil for the future generation.

We greatly appreciate your voting record in the past Legislation, affecting the farmers in the past.

Sincerely,

LLOYD RENOLDS.

HORATIO, ARK.,
December 28, 1972.

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

DEAR SENATOR FULBRIGHT: The paper here stated yesterday that the Rural Environmental Assistance Program has been terminated to cut down government spending.

As a farmer in a small rural community I am directly affected—as are countless others—I'm a bit puzzled as to how ending this program will be more effective in curbing government spending than say cutting down on space and defense programs. Surely saving our environment can't be any less important.

I am asking you to check into this matter and work to get this program started again.

Sincerely,

DEAN WATSON.

EUGENE L. WYMAN

Mr. CRANSTON. Mr. President, last week I, along with many Members of this Congress and thousands more who knew him in California, lost a great friend, Eugene L. Wyman of Los Angeles.

Gene Wyman, husband of Rosalind Wiener Wyman, the first woman and youngest person ever to be elected to the

Los Angeles City Council, and father of three fine children, died at the age of 47, at the peak of his brilliant career as a lawyer, political leader, and benefactor of many causes.

Gene was active in Democratic politics most of his life. No one worked harder and no one raised more money for our party in California than Gene Wyman.

Gene once said about politics:

There are lots of writers and thinkers in a campaign but fund-raising is the tough job, the one nobody wants. If you can do it, you're in.

Gene Wyman could do it, and he did do it. He raised millions of dollars for John F. Kennedy, Lyndon Johnson, and Hubert Humphrey. He was the top fund-raiser for Gov. Edmund G. Brown's campaigns and he worked hard for Pierre Salinger, John Tunney, and me. Last fall he raised a great deal of money for the congressional election fund and at the time of his death he had begun work on a fund-raising dinner which will be held in Washington on May 23.

Gene Wyman also put his great talents to work for the State of Israel and helped raise many millions of dollars in bonds that assisted that young State in growing and developing.

A brilliant lawyer, he formed one of the most successful law firms in the West with offices in Washington, Paris, and London. But great success never really changed Gene Wyman from the quiet, kind, thoughtful person he always was.

Politics and his law work were his professional passion, but they were never allowed to interfere with his family life, his marriage, and his children. Gene Wyman asked for nothing from his work for others, but his rewards in friendship, love, respect, and admiration from the thousands who knew him were great.

Eugene L. Wyman, American, family man, lawyer and leader. January 19, 1973. He will be remembered.

FACE THE NATION

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a transcript of the program "Face the Nation," as it was broadcast over the CBS network on Sunday, January 21, be printed in the RECORD.

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

FACE THE NATION

GEORGE HERMAN. Senator Griffin, President Nixon said in his inaugural address yesterday that we recognize the responsibility of each nation to secure its own future. Is this the ending of the 25-year period of American history, beginning perhaps with the Truman Doctrine in which America aided democracies and free nations everywhere around the world whenever they called upon us?

Senator GRIFFIN. I think it's a brief statement of Nixon doctrine, which indicated earlier in this administration that we stand ready to help other nations, but we want to know whether they're going to help themselves, and the United States doesn't expect to play policeman for the whole world, once we bring this present Viet Nam war to an end.

ANNOUNCER. From CBS Washington, FACE THE NATION, a spontaneous and unrehearsed news interview with the Senate Republican Whip. Senator Robert P. Griffin of Michigan. Senator Griffin will be questioned by CBS News correspondent Marva McLaughlin, J. F. terHorst, Washington Bureau Chief of the Detroit News, and CBS News Correspondent George Herman.

HERMAN. Senator Griffin, it struck me in the inaugural address yesterday that the President was really signaling a drastic change, a dramatic change in our foreign policy, quite a difference from John F. Kennedy's we'll bear any burden, meet any foe, and so forth, when he said the time is past when America will make every other nation's conflict our own.

Senator GRIFFIN. Well, I think that he was, in his inaugural address, indicating that we've reached the stage in foreign affairs where we are bringing a war to an end, we have established new relationships with the great powers of the Soviet Union and Red China. There is hope on the horizon that there will not be so much of a tendency toward taking other countries by aggression, that there is a realization of responsibility abroad, because it's been communicated by President Nixon that other nations have got to bear their own responsibility for their defense if they expect us to help them. I think this is all to the good. I think it is moving in the direction that this country ought to be moving in, and it coincides, I think, with an opportunity for a new era of peace. I don't think that's just rhetoric; I think that the circumstances are falling into place where we do have a chance now for a generation, perhaps more than a generation, of peace, largely through the leadership of President Nixon, and to some extent bringing about circumstances—in another respect, recognizing opportunities and taking advantage of them.

TERHORST. Senator, on that very point, the President yesterday spoke quite directly about the need for bold new initiatives and for coming up with new solutions to old problems, and in terms of domestic problems how can he come up with bold, new initiatives and new solutions and put these before the Congress, at the same time the White House constantly reminds everybody that we are about to cut back on everything that has been enacted by Congress recently?

Senator GRIFFIN. Well, I would say that one of the most significant things about his inaugural speech was his focus on the domestic scene and his serving of notice, so to speak, that he doesn't intend to be a passive President with respect to our problems at home.

In a sense, he's saying we've reached the stage, in terms of our foreign relations, and he's been working on that for four years and he considers he's achieved a certain amount of success—now we can look to our problems at home, and what are they? Well, I think the solutions don't lie so much in passing more and more laws and creating more and more programs. Frankly, I think what's wrong, and as he expressed it so eloquently yesterday, we probably have too doggone many programs, and what we need to do is to deliver the services more efficiently and more effectively.

You know there's a great debate going on, and perhaps you're going to get into it, about whether Congress should have more power or the President should have more power. The issue shouldn't be so much this jealous quibbling about whether the power should be on one end or the other of Pennsylvania Avenue; what we really need to do is to shift more power back where the people are, and where the problems are, and President Nixon's initiatives, his bold initiatives on the domestic field are going to be in that direction, to try to shift responsibilities for allocating funds and solving problems back to the local levels of government, where the problems are and where the people know how to deal with them.

MCLAUGHLIN. Senator, talking about who's going to solve the problems, it does take money. I noticed again yesterday in his speech, the President said it is important we understand both the necessity and the limitations of America's role in maintaining that peace, assuming Viet Nam is the peace he was speaking of there. What is our role and how expensive is going to be our role in maintaining the peace in Viet Nam, and what effect is that going to have on us doing some new and innovative things here in this country?

Senator GRIFFIN. Well, I can't anticipate exactly what the peace agreement is going to contain. I think we can expect, however, that there's going to be some obligation to rehabilitate areas in Southeast Asia, and that there will be some costs involved there. I don't think our foreign aid program is going to come to an end, although we are reassessing it, and should be. I think in terms of our defense we need to continue to stay strong. I think that one of the worst mistakes that we could make in seeking peace is to unilaterally disarm, as some of President Nixon's critics are advocating continually.

We ought to recognize, though, that during the four years of President Nixon's administration, we've actually reduced the percentage of funds that have been going for defense. It was something like 40 percent of the budget was being spent on defense when President Nixon took office, and now it's down to 30 percent, so actually there's been a reordering of priorities. And we want to keep in mind that there's been a tremendous increase in the pay of military personnel, so that we could have a volunteer army and not have a draft. So we're going to continue to need a strong defense if we want to have peace, but I think that we will still have money left over to be able to solve our problems at home if we allocate it wisely and if we don't have such a large bureaucracy in Washington wasting so much of it.

MCLAUGHLIN. I don't think I've ever heard a Senator say we're going to have money left over from anything, but how willing do you thing the Congress is going to be to spend a lot of money for, say for example, rehabilitation in Southeast Asia, and then also the demands that their constituents are making as home to do something about the problems here at home?

Senator GRIFFIN. Well, without a doubt there will be arguments and debates and so forth. I think that all of us are so anxious for peace, we want peace, and we realize—and it isn't anything new for the United States, following a war, to help in the rehabilitation effort. Look what we did following World War II, and how we helped our enemy there. And I think we're going to have that kind of spirit. I think the nation will rise to it, and to a reasonable degree will support what the President will recommend in that area, and I'm not prepared to say what it will be, but undoubtedly it will be part of the obligation involved in peace.

TERHORST. I fail to follow the logic of the administration on one point, and that is the idea that by sending the problems back to where they really are, at home, we thereby solve the problems. Didn't these problems come to Washington because they had not been solved at home, and doesn't every other country in the world end up having to tackle problems like national health and education in a national way, rather than in a localized state way?

Senator GRIFFIN. I think it would be a mistake to interpret what I said as indicating a complete abdication, of course, by Congress of any responsibility. There are many areas, and you've mentioned some of them, I think, where Congress definitely does have an important role to play, but since the advent of the so-called Great Society in the Johnson administration, as I last remember the figure, and I kind of lose track of the numbers, to tell you the truth, it seems to me there were

three or four hundred separate, categorical, federal aid programs that have been enacted, each one with separate guidelines and forms and applications and red tape and bureaucracy, and people at home, local community officials and so forth, are supposed to know about all these programs and be able to take advantage of them. They haven't worked. They've cost a tremendous amount of money. Even those who consider themselves liberals and who were originally advocating such programs in many cases have come around to recognize that they just haven't worked. Now President Nixon is trying to fold in or consolidate some of these programs into special revenue sharing, make large blocks of federal monies, not that we're not going to provide any help—make large blocks of federal money available where it can be used at the local level to solve some of these problems. Sure, I think that we still in a broad way want to help to set some of the educational policies; I don't think we want to set them in great detail, but we do want to play an important and growing role in funding education.

HERMAN. Senator, let me go back to the inaugural address once again. The President listed a whole series of things—we have a chance today to do more than ever before in education, health, housing, transportation, cleaner environment, respect for law, make our communities more livable, full and equal opportunity. And then he said let us be bold in our determination to meet these needs in new ways. Now almost every one of these that he listed in that paragraph is a field in which he has announced, or seems ready to announce, if he has not already, budget cuts in the federal budget. So, presumably, when he says he's bold in our determination to meet them in new ways he means without federal money or with less federal money. How do you think he plans to meet them in a new way with less funds?

Senator GRIFFIN. Well, first of all, let's just take a look at something like housing. This is one of the areas where he's holding back funds, great deal of criticism. His order, which affects subsidized housing programs, will not affect construction during the next 18 months on the commitments that have already been made, but it does put a moratorium on any new commitments in that area, and I can't think of an area where there are such failures and such problems as there are in the housing field. The idea that the federal government would encourage people on a $300 down payment, with one percent interest, to become homeowners brought in a lot of unscrupulous speculators and people who took advantage of the low risk, no risk government assumption in that area. There have been terrible scandals because the program is basically unsound and hasn't been administered in some instances too well. There are thousands and thousands of abandoned homes in cities around the country, and Detroit is one of the most horrible examples that we have, showing that these programs have not worked.

Now the President is saying, let's stop and take a look at this, let's not just renew it as Congress almost did in the last session, let's see if there aren't some better alternatives, and surely there are some better alternatives, and his is what he is saying in this particular area, as an example.

MCLAUGHLIN. Senator, are you saying then that what the President is saying is less red tape, less, you know, government bureaucracy, but maybe not less money—in other words, less money the way it is established now, but maybe the same amount of money if we can, you know, change the programs, change the direction?

Senator GRIFFIN. I think there is a limit to how much we can spend, and let's focus on his request in the last session for a $250 billion debt ceiling. Right now there's a big debate raging as to, you know, whether the Congress should determine where the cuts should be made or whether the President is going to be able to impound funds. Let me just say that if the Congress hadn't appropriated and made available for spending more than $250 billion for this current fiscal year there wouldn't be any big argument about the impoundment of funds, because Congress could have determined the allocation and the priorities, and the total would not have exceeded the $250 billion. But when Congress appropriates, makes available for spending, more than an amount which knowledgeable economists in and out of government say is the outer limit, somebody has got to make a decision, and the President has made the decision in terms of impounding funds.

HERMAN. I know Congress has failed to do that in the past, and Congress is now about to start a campaign to get back some of its powers. Doesn't it have to start with self-discipline and will it?

Senator GRIFFIN. Well, the answer to the first question is yes. Congress points a lot of the blame, you know, at the White House. It ought to be pointing the blame at itself. We need to get our own house in order.

HERMAN. The second question is will it?

Senator GRIFFIN. Will it? I hope so, although I must say that I'm not too optimistic about the extent of any reforms that I see on the immediate horizon in the Congress right now. I'm very disappointed, frankly. There's a lot of talk about seniority, and a little bit was done about that, but look at Rule 22——

HERMAN. What about the Joint Committee and the limit on spending? That's the real crux right off the bat, of what they've been talking about. Will there be such a limit on spending?

Senator GRIFFIN. We do have, as you've indicated, we had established a Joint Committee on the budget, which is now meeting, and Congress is going to try, and I hope it will come up with the reforms necessary so that we can establish a realistic ceiling.

HERMAN. Will the Republicans play a strong role in that?

Senator GRIFFIN. Oh, I think so, without question. Republicans were generally very strong in supporting the President's request for a spending ceiling in the last Congress. Now I think one of the things that's involved is Congress has got to equip itself for the modern day that we're living in, and with the technology that we have available, and we've got to staff the Congress committee, particularly the Appropriations Committee with the expertise, so that we will have somewhere near the knowledge available to us that the Executive Branch has available to them.

TERHORST. Senator, one of the problems that is fairly new that has come from the countryside, from the people of Washington, is the question of school busing to achieve racial balance. Surely, Congress is not—or the administration is not going to send this back home and say this is a problem you'll have to solve. The President has said he wants something done by Congress; I believe you yourself have said something has to be done by Congress. What are you going to do about the problem under the new approach?

GRIFFIN. As I say, again, what I—what the President said yesterday and what I said today doesn't mean that Congress is going to close up shop and not have anything to do. There are lots of federal problems, there are always going to be problems, and the Supreme Court, in the matter of some of the decisions that they've handed down, and the way they've been interpreted by local district courts has created a very serious problem as far as the threat and the reality of busing in some communities. I think, of course, that Congress should have acted in the last session. We had the votes in the Senate to pass some effective and meaningful anti-busing legislation, but we couldn't get the two-thirds majority that was needed to halt a filibuster.

TERHORST. How does it look this year?

GRIFFIN. I would say very honestly that as a result of the elections, I don't think that the forces on my side of the issue have gained strength. They're probably about the same, although some of the busing that is being ordered in other areas of the country gradually changes the outlook and the philosophy of some of the senators, but I still don't think that at the moment it would be possible to muster a two-thirds vote in the Senate to pass legislation. What I expect to happen, especially since the Denver case and the Richmond case, now before the Supreme Court, is that Congress will probably take a wait-and-see attitude and see if the Supreme Court does something. I hope they do.

I think that if the Supreme Court would go back to what I think was really the reasoning and the philosophy in the Brown case, and that is that we should have a color blind society; we should not discriminate, not have separate, dual schools, but at the same time, not force integration in the sense that you have to have a certain percentage or quota of blacks and whites in order to meet constitutional requirements. It's unrealistic; it hasn't worked and it's degrading as far as the black race is concerned, to suggest, as busing orders do, you know, that you have to be in a school where there's a certain percentage of whites in order to get a good education. I just think that goes counter to the basic philosophy of the Brown decision itself.

TERHORST. But, now, what if the Supreme Court does not hand down a decision in the Richmond case, or in the Denver case, or any other case that in your opinion are those that have effectively stopped school busing, do you think there are votes in Congress to do something about it?

GRIFFIN. I hope there will be by that time. I think that as the national debate on this subject continues, there isn't any question that in terms of public viewpoint, that something in the neighborhood of 80 per cent of all the people are against busing, and generally, most polls show that a majority of blacks are against busing, and eventually, I think that we're going to have that reflected in the Congress and be able to pass legislation if the Supreme Court doesn't handle the problem.

MCLAUGHLIN. Senator Griffin, on another subject, what do you think about the relationship between Congress and the President? Is it close enough, and you're a member of the President's party and you're in a leadership position; do you see him enough? Do you get called down to the White House enough, are you briefed enough? Do you anticipate any change coming up in the next four years?

GRIFFIN. You know, someone has said that the art of politics is the care and feeding of egos, and I think that Congressional relations for a president is somewhat—could be defined the same way. Senators are prima donnas, they like be fully informed—

MCLAUGHLIN. How can you say that? [Laughter.]

GRIFFIN. They are, every one of them.

HERMAN. He can say it as a whip.

GRIFFIN. Nobody would ever say that he has been briefed enough by any president. Now, I don't think there's any question that the style of President Nixon is different than the style of President Kennedy, the style of President Johnson, the style of President Eisenhower. I personally wish he would communicate more with the Congress. I have urged him to in the past. At the joint leadership breakfast that he had after we had our swearing in ceremony, he indicated several times that he is planning to do that,

and I certainly hope he follows through on it.

This President, you know, as he gropes with this very, very difficult problem in Viet Nam, a war that he didn't start but he's trying to end, he must often think of what Abraham Lincoln said when—if, you know, if it all comes out right in the end, it isn't going to matter what all these critics have been saying, and if it doesn't come out right, ten angels swearing that he was right won't make any difference. He's engaged right now in a job which only the President can perform. I mean, we'd like to negotiate the peace settlement on the floor of the United States Senate, but it can't be done that way. He's got to do it. You've got to have a certain amount of confidence and faith in at least the motives of the President, and that's true not only of my president but of any president. He's trying to get the war settled, and I think he's doing it, and I think that we'll be very proud of him. History is going to judge him, I think, as one of the great presidents.

HERMAN. How do you estimate the economic situation as he starts his second term? We're now in Phase III, the war is still on, although winding toward the close. Will he be able to restrain a new outburst of inflation with the minor controls and the powers that are left in effect?

Senator GRIFFIN. Well, as you know, the reports on the last quarter of 1972 were very encouraging. The administration did meet its goals as far as inflation is concerned, as far as growth of the Gross National Product is concerned. All of the indications are that jobs are being created at a very significant rate in terms of progress. Someone pointed out to me the other day that as far as the unemployment of men over 25 is concerned, it's the lowest rate since 1955, which was so-called full employment. We do have unemployment, largely in the area of teenagers and one of the reasons that we have that is that we have so many restrictions and so many obstacles to the hiring of teenagers. I hope when we get around to amending the minimum wage laws that we do something to make it easier to hire teenagers who want to work. I think that generally, the outlook for the economy is good. I think that Phase III is a natural evolution. We're moving away from the tightest kinds of price and wage controls, relying more on voluntary compliance. It's a little bit like teaching a youngster to ride a bicycle and there comes a time when you start to take your hand away. I'm not sure that the timing is exactly right, but I hope it is, and I think the timing has been pretty good up till now.

Let me just say that one of the things that will have to be done very early in the Congress is to pass legislation to extend the authority for wage and price controls, and I of course am for that.

MCLAUGHLIN. Would you have preferred that this action that the President took, going into Phase III with the voluntary control idea, not have come quite this quickly? Is that what you're saying, that you still have doubts, it's come too soon?

GRIFFIN. Well, the national Cost of Living Council will now be able to focus more time on the major problem, which is food prices, which is good. You will not have all of this approving and processing every wage agreement and every price adjustment in advance, although the Cost of Living Council will still have the power, if they exceed the guidelines, to go back and require adjustments.

MCLAUGHLIN. But do you think this was the right—

GRIFFIN. I think that you can make a pretty good argument on both sides. I will say very frankly that as I see the negotiations coming up in such areas as the railroads and the automobiles and electrical and so forth, that I'm a little bit apprehensive; I'm a little concerned. Maybe the timing is too early. On the other hand, if the leaders of organized labor will be cooperative and supportive and will help the unions to be responsible in their demands in the negotiation of contracts, this may be one of the greatest steps that we've taken.

HERMAN. Why do you concentrate on unions, when the last thing we had while we were still under Phase II was a huge jump in the wholesale price index?

Senator GRIFFIN. There isn't any question, but particularly in food, as I say—now, they haven't taken the emphasis off of food; a new commission—or a new cabinet committee, headed by George Schultz is going to focus on food prices, and they should. Otherwise, outside of foods and—the price situation has been very, very good. We've been way ahead of the schedule and we've hit the target, and now I think we ought to focus on the food problem.

HERMAN. Just one more question: what do you hear from home? Is it popular, Phase III?

Senator GRIFFIN. Oh, I think you hear everything. I think that there are some who believe it's good, and you hear lots who are critical.

HERMAN. Thank you very much, Senator Griffin, for being with us today on Face the Nation.

ANNOUNCER. Today on Face the Nation, the Senate Republican Whip, Senator Robert Griffin of Michigan, was interviewed by CBS News Correspondent Marya McLaughlin, J. F. terHorst, Washington Bureau Chief of the Detroit News, and CBS News Correspondent George Herman. Next week, the Speaker of the House, Congressman Carl Albert of Oklahoma, will Face the Nation.

CHILD ABUSE

Mr. HUMPHREY. Mr. President, a very sad aspect of our national life is the increasing evidence of child abuse.

Many Americans were shocked only recently when Chicago newspapers and Time magazine reported the death of 6-year old Johnny Lindquist in Chicago. As stated in a Time magazine article which I am asking be printed in the RECORD, this youngster had been given up by his natural parents for adoption at an early age. He was soon adopted by foster parents and lived happily with them until natural parents decided they wanted the child returned to them. Although the foster parents were heartbroken and Johnny expressed a fear of his real father; the courts and social agencies ordered him returned to his natural parents. A few months later, states the Time article, Johnny was so severely beaten by his father that he died 4 weeks later.

The Lindquist case is not unique or even unusual. Each year more children are killed by their parents than die of any one disease. Dr. Vincent Fontana, director of pediatrics at St. Vincent's Hospital in New York and chairman of Mayor Lindsay's Task Force on Child Abuse, has said that abuse and neglect is the number one killer of children in this country. At least 700 children are killed annually and 50,000 to 200,000 children suffer serious physical abuse.

It is estimated that the number of child abuse cases is increasing alarmingly. In New York City, for example, the number of reported cases increased 549 percent between 1966 and 1970. And only a fraction of the total number of neglected and abused children are recognized as such and given proper medical attention. Dr. Fontana estimates that for every one case that is reported 10 to 100 go unreported. In many States doctors are legally required to report suspected abuses, but they rarely do.

Child abuse is an ugly disease and in many ways a symptom of other deep problems of our times such as poverty, pollution, and congestion. Some evidence suggests that parents who mistreat their children are usually psycopathic or are reacting to feelings of anxiety. In many cases, the parent was once a victim of child abuse. In 1971, Dr. Fontana's Task Force reported that battered children, if they survive and approach adolescence, begin to show signs of psychologic and emotional disturbances reported as irreversible in most cases.

All of us have a moral responsibility to break this vicious cycle. Physicians and social workers need to become more aware of their responsibility to report abuse. Legislators have a moral responsibility to make available any legal tools which might help to reduce the incidence of abuse.

Child abuse has long been ignored because it is something we would all like to pretend doesn't exist. And, child abuse has been ignored because children have no political muscle, no effective way of articulating their needs to those of us who write the law.

While the causes of child abuse may not be reached by law, I believe we must face the fact that the law is very weak in this area. The lack of children's rights in court is matched by the lack of laws restraining their parents. There is no Federal effort to protect child abuse victims—and State legislation is not adequate.

Child abuse certainly will not evaporate with the passage of new legislation, but a Federal child abuse law may be necessary because of the many inadequacies of State laws.

Let me outline briefly some new directions we might take on the Federal level to protect our children from abuse. Through Federal legislation we can:

Simplify the reporting process so that reporters of abuse are exempt from further involvement after filing a report;

Designate a central reporting agency in each State to be responsible for any necessary follow-up reports;

Make it mandatory for doctors, social workers and other professionals to report abuse;

Reduce the maximum penalties for abuse and reclassify the crime as a misdemeanor so that people will be encouraged to report abuse. The emphasis must be placed on the need for psychological rehabilitation of battering parents;

Help provide the States with funds necessary for the implementation of their programs.

I have outlined just a few suggestions for Federal child abuse legislation. Much work remains to be done on this problem, for the seriousness of child abuse has too long escaped our attention. We must work to build a sound-thinking and emotionally stable adult society by pro-

tecting our most precious resource, our Nation's children.

Moreover, we have to work in the larger area of children's rights in general. Laws applied to juvenile offenders often prescribe more severe punishment than that meted out to adults who have committed the same crime. Responsible individuals under the age of 18 are subject to arbitrary and unjust treatment by parents, school administrators, teachers, or any adult who has a frequent contact with them.

Mr. President, I ask unanimous consent that an article on children's rights, published in Time magazine, be printed in the RECORD.

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

CHILDREN'S RIGHTS: THE LATEST CRUSADE

Young Gerald Gault may have thought it was just a joke. He telephoned a housewife who lived near by in Globe, Ariz., and made what the Supreme Court subsequently called "remarks or questions of the irritatingly offensive, adolescent sex variety." The boy had no lawyer, the housewife never publicly testified, no hearing transcript was kept and no appeal was possible. It took a writ of habeas corpus to get a review of the case. Gault could have received a maximum jail term of two months if he had been an adult; since he was 15, he was committed to the State Industrial School until he became 21. Two years passed before the Supreme Court turned him loose in 1967, declaring that "neither the 14th Amendment nor the Bill of Rights is for adults alone."

That landmark ruling extended to a juvenile offender many rights that an adult can take for granted: the right to prompt notice of the charges against him, the right to consult a lawyer, to avoid self-incrimination and to cross-examine hostile witnesses. But though it was a breakthrough, the *Gault* ruling hardly signalled full legal status for children. "Children are the last 'niggers' of our society," says Larry Brown, director of the Boston Task Force on Children Out of School. But *Gault* at least got some thing started. As Brown observes: "We're on the verge of the last and greatest frontier in civil and legal rights—the rights of children."

Such rights are still relatively few. The problem is complicated by the differences between an infant and an adolescent, but the basic legal principle for all minors is that the parent knows best. In broad terms, says William Aikman of the Massachusetts Law Reform Institute, "the child's legal status is an amalgam of non-citizen, slave, overprotected pet and valuable chattel." He has no legal right to work, to choose his own friends, or to decide on his religion. Adds Henry Foster, who teaches family law at New York University: "Women used to need a guardian before they could enter a court. Now that feudal concept applies only to children."

DANGERS

The concept is not simply arbitrary. "Aristotle separated parental rule from constitutional rule for good reason," observes Monrad Paulsen, dean of the University of Virginia Law School. "He said parental rule is superior because it is based on the personal wisdom of the parents, and because it is guided by love." Unfortunately that is not always the case. Says Professor Sanford N. Katz of the Boston College Law School: "It is in the home that a child's rights are least protected."

Back in 1646, a Massachusetts Bay Colony statute decreed that if a man had "a stubborn or rebellious son" of at least 16 years of age, he could bring him to the magistrate's court where "such a son shall be put to death." The times have grown milder, and yet in many cases the principle of parental rule has continued to defy common sense. Early in this century, for example, the Washington State Supreme Court threw out a suit by a girl named Lulu Roller against her father, who had raped her. The court's ground: "The rule of law prohibiting suits between parent and child is based on the interest that society has in preserving harmony in the domestic relations." As recently as last year, a 14-year-old Filipino girl in Los Angeles sought legal help because her parents ordered her to go back to the Philippines and marry someone they had picked out for her. "She asked me what legal recourse she had," recalls Attorney Riane Eisler, "and I had to tell her she had none."

Far worse can happen when parents are unable to raise a child at all. Consider the case of Pam, now 16. Her mother was struggling to make ends meet after her husband deserted her, and Pam was difficult to handle. So the mother gave her up to the state. "Pam is very bright and fantastically sensitive," explains Chicago Attorney Patrick Murphy, "but she's not very attractive, and that made it hard to find foster parents. So she was sent to a home for delinquents, where she had nothing much to do except watch TV. Then she was sent out to a foster home for a year, then back to the delinquent home, then to the Elgin State Hospital. She'd gotten into fights because other kids taunted her about her looks. At Elgin, things got worse, so they tied her to her bed for 28 days. When they let her go, she hit a matron, and they put her back in restraints for another 30 days. By this time she really needs psychotherapy . . ."

Pam's story is particularly tragic, but it is only one among the many noncriminal cases the law must deal with. In Chicago's Cook County Juvenile Court, the 28,740 cases handled last year included only 3,500 serious offenses but fully 9,200 instances of parental neglect and juvenile runaways. In many cases, the runaways had reason to flee—cruelty, indifference or neglect. "Parents are allowed to beat children," says Sanford Katz, "and no action may be taken unless the child is seriously injured." Nationwide, there are more than 500,000 runaways each year.

RULE

The courts are increasingly puzzled by their responsibilities. In Massachusetts, one intractable 15-year-old girl in a foster home was taken to court after she disobeyed her foster parents' rule that she could not talk to boys. She was held to be a "depraved child," but the court could not decide on any punishment. "What can you do," asks Dean Paulsen, "with someone who commits no crime but won't behave? We're starting to realize that training schools don't work. They don't train, and they breed crime. So there's a move toward letting these children go free, especially the 16- and 17-year-olds."

But younger children cannot simply be turned loose, and that can lead to even bigger problems. Chicago was shocked recently by the case of Johnny Lindquist, age six. He was living happily in a foster home after his parents declared they could not provide for him. Then his parents changed their minds, and social workers returned the boy—even though he expressed fear of his father. Four months later, according to police, the father beat the boy senseless. Johnny's skull was crushed. After lying for four weeks in a coma, he died. As a result, an Illinois senate committee has been holding hearings on whether to change child-care laws to resemble those of California, where "due weight" is given to the child's own wishes about custody if he "is of sufficient age and capacity to reason."

The cruel fights over children occur most often in cases of divorce. More than 750,000 marriages end that way every year, affecting more than a million children. Courts go through at least a ritual of concern for what is best for the children, and recently judges have become slightly less automatic in granting custody to the mother. Still "the rights of children in divorce cases have been virtually ignored," says Marie Kargman, an attorney who works with the Massachusetts Advisory Council on Home and Family. "Rights to property or continuity of residence have never been defined." When a child inherits money, his legal interests are usually protected by court order. Yet in a divorce, complains Los Angeles Attorney Eisler, where the entire fabric of a child's life is involved, "the husband and wife are entitled to counsel, but not the children."

One area where there has been marked progress toward children's rights is, appropriately, the first environment that the growing child encounters when he leaves home; the school. In many ways schools had and still have the transferred power of the parent, and they recognize little law but their own regulations. Only last month the Supreme Court declined to interfere with the power of teachers in Dallas to administer corporal punishment. The court has also been unwilling to hear arguments on the question of boys' refusal to cut their hair. But this issue has prompted case after case, fought out in state and federal courts across the country, and in about half of them long hair has won legal protection. The seemingly absurd constitutional controversy has been an important wedge in support of students' rights.

ARMBANDS

Beyond the right to long hair—or blue jeans or nail polish or miniskirts or whatever teen-agers might impulsively want to put on—students in several Des Moines high schools sought the right to wear black armbands as part of a protest against the Viet Nam War. In *Tinker* v. *Des Moines Independent Community School District* (1969), the Supreme Court firmly struck down the schools' refusal to allow them, saying that neither "students nor teachers shed their constitutional rights to freedom of speech or expression at the schoolhouse gate." Some courts have spread this protection to student newspapers, pamphlets and petitions, but many schools are still reluctant to comply with the spirit of the ruling. Los Angeles Poverty Lawyer Ernest Aubry observes: "If somebody goes to class with a button that says 'Chicago Power,' the authorities immediately say, "Well, that's not a black armband.' "

Even when courts do endorse the principle of student rights, they usually allow suppression of those rights if the school can prove a "disruption" of the educational process. Spot checks for marijuana in lockers, for instance, would be unconstitutional searches if police performed them, but school officials make such checks as part of their duty to maintain order. The pot is then sometimes used as evidence in a criminal prosecution. The apparent basis of such actions is that schools are still seen as acting *in loco parentis* rather than as agents of the police.

Schools are also nervous about sex, and many will expel any girl who becomes pregnant. In Chicago, a 17-year-old, whom the court referred to as Mary Doe, became pregnant while she was a senior. She had an A-minus average and had received an Illinois merit scholarship to a university, but her high school nonetheless ousted her. There are two schools for unwed mothers in the city, but they were full. Mary seemed doomed to miss a year in school and to lose her scholarship until the American Civil Liberties Union brought suit on her behalf. She was readmitted to her old school, and Chicago ended the automatic-expulsion policy. The action was part of a trend extending the right

to a hearing to students faced with suspension for misbehavior.

Though adolescent problems burgeon as a child nears his majority, the law has traditionally forbidden young people to get medical help without their parents' permission. In the last five years most states have made an exception in the case of venereal disease. Now concern over drug abuse is also helping to break down the old rules. Both Massachusetts and Michigan have new laws that permit children as young as 13 to see a doctor confidentially about a drug problem. Says one Boston phychiatrist "Almost every kid who comes to me has had some experience with drugs. This gives me the cover to help them any way they need, including contraceptives, without telling their parents—unless they want their parents told."

RUNAWAYS

"Children do not belong to parents," says Edward Zigler, director of the U.S. Government Office of Child Development, and one of a growing breed of advocates who are concerned with children's rights. But the new children's advocates do not propose that the family give way entirely to the courts. "Courts can destroy relationships, but they cannot create them." observes Lawyer-Psychologist Joseph Goldstein of Yale Law School. He thus opposes legalistic custodial laws that assign orphaned children to their nearest blood relatives. He prefers laws that would "acknowledge the emotional realities that exist," allowing the judge discretion to assign the children to a distant relative or even a close friend who is fond of them. His Yale colleague, Jay Katz, proposes in the case of runaways "a provision for legally approved separation between parents and children. Better to have it over than to maintain a fiction."

Children's advocates also urge that juvenile courts should no longer have the authority to enforce so-called incorrigibility statutes, which, like vagrancy laws, are used to sweep the streets of "undesirables." The critics contend that these laws are unconstitutional and should be abandoned, since they outline no specific offense and leave their victims unjustifiably incarcerated. Director Joe Henning of the A.B.A. Youth Education for Citizenship program urges a graduation of rights that would encourage children "to undertake more of the responsibilities of citizenship as they grow older." Forcing a five-year-old to go to bed at 7:30 may be reasonable, but he points out that it would hardly make sense for the law to back up similar parental regulations for someone who is 17.

The possibility of expanded rights calls up the specter of children constantly litigating with their parents, but that is not very likely. The challenge will be to define rights in a way that expands the child's protection against abuse without undermining the psychic benefits of parental authority. "There is no way the government can supply the 24-hour, seven-day, 52-week care of a good parent," says Virginia's Paulsen. That was certainly the case with Pam, who spent those months tied to her bed at Illinois' Elgin State Hospital. Attorney Murphy won a judgment for her. She is now in a private institution where the state pays $45 a day to undo the psychic damage its agents did to her.

THE ROLE OF THE INTERNATIONAL COURT UNDER THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, during the last few days I have been reviewing the various objections to the ratification of the United Nations Genocide Convention. I intend to show that these objections do not have any factual basis. Today I would like to turn to the argument sometimes made that article IX of the convention, which provides for the settlement of disputes arising under the convention by the International Court of Justice, would override the Connally amendment and would unreasonably limit the sovereignty of the United States.

The Connally amendment applies only to our acceptance of article 36(2) of the International Court's statute, the so-called optional clause providing for compulsory jurisdiction across the board. Cases arising under the Genocide Convention would fall under article 36 (1) of the Court's statute, which covers the Court's jurisdiction as provided for in specific treaties. The United States has already ratified many treaties containing the same type of provision for the settlement of disputes as is contained in the Genocide Convention. In fact, the inclusion of the provision in international conventions has time and again been championed by the representatives of our Government in international negotiations. It is the Soviet Union that has long opposed such language, not the United States.

Why has the United States been willing to accept the jurisdiction of the International Court in disputes arising out of treaties to which it is a party? The Court provides a useful mechanism for resolving questions of international law in a fair and impartial manner without in any way endangering the basic sovereignty of the United States. The decisions of the Court, while normally binding on the parties in a moral sense, have no means of direct execution other than by voluntary action of the involved parties themselves.

It is true that under the provisions of the Genocide Convention it might be possible for a State to call upon the United Nations Security Council to take action to enforce a decision of the International Court. However, under the Charter of the United Nations such action could only be taken with the concurrence of the representatives of our Government. In the unlikely event, therefore, that the International Court should abuse its authority, the U.S. Government could not be compelled to submit to its decisions.

It is my profound belief that our country has nothing to lose and much to gain through ratification of the Genocide Convention. I hope that the Senate will soon be able to give its long overdue approval to this worthy document.

DRILLING OF GEOTHERMAL WELL IN ARIZONA

Mr. FANNIN. Mr. President, in his inaugural address, President Nixon suggested that our people try solving problems for themselves before turning to the Federal Government. He pointed out that America was built by people, not by the Federal Government.

It was refreshing to hear our President restate this important principle.

It is a philosophy that has been fundamental to the development of my own State of Arizona. True to the pioneer spirit, Arizonans traditionally try to solve their own problems. And if we need help, we seek a helping hand and not a handout.

Even as the President spoke last Saturday work was progressing in Arizona on a bold experiment by private enterprise to help alleviate the energy crisis. I believe this undertaking is a good example of what President Nixon was talking about.

Three major utility companies have joined together to finance the exploratory drilling for Arizona's first geothermal well.

The utilities are Arizona Public Service, Tucson Gas & Electric, and the Salt River Project.

The drilling will be managed by Geothermal Kinetics Systems Corp. of Phoenix and the well will be on leased privately owned land near the city of Chandler.

If the well is successful, they hope to strike a reservoir of superheated water at 6,000 to 8,000 feet. It is envisioned the well could produce the energy to generate enough electricity to supply a community of more than 12,000 persons.

Mr. President, this project is not without pitfalls. There is no guarantee the well will produce the steam or water necessary for the generation of power. If a promising geothermal well is completed, there are many environmental and technological problems still to be overcome. I feel confident, however, that men with such courage and vision can make a success of this project.

More important is the fact that these utilities are proving that they are willing and capable of crossing new frontiers without the dominating hand of the Federal Government. The utilities themselves are funding the program.

The project also demonstrates the agility of private enterprise as compared with the cumbersome movement of Government on such projects. This project could accomplish in months what would take years to get off the Federal drawing board.

Mr. President, the same three utilities involved in the geothermal project also have come up with a novel plan to overcome a major problem at a nuclear powerplant they will construct in the Salt River Valley. They have filed a request to buy sewage effluent to cool the nuclear plant, thus making maximum use of Arizona's precious water resources.

It is developments such as these which give me great confidence that we can and will overcome the energy crisis. I will keep the Senate informed as to the progress of these exciting ventures.

Mr. President, I ask unanimous consent to have reprinted in the RECORD articles from the Phoenix Gazette, the Tucson Daily Citizen, and the Arizona Republic:

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

[From the Phoenix Gazette, Jan. 16, 1973]

HOPES HIGH FOR NEW ENERGY SOURCE—FIRST GEOTHERMAL TAP SLATED

The first exploratory drilling operation to tap what is believed to be a vast underground supply of geothermal energy in Arizona is scheduled to begin Monday.

"Our studies have shown this could be an enormous one," Mike O'Donnell, general manager of Geothermal Kinetics Systems Corporation in Phoenix, said today.

Geothermal Kinetics, which filed for the drilling permit late yesterday, made a joint announcement of the project today with Arizona Public Service Co., the Salt River Project and Tucson Gas and Electric Co., which are sponsoring the project.

The drill site will be nine miles east of Chandler on Power Ranches Inc., part of 7,000 acres Geothermal Kinetics has leased in the area for geothermal exploration.

A deep underground reservoir of superheated water or steam, generated by water far underground passing over molten rock comparatively near the surface, is estimated to be 6,000 feet below the drilling site.

The well will be cased to a depth of 3,500 feet to protect agricultural wells. Five blowout preventers will be incorporated into the drilling system to protect both the source and the drilling rig itself.

O'Donnell said workers will begin moving the rig into place today.

The venture marks the first attempt of any kind to find geothermal resources in the state. The two-year-old Geothermal Kinetics, headquartered at 301 W. Indian School, has been involved in the project for about 18 months.

The project was kept under wraps until today, O'Donnell said, to discourage land speculation and other problems similar to oil exploration projects.

If the project is successful, it could provide a new energy source for power generation in Arizona, and it should meet the demands of environmentalists, he indicated.

O'Donnell said it would be relatively simple to bury all the pipelines underground because the land is relatively flat. Geothermal power plants in California, located in hilly areas, have been criticized for the unsightly networks of above-ground pipe systems surrounding them.

Just if and when the source will be developed remains to be seen. APS spokesman Jack Swift said today, "We want to find out what kind of steam is down there before deciding on whether further development is warranted."

O'Donnell said a source producing more than 100,000 pounds of steam per hour "could really help us in Arizona," but he would not speculate on the eventual output of the well.

A source yielding one million pounds per hour is required to run a 55,000 kilowatt generator, he explained.

By comparison, geothermal sources in California yield 150,000 pounds per hour, a source in New Zealand 600,000 and one in Mexico an even million.

Once the source is established, O'Donnell said, it would require about 18 months for the power companies to acquire and install the needed turbines if they decide to go ahead with the project.

"We think Arizona has tremendous potential for development of geothermal energy," he said.

O'Donnell predicted a geothermal power plant could serve as the base power supply for Arizona, proving both a source of fresh water and enough electric power, when added to the existing system, to eliminate the threat of shortages and "brown-outs" during periods of peak demand.

[From the Tucson Daily Citizen, Jan. 16, 1973]

TG&E Joins in Financing Geothermal Well Drilling

Arizona's three major utility companies today announced they will help finance a geothermal drilling operation nine miles east of Chandler in an attempt to find a new source of electricity for the state.

In a joint announcement, Tucson Gas & Electric, Arizona Public Service and the Salt River Project said Geothermal-Kinetics Corp. of Phoenix will drill the state's first geothermal well to a depth of approximately 6,000 feet.

A drilling permit was filed for the well late yesterday afternoon with the State Oil and Gas Conservation Commission. Drilling is expected to begin next week on the site two miles southeast of Higley.

Geothermal energy is found in an underground reservoir of super heated steam and is piped to a generating plant where the steam turns electric turbines.

In announcing support of the well, a spokesman for TG&E said the site is on 7,000 acres of private land under lease by the Phoenix firm.

The three utilities have been working for 18 months with the firm to find a source of geothermal power for the state.

When and if a source of geothermal energy is found, a spokesman for the utility said the three large companies will have rights to establish an electric generating plant.

The amount of the utilities' investment in the project was not announced.

"We don't know what the cost will be," said Tom Morran, TG&E director of public information. "It is like a wildcat gas well. You don't know what you might run into."

But, he cautioned, the financial backing is "not open-ended."

Finding superheated steam (150 to 400-plus degrees) is the main purpose of the drilling operation, but high-temperature water also could be used by putting it through a heat exchanger and boiling freon to create the steam.

The only geothermal generating field in the U.S. is at The Geysers near San Francisco where Pacific Gas & Electric Co. will have by 1975 the capacity to generate about 600,000 kilowatts of electricity.

[From the Arizona Republic, Jan. 17, 1973]

Hot-Well Drilling To Begin Next Week East of Chandler

Arizona's three major utilities announced yesterday that drilling is expected to begin next week east of Chandler to see whether there's a vast underground reservoir of hot steam more than a mile below the surface that might be tapped as a new energy source.

The exploratory drilling for the state's first geothermal well will be managed by Geothermal Kinetics Systems Corp., 301 W. Indian School, which is considering sinking several other exploratory wells in other areas of the state.

Sharing in the financing of the exploration are Arizona Public Service Co., the Salt River Project, and Tucson Gas and Electric Co.

The well site is located on farmlands owned by Power Ranches, Inc., and leased by Geothermal Kinetics Systems. The area is 2 miles southeast of Higley and about 9 miles east of Chandler.

Mike O'Donnell, general manager of Geothermal Kinetics Systems, said he expects drilling to begin Monday. He said it could be up to 30 days before it is determined whether a hot steam reservoir exists under the surface.

"We've been surveying the state for almost two years," O'Donnell said. "The geologists tell me we've got one of the best chances in the world of hitting it. It looks awfully big, and it looks awfully good."

O'Donnell estimated that if a large reservoir of hot steam or high-temperature water is found east of Chandler, a small power plant could be in operation within two years.

Similar plants already have begun operating in Mexico and in northern California, as well as some other areas of the world. O'Donnell said the major advantages of geothermal power are that it is the "cheapest known energy source, and the cleanest."

In addition, O'Donnell said, geothermal power takes on more importance as an energy source because of the growing "energy crisis," with shortages of fossil fuels producing power blackouts and brownouts across the country.

Despite O'Donnell's optimism, officials at Salt River Project and Arizona Public Service stressed the exploratory nature of the work and the fact that nobody is yet certain there is any hot steambed to be found at the Chandler site.

"We don't know what's down there and the only way to find out is to invest in a drill bit," said M. C. Titus, executive vice president of research and development for Arizona Public Service.

Titus added that if a large steam bed is discovered, "very numerous problems" will remain that will require at least six months of engineering studies before there is any commitment to build even a small geothermal power plant.

He said such problems include the matter of what to do with the effluent created during the power-generating process, and also how to design machinery that will withstand the corrosion that results when dealing with hot steam.

If all those problems are overcome and a plant is built, Titus said, one to three geothermal walls tapped into the hot steam reservoir could supply enough power for a city the size of Chandler.

However, Titus stressed that he doesn't regard geothermal power as anything more than a "very useful supplementary" energy source. He said he expects coal to remain the state's major power source through the 1980's, gradually being replaced by nuclear power and fast-breeder reactors.

Numerous state leaders have been pressing for development of the geothermal resources under Arizona and other parts of the Southwest. Although the main interest of the utilities in the Chandler exploration is power, others say geothermal development ultimately could generate new fresh-water supplies for the state.

[From the Arizona Republic, Jan. 17, 1973]

Power Through Imagination

Back-to-back announcements this week by Arizona's major power suppliers seeking innovative new methods of providing energy for the future illustrate why technology can balance the needs of man and the environment.

First, the Arizona Nuclear Power Project combine filed a request to buy sewage effluent to cool the proposed nuclear power plant scheduled for the late 1970s in the Valley.

Second, the same group signed a contract to drill a geothermal well near Phoenix in search of high-pressure steam to power satellite electric generating plants and to help create a new supply of drinking water though desalinization.

In the case of using sewage treatment plant effluent, the major power companies—Arizona Public Service, Tucson Gas and Electric and Salt River Project—would strike down some of the traditional objections to nuclear power.

Nuclear plants consume enormous amounts of water to cool condensers. Plants on salt water estuaries have been accused of destroying marine life with heated discharges.

And nuclear plants on fresh water estuaries have been accused of depleting drinking water supplies for cities.

The use of sewage effluent ultimately might involve as much as 45 million gallons of water which otherwise might have to be taken from marginal supplies elsewhere in Arizona. The power combine also would reimburse the citizens some $2 million a year at capacity.

But the geothermal project announcement is the most exciting.

As early as March, Geothermal Kinetics Systems hopes to have drilled an 8,000-foot well southeast of Phoenix into a subterranean steam field capable of generating 55,000 kilo-

watts initially, and ultimately enough to service the electrical needs of 1,000,000 people.

Geothermal power—used in Italy since 1904—is an almost endless resource. Geysers in Yellowstone Park are said to have been spouting their powerful energy for 65,000 years.

And scientists studying geothermal power as the salvation of California's energy needs insist that fields in the bowles of the Imperial Valley each hold as much as two or three centuries of reserves.

Steam power does not deplete scarce resources, such as fossil fuels. Nor does steam pollute.

The major by-product—heat—also is the key to desalting water for human use.

In all, Arizona's energy triumvirate scored well this week.

It showed foresight in meeting unprecedented demands.

And the companies are doing it with an eye on the environment, to boot.

VIRGINIA'S INAUGURAL ROLES

Mr. HARRY F. BYRD, JR. Mr. President, Virginia played an important part in President Nixon's inaugural parade Saturday.

Six different Virginia units participated in the parade—and, in addition, two Virginians played prominent roles.

When President Nixon's parade moved away from the Capitol steps, a Richmond native was near the front.

Col. Harvey H. Perritt, Jr., who graduated from John Marshall High School in 1946 and went on to West Point for an Army career, headed the President's escort, a platoon of crack members of the five services, Army, Navy, Marines, Air Force, and Coast Guard.

While a Virginia native was near the head of the parade, students from 20 schools in Fairfax County, 1,976 band members, joined together in the spirit of '76 to give a spectacular and unique ending.

In between were these Virginia units:

A float sponsored by the Jamestown Foundation, reminding us that with the settlement at Jamestown in 1607, Virginia became the "Birthplace of the Nation."

The famed Friendship Veterans Fire Engine Association of Alexandria provided the parade with the original fire apparatus purchased by George Washington and donated to the Friendship Fire Company in 1775. Former Alexandria Mayor Marshall Beverley has been foremost among those perpetuating George Washington's fire company and he was a participant in the parade.

Representing Virginia in the parade, too, were the Virginia Polytech Regimental Band of Blacksburg and the Virginia Military Institute Marching Unit from Lexington.

Arabian horses, known for their stamina, were ridden by 20 members of the Virginia Arabian Horse Association.

Carrying the national colors in the Navy Color Guard unit was James B. Morin of Norfolk.

Following is a list of the schools in Fairfax County whose band members took part in the massed band performance at the inaugural:

Annandale High School, Edison High School, Fairfax High School, Falls Church High School, Fort Hunt High School, Groveton High School, Hayfield Secondary School, Herndon High School, Jefferson High School, Langley High School, Lee High School, Madison High School, Marshall High School, McLean High School, Mount Vernon High School, Oakton High School, Robinson Secondary School, Stuart High School, West Springfield High School, Woodson High School.

UNITED STATES-LATIN AMERICAN RELATIONS

Mr. JAVITS. Mr. President, during the congressional recess following the presidential elections, Secretary of State William P. Rogers made an important policy speech regarding U.S. relations with Latin America over the next 4 years.

It is my hope that this speech signals a greater emphasis on United States-Latin American relations in the years ahead. Both over the short term and the long term, the opportunities for strengthening the political, economic, and commercial ties between the two hemispheres of the Americas are great. At a time when the United States is facing spiraling food costs, creative measures could not only benefit Latin America but also dampen inflationary pressures at home. For example review of the Department of Agriculture's tomato marketing orders could lead to increased supplies of quality tomatoes in the supermarkets during the winter season. Also at a time of worldwide beef shortages, sanitary regulations which presently impede the import of fresh beef into the United States should be carefully reviewed to ascertain whether such sanitary regulations in fact serve health related ends or whether they are a thinly disguised import restraint which continues to contribute to the high cost of beef in the United States.

Over the long term and assuming that investment relations between the United States and Latin America will prosper to the mutual benefit of all parties, Latin America could increasingly become an important supplier of many of the natural resources the United States needs. In turn, the capital, know-how, technology, and taxation that would accrue to the Latin American states by such natural resource development and sales, could give impetus to the economic development of the whole region.

Secretary Rogers, in his fine statement pledged:

To strengthen and diversify our trade, investment and assistance ties.

Toward this end, it is my firm expectation that a generalized preferences scheme should be incorporated in any comprehensive trade legislation which the administration chooses to send to the Congress. It is my feeling that there may be more support in the Congress for this type of strengthening of the trade ties between the United States and the developing world than many people seem to realize.

Yet, the AID area is a difficult one and the present congressional combined with the budget cutting mood within the administration does not lead to any optimistic assumptions as to increasing development assistance flows to Latin America. Also, serious questions are being raised about the whole role of SDR's in the world monetary system and this in turn casts a long shadow over the SDR-development link which I have consistently supported. There can be great developments, but through private investments and technical assistance and through trade as well as public investments and monetary reform.

I ask unanimous consent that Secretary Rogers speech of November 14, 1972, before the Protocolary session of the OAS Permanent Council be placed in the RECORD.

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

ADDRESS BY THE HONORABLE WILLIAM P. ROGERS

I am pleased to join you today to celebrate a century and one-half of diplomatic relations between the United States and the nations of Latin America. It is especially fitting that we hold this commemorative session of the OAS Permanent Council in Philadelphia. This city was long the home and is the resting place of Manuel Torres, the first accredited Latin American diplomatic representative to the United States and a man who helped construct the solid foundations on which our historic association is built.

The idea of this hemisphere as a unique community had begun to take root in 1796 when Manuel Torres arrived in this city a political refugee. It flowered in June of 1822 when President Monroe accepted Torres' credentials as Charge d'Affaires of Gran Colombia. By this act the United States became the first nation outside Latin America to recognize the independence of a Latin American government.

This initial recognition—the first official bond between us—was not fortuitous. Rather, it reflected the conviction of our early leaders that the future of the hemisphere lay in cooperative association. From that beginning there developed a common faith in the benefits of freedom, in the importance of the individual, and in the possibility of human reason to deal with the age-old afflictions of society. This bond was healed when many Latin American countries modelled their constitutions after the one that was drafted in these halls. And our pursuit of a common political destiny was reinforced by rapidly expanding trade—a commerce which appropriately enough found this city at its forefront.

With their breadth of vision, the men who first sketched the outlines of the inter-American community were as alive to its diversities as they were to similarities that existed within the hemisphere. Diversity of historical experience, diversity of economic condition, diversity of culture were all manifestly present. And as was to be expected over the years there have indeed been differences in perception of national interest.

Nevertheless what is impressive to me in the record of our 150-year-old association is the continued vitality of the idea that by circumstance and by choice we are a community—a community which has brought great benefits to its members. We have forged significant intellectual, economic, political and security ties. Particularly, we have created together the inter-American system, which despite its imperfections has served our community in so many ways so well.

We must recognize, however, that the world in which our association began has been dramatically altered.

Modern communications have collapsed time and space. The isolation of the hemisphere has disappeared. While all nations have developed significantly, material disparities still exist and in some instances have

grown. Our intellectual community has been challenged by new ideas and changing values.

For our association to continue to draw spirit from the ideas that created it, we have to adjust our purposes to vastly different times and conditions from those in which Manuel Torres walked the streets of Philadelphia. We should welcome the challenge of adjustment since no institution or idea can usefully survive if it is not constantly tested. As we examine our purposes and possibilities, we will need what Elihu Root, a distinguished predecessor of mine, called the "imagination which enlarges the historian's understanding of the past into the statesman's comprehension of the future."

One new development of great promise is the acceleration of Latin America's constructive involvement in an interdependent world. The United States has sought to encourage these trends. For example, Mexico, Brazil, and Argentina are—with our support—among the 20 nations which will be primarily concerned with developing a new international monetary policy. We hope to work closely with them during those negotiations.

We will work on a similar basis with Latin American countries which will be involved in next year's trade negotiations—for our economic interests in a world of freer trade should be mutually supporting. More broadly, we expect to expand our process of consultation with individual Latin American countries on specific international and bilateral issues. The enlargement of our individual roles in international affairs gives us the opportunity to deepen our community of interest on global as well as hemisphere issues.

It is equally important to maintain broad support for the regional organizations of the hemisphere, and in particular for the OAS—the linchpin of the inter-American system. We must continue to work together to find ways to make our system more effective. I hope, for example, we can enhance both the cooperative and consultative role of the OAS by finding ways for the foreign ministers to exchange views more frankly and freely when we meet together at its next General Assembly.

Because economic relations are so vital to our community of interest, I also welcome the initiative of our distinguished Secretary General, Mr. Galo Plaza, to place on the agenda of the next OAS General Assembly a review of inter-American cooperation in economic development with a view towards possible reform. We in the United States Government understand the priority you give to development in all its aspects. We give it the same priority, and we regret that it has not been possible so far to do as much as we both would have liked.

The changes we have undertaken in recent years in our policy toward Latin America are based on a genuine desire to modernize our relationships. President Nixon has asked me to tell you that during his second term we will remain committed to the interests of the hemisphere and determined to make a substantial contribution to its social and economic progress:

We will pursue a policy of cooperation with Latin America in a relationship of greater equality, shared initiatives, and mutual responsibilities.

We will work to ensure that the legitimate interests of all the nations of Latin America are represented in the new international monetary and trade systems to be negotiated.

We will cooperate with you directly in this hemisphere to strengthen and diversify our trade, investment, and assistance ties.

And we will seek to resolve the issues between us—over fisheries, over territorial seas, over investment, and all others—in the spirit of friendship and mutual respect which is the essence of our inter-American system.

This ceremony today reminds us that our community is endowed with a rich heritage. We have an obligation to our forebearers and a duty to our heirs to enrich what we have received. I am certain that working together we can be faithful to the past and worthy of the future. It remains the desire and the intention of the United States Government to help fulfill that trust.

IS EXPORT-IMPORT BANK MORE THAN TAXPAYER HAND OUT TO EXPORTERS?

Mr. PROXMIRE. Mr. President, on June 11, 1972, the Joint Economic Committee published the second volume of a compendium of papers evaluating Federal subsidy programs. This volume contained an evaluation of the U.S. Eximbank by Douglas R. Bohi that has sparked quite a controversy. Professor Bohi's primary conclusion was that the Eximbank's efforts to encourage U.S. exports by providing low-cost credit assistance to foreign buyers are largely ineffective. At the time this study was released I stated:

> Although this does not represent the final word on the Eximbank, it does raise serious doubts about the bank's effectiveness. I hope the bank will therefore cease its practice of justifying itself by polling the business firms subsidized, and begin to seriously evaluate Eximbank operations.

Today my doubts are more serious than ever and I have no evidence that the Eximbank has done any serious self-evaluation.

In response to Professor Bohi's study, the Eximbank commissioned Dr. Howard S. Piquet to write an evaluation. Dr. Piquet's "Reply" has been commented upon by several of my colleagues and his conclusions have been placed in the RECORD. His conclusions are vastly different from Professor Bohi's—and far more favorable to expanding Eximbank activities.

Because these two studies reached completely opposite conclusions, I felt that it would be helpful to the Congress if several outstanding independent economists would comment on them. Accordingly, I sent copies of the two studies to several economists with a cover letter asking for their comments. I am grateful to these economists for their careful respones and I would like to summarize them briefly.

The three basic questions I raised in requesting comments were:

First, what is the best methodological approach to use in determining the impact or effectiveness of the Eximbank on U.S. exports?

Second, if you agree with the approach and methodology used in either of those papers, what improvements would you suggest?

Third, apart from the considerations raised by the two papers, are there any other suggestions you would offer on how to go about evaluating the effectiveness of the Eximbank?

In response to the first question, the general reaction is summarized well by Prof. William H. Branson of Princeton University:

> So in response to the specific question on methodology, I'd say Bohi's paper has the right approach in general, but does not present convincing evidence either way. Piquet's paper does not attempt an orderly evaluation of the problem, but simply snipes at Bohi, who offers many targets.

The weight of opinion is that Bohi's statistical approach to analyzing the effectiveness of the Eximbank is basically a correct one, but that his particular model is too simplistic and his results unconvincing. Several very helpful suggestions for making improved evaluations are also included in these comments. The need for further evaluation is very clear, and this makes it especially regrettable that the Bank itself has refused to undertake any serious evaluation.

One subject which I did *not mention* in my letter but which was commented on is the question of the subsidy content of Eximbank loans. Dr. Piquet argues at great length that the Eximbank's activities do not include subsidies because the Bank is profitable. Let me quote from a statement made in April 1972 by the Eximbank to a subcommittee of the Committee on Appropriations.

> Some confusion exists as to the relationship between any subidy on the Bank's programs and the profit or loss from its operations. As has been shown above, the profit or loss position of the bank does not measure a subsidy (nor does it testify to a lack of one.

Obviously the confusion extends to the Bank's own analyst. I agree with Prof. Charles P. Kindleberger of M.I.T. who states:

> I agree with Bohi that the Export-Import Bank is a subsidy to exports, and find Piquet's argument against this view thoroughly unpersuasive.

Finally, I would like to direct my colleagues attention to a forthcoming report by the General Accounting Office. I understand that this report will examine Eximbank loans to see whether they have been adequately justified or whether they have simply displaced private credit. This report should be available to Congress in early February.

Mr. President, I ask unanimous consent to have included in the RECORD at this point my letter asking for comments on the Bohi and Piquet studies and the replies.

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

SEPTEMBER 29, 1972.

Prof. WASSILY LEONTIEF,
Department of Economics,
Harvard University,
Cambridge, Mass.

DEAR PROFESSOR LEONTIEF: Enclosed you will find copies of two studies on the effectiveness of the U.S. Export-Import Bank. The first of these was written by Douglas R. Bohi and published in *The Economics of Federal Subsidy Programs: A Compendium of Papers Submitted to the Joint Economic Committee.* The second was written by Howard S. Piquet and is titled, "Export Credit Subsidies and U.S. Exports: An Analysis of the U.S. Eximbank,' by Douglas R. Bohi—A Reply."

Since these studies reach quite different conclusions, they leave me, and I am sure, other policymakers somewhat confused. I am sending you these papers and asking you to comment on them with the hope that you

can help clarify this problem for the Committee.

There are some basic questions that might be raised in thinking about these papers:

(a) What is the best methodological approach to use in determining the impact or effectiveness of the Ex-Im Bank on U.S. exports?

(b) If you agree with the approach and methodology used in either of these papers, what improvements would you suggest?

(c) Apart from the considerations raised by the two papers, are there any other suggestions you would offer on how to go about evaluating the effectiveness of the Ex-Im Bank?

I will greatly appreciate your advice and comments on this matter. If you would like to discuss these papers further, please contact Mr. Douglas Lee of the Committee staff.

Sincerely,

WILLIAM PROXMIRE, *Chairman.*

COMMENTS ON PIQUET'S CRITIQUE OF "EXPORT CREDIT SUBSIDIES AND U.S. EXPORTS: AN ANALYSIS OF THE EXIMBANK."

(By D. R. Bohi)

Piquet's major points of argument are (1) Eximbank loans do not involve a subsidy and (2) the refutations of Bohi's arguments "support of strong presumption that the Eximbank has been doing an effective job." (p. 17)

On the first point, Piquet argues that "Subsidies would be involved if the Eximbank operated at a loss. On the contrary, the Eximbank has been highly profitable." (p. 4) It is clear that Piquet fails to understand the notion of a subsidy. The Eximbank's "profit" statement is an irrelevant and misleading indicator of the subsidy because of the special backing of the U.S. Treasury.

The Eximbank is able to lend at below private market terms and still cover its operating costs because it has been capitalized with $1 billion from the U.S. Treasury, it can borrow from the U.S. Treasury at the Treasury's cost, and it can borrow from private sources at the same risk of default as the U.S. Treasury since its debt obligations are guaranteed by the full faith and credit of the U.S. Government. There is no private lending institution that can draw upon the same resources as the Eximbank and therefore could conceivably compete with the lending rates of the Eximbank.

In spite of these special circumstances, Piquet has the audacity to say: "The Eximbank is a *bank* in the true sense of the word. It borrows funds for the purpose of lending and, because it borrows at a lower rate than it lends, it earns a profit." (p. 4) Piquet fails to consider how the Eximbank's profit (loss) position might appear if it were forced to borrow its capital under the same circumstances as private banks. As a result, Piquet fails to understand that it is the connection with the U.S. Government that reduces the Eximbank's costs and thereby provides the subsidy in the form of lower lending rates. Since the Eximbank commissioned and released the Piquet study, it appears that Eximbank officials fail to understand this basic issue as well, or are seeking to delude the public into thinking otherwise.

On the second point, Piquet argues that I "try to prove mathematically that Eximbank lending has not had a stimulating effect upon exports." (p. 11) This is from the start an incorrect interpretation of a statistical (not mathematical) procedure. It is clear that nothing can be *proved* with statistics. However, propositions can be tested as to their conformity with available data, where the decision to *reject* the proposition can be made with a high probability of being right.

Piquet's misinterpretation of the procedure is even deeper, however; Piquet argues that there are so many factors that determine the volume and composition of exports that it is not possible to measure the effects of any one of them. This argument is meaningful only in special circumstances, such as cases where any one of many factors is no more important than another and where all factors are colinear. The importance of any analytical study in Economics derives from the ability to cut through the morass of a complex world and concentrate on the primary factors of importance that explain an economic event. Thus, economic theory and statistics are the tools that enable the reasonably successful explanation and prediction of such complex variables as Gross National Product, Personal Consumption Expenditures, or Federal Income Tax Receipts, on the basis of very few, but very important, factors even though there are an infinity of possible factors that act to determine the outcome.

It should also be noted for emphasis that the statistical model was seeking only to account for changes in U.S. exports (by country and by commodity) from one year to the next, and not the entire volume or composition of U.S. exports. That is, the model sought to explain only the increments to or decrements from any given years export level. To do so is generally a much simpler task because one need only consider those important factors that have changed over the year. According to Eximbank officials, one such significant change over the period considered was the volume of Eximbank financing, although the data refute this claim.

The final point to be made in connection with Piquet's argument is that, even though there may be more than one factor of importance in explaining changes in U.S. exports, the fact that I use only Eximbanks loans as an explanatory variable does not discredit the ability to test the significance of Eximbank loans. That is, in particular, this simple model does not bias the results against the significance of Eximbank loans as an explanation of changes in U.S. exports. In fact, the bias would tend to operate in the opposite direction—in favor of the importance of Eximbank loans. This results from the fact that the standard error of the estimated coefficient of Eximbank loans would generally be smaller in the case where Eximbank loans is the only explanatory variable than in the case where additional variables are included. In the case where Eximbank loans is the only explanatory variable the variance of the estimate is given by

$$\sigma u^2/\Sigma (x_i - \bar{x})^2,$$

where

$$\sigma u^2$$

is the variance of the disturbance term. In the case where an additional variable

$$Z_2$$

is included with Eximbank loans, the variance becomes

$$\sigma u^2/\Sigma (x_i - \bar{x})(1 - r^2),$$

where r^2 is the simple correlation between Eximbank loans and the variable

$$Z,$$

and necessarily takes on a value between zero and unity. Therefore, the variance is smaller in the first case, and so is its square root or standard deviation.

Piquet concludes his argument with the following chain of reasoning:

"Exports don't just happen. For the most part, they are closely intertwined with financing." (p. 12)

"Professor Bohi has not proved his points and the refutations of his arguments support a strong presumption that the Eximbank has been doing an effective job." (p. 17)

"Because of the strong presumption that the Eximbank has facilitated increased exports, it follows that its activities should be expanded." (p. 17)

This chain of *non-sequitors* boggles the mind. Even if Piquet had demolished my arguments, it does not follow that the Eximbank has been effective. Clearly, exports don't just happen, but even if they are 100% dependent on financing, it does not follow that Eximbank credits are necessary. The argument to expand the Eximbank is based on absolutely no evidence or other analysis that the Eximbank programs deserve to be expanded. The Eximbank has had a long tradition of simply *presuming* that its programs are worthwhile and effective and Mr. Piquet's paper gives us more of the same. Why is it that the Eximbank can do no better than assert its effectiveness? Why can it not hire consultants that will seek to demonstrate its effectiveness? I would summarize the results of my original paper as simply implying that, or the basis of available evidence, there are no grounds for arguing that an expansion of the Eximbank will effectively promote U.S. exports. This does not say that they are or are not effective, but that the evidence is negative, and the Eximbank should demonstrate the value of its programs.

INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES,
November 1, 1972.

Senator WILLIAM PROXMIRE,
Chairman, Joint Economic Committee, Congress of the United States, Washington, D.C.

DEAR SENATOR PROXMIRE: Enclosed is a brief report on the issues raised in the Bohi and Piquet discussions of the effectiveness of the Exim bank, which you requested in your letter of Sept. 29, 1972. I think the report is pretty self-contained, so I won't comment here on the substance of the studies. I was disappointed in the quality of the Bohi paper, in that it left such wide openings for Piquet to shoot at.

The basic questions for expansion of the Exim Bank should be (a) do U.S. credit markets discriminate against U.S. exporters, and (b) if so, does the Bank repair this discrimination? I find it hard to imagine that credit markets do so discriminate, and in the absence of a strong showing that they do, would vote not to expand, but perhaps to curtail, the Bank's activity.

I hope my comments are useful to you. I enjoy feeling useful to policy makers in Congress, so feel free to call on me when you have questions concerning these sort of matters.

Sincerely,

WILLIAM H. BRANSON.

EVALUATING THE EXIM BANK: COMMENTS ON BOHI AND PIQUET

(By William H. Branson)

I. INTRODUCTION AND SUMMARY

The following comments respond to Senator William Proxmire's request for an evaluation of the arguments in the two papers:

Douglas R. Bohi, "Export Credit Subsidies and U.S. Exports: An Analysis of the U.S. Eximbank," JEC Compendium, *The Economics of Federal Subsidy Programs*, June 11, 1972.

Howard S. Piquet, "Reply to Bohi", mimeographed, Washington, August 7, 1972.

Following Sen. Proxmire's request, section II below discusses the proper methodology for evaluating the activities of the Export-Import (Exim) Bank. Sections III and IV criticize the Bohi and Piquet papers in light of the methodology suggested in section II. Section V summarizes.

Briefly, the conclusions are as follows.

1. Bohi's methodological approach is about right, while Piquet uses no organized approach but simply snipes at Bohi. A much better job could be done along Bohi's lines. (Maybe he should take another crack at the problem).

2. The evidence marshalled by Bohi, basically against expansion of Exim Bank activities, is weak and in places irrelevant. Piquet's

paper favoring the expansion is weaker yet, presenting little evidence and several logically inconsistent arguments.

3. There is no showing in either paper that expansion of the Exim Bank activities is warranted. In the absence of such evidence, expansion should not be permitted.

II. EVALUATING THE EXIM BANK

The agreed objective of Exim Bank activities is to increase U.S. exports by providing exporters either credit that would not otherwise be available or better credit terms than they can get from private sources. The point is to get more resources allocated to the export industries than we would have if the private sector were left to its own devices.

FALSE AND TRUE JUSTIFICATION OF THE EXIM BANK

There are a number of false justifications presented in the Bohi report end the Piquet rebuttal for expanding the export sector through the Exim Bank credit mechanism, and one good justification, on which evaluation should focus.

First, the false justifications:

a. Exports should be increased for balance-of-payments reasons. We know that if the U.S. exchange rate is near equilibrium, there is no need for special attention to exports. If the exchange rate is not near equilibrium, it should be changed.

b. Exporters should get preferential credit treatment (relative to companies that sell only domestically) because foreign governments give their exporters such treatment. If foreign governments want to subsidize U.S. consumers' purchases of foreign goods, so much the better for U.S. consumers! Why should the U.S. reciprocate? If the subsidy generates a U.S. payments deficit, a small devaluation will offset it.

c. The Exim Bank can shield exporters from the effects of monetary policy. Why should U.S. producers that sell in foreign markets be less exposed to the effects of monetary policy than U.S. producers that sell in the U.S.? This makes no sense unless one simply wants to reduce business risks for exporters as a class.

I won't list the implicit objective that comes to mind in reading the Piquet paper; that the point is simply to subsidize exporters for no good reason at all.

The possibly correct justification is:

d. Exporters are at a disadvantage in competing with non-export firms in domestic credit markets. If so, there is a good reason for removing that disadvantage in order to get the "right" allocation of resource to the export industries.

QUESTIONS TO ASK IN EVALUATION

Viewed in this way, it is apparent that the first question is

1. Are exporters, in fact, discriminated against or at a disadvantage relative to non-export firms in domestic credit markets? If so, a credit market instrument like the Exim Bank is justified.

The Bohi report is on the right track in asking this question (p. 165). The evidence is none too convincing, though, and the report slips into accepting false justification (b) above at the bottom of p. 165. Note here that the quote from Kearns (Bohi, p. 169) implies that this justification does not exist. He claims that the Exim Bank gives our exporters a "real competitive advantage" over foreign competitors, while the objective should be to remove a disadvantage relation to domestic competitors for credit.

The second question, assuming we can show that the answer to the first is yes, is

2. Is the particular instrument being used, the Exim Bank, doing the job? Here we want to know the effects on exports. We also would like to subtract from the desired effects the reduction in the effectiveness of monetary policy caused by the Exim Bank.

Here the Bohi report is again on the right track on pp. 171–3 and in the Appendix. But the evidence again, is inconclusive.

So in response to the specific question on methodology, I'd say Bohi's paper has the right approach in general, but does not present convincing evidence either way. Piquet's paper does not attempt an orderly evaluation of the problem, but simply snipes at Bohi, who offers many targets.

III. COMMENTS ON THE BOHI REPORT

While the Bohi report takes basically the right approach to the question, it overdoes the negative arguments considerably. Some arguments are stretched until they lose credibility; some are irrelevant; and the empirical evidence in the appendix is at best unconvincing. Specific comments follow.

Page 162—In first paragraph some possible third-order effects in the balance of payments are discussed with no evidence that they are at all important in fact. Also this negative point concerning balance-of-payments effects is relevant only if you accept false justification (a).

Page 163—At top of page, possible losses of employment from squeezing out domestic investment is introduced. This is likely to be unmeasurably small and not to happen at all if fiscal and monetary policy maintain full employment.

Page 164—The entire argument from second paragraph to end of page is silly. If the loan will place a net burden on the borrowing country, it doesn't have to accept it.

Page 167—Asserts that a large expansion of Exim Bank loans would substantially substitute for private credit. The other possible outcome is to transfer resources to low-productivity marginal export industries.

Page 169—The quote from Kearns says that Exim Bank activities give U.S. exporters a "real competitive advantage". If this is so, Exim Bank is too big now. The object is to remove disadvantage relative to domestic bidders for credit, not to give an advantage over foreign sellers.

Page 170—If U.S. firms are at a "price disadvantage" we should devalue or disinflate, not distort credit markets.

Pages 171–2—The discussion beginning in the middle of the page is beside the point. Nobody argues that credit terms are the source of U.S. comparative advantage. It's true that credit terms have only a marginal effect on exports, but it is just this margin that we're interested in. This problem goes on to page 173.

Appendix—These simple regression results are worthless and should be ignored.

The Bohi report brings in so many irrelevant and thin arguments that one gets the impression that the conclusion came before the analysis. But the basic approach is right, which is more than can be said for Piquet.

IV. COMMENTS ON THE PIQUET REBUTTAL

The Piquet rebuttal is basically a series of critical comments on the Bohi report, with no underlying methodology of its own. I do not think the Piquet paper should be taken seriously. The flaws in its internal logic are apparent from the brief summary at the top of page 2. If the Exim activities are not subsidies, why should they expand exports or otherwise affect exporters' behavior? Assertions (1) and (2) of Piquet's are an attempt to take both sides of an argument: the Exim Bank does not subsidize but it still expands exports. Assertion (3) does not follow from (2), even if it were true. Should we expand all activities that expand exports?

There is one major point in the Piquet paper that needs slightly extended comment before turning to details. This is the question of whether Exim Bank credits are subsidies, on pp. 2–5. Piquet fashions a definition of subsidy that is nonsense and defines Exim Bank activity as non-subsidy. The fact, for example, that Exim Bank makes profits (on p. 4) does not mean it does not subsidize its debtors. The question is, does it provide credit terms easier than they can get in the market? If so, they're subsidized. The logical conclusion from Piquet's argument is that if Exim borrowing rate is below GM's, Exim borrowing to lend to GM isn't a subsidy if Exim is turning a profit. A more reasonable definition of subsidy is that given by Peggy Musgrave in the paper following Bohi's (Musgrave, p. 178). By this definition, Exim Bank activities are subsidies; the question is, are they worth it? This question Bohi tries to answer, if inadequately. Piquet tries to deny there's a question.

Specific comments on Piquet follow:

Page 8—Bohi recognized the fact that Exim Bank gets 6 per cent. See Bohi, p. 159.

Pages 11–12—Discussion of Bohi's empirical results reveals misunderstanding of econometrics (or statistical) procedure. A random error term is not "constant" (p. 11). And the whole point of multiple regression is to take into account many determinants of one result (p. 12). It is too bad Bohi didn't use multiple regression.

Page 13—Why guarantee fixed loan rates to exporters and not to domestic firms? The fact that other countries do it is irrelevant. If they make that mistake and subsidize our imports, why should we reciprocate?

Page 16—If commercial banks aren't willing to provide long-term export finance because export business is riskier than domestic business, that's good. We want lending terms to reflect risk .

Page 17—Conclusion in first full paragraph is a non-sequiter. Assuming Exim Bank does increase exports, it does not follow that we should increase Exim activity unless we want exports to increase indefinitely, which is silly.

I am not going to comment specifically on Piquet's part B. which is mainly shooting down the sitting ducks Bohi has set up. Many of these were mentioned already.

V. CONCLUSION—HOW TO DECIDE ON EXIM BANK EXPANSION

Basically, the Exim Bank is an interference with the workings of the credit markets, justified by (a) the assumption that credit markets discriminate against exporters and (b) that the Exim Bank can eliminate this discrimination. One reasonable procedure in deciding whether to extend this activity (or to permit it in the first place) is to require convincing evidence that both conditions are met before deciding yes. This places the burden of proof on the proponents of interference. If we reversed this presumption, there would be no block to increasing and indiscriminate interference, since hard evidence that these conditions are not met is difficult to produce, as we see in the Bohi report.

On balance between the Bohi and Piquet papers, we have some inconclusive evidence that the conditions are not met, provided by Bohi, and some unsupported assertions that they are met, by Piquet. I'd rate this a stand-off with a small edge in favor of Bohi, and thus suggest no expansion of Exim Bank activity. In particular, the Piquet reasoning that the Exim Bank must somehow have increased exports, therefore a large increase in Exim Bank activity is justified, should be rejected.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY,
Cambridge, Mass., October 6, 1972.

Senator PROXMIRE,
Congress of the United States, Joint Economic Committee, Washington, D.C.

HON. SENATOR PROXMIRE: I have your letter of September 28, with its enclosures about the Export-Import Bank. I assume you do not want me to offer you a point by point analysis of the many arguments on both sides of the debate between Bohi and Piquet, and I do not know enough about the subject, nor have I the time to inform myself

in the necessary detail, to make a fine judgement on the complete range of argument.

On a general level, I must say that I agree with Bohi that the Export-Import Bank is a subsidy to exports, and find Piquet's argument against this view thoroughly unpersuasive. The question is not whether the Export-Import Bank earns a positive return, but whether it offers credit to exporters on terms which are below commercial rates, and on risks which would be unacceptable to commercial lenders. This it surely does. The fact that other countries do likewise and that the Export-Import Bank acts to prevent competitive losses to American exports is beside the point. The actions of the bank are a subsidy.

At the same time, I side with Piquet in thinking that the empirical demonstration of Bohi "proving" that the loans of the Export-Import Bank do not affect the level of exports, either by country or by commodity classification, is thoroughly unsatisfactory. I am not an econometrician nor a penetrating student of the subject, but the Bohi techniques appear to me to be rudimentary, and the Piquet criticism of them compelling. The Piquet qualitative evidence from interviews, however, is not in its turn persuasive. I suggest that the subject needs a new investigation from an expert econometric consultant like Robert R. Nathan and Associates in Washington or Charles River Associates in Cambridge, Mass.

You ask whether I have any suggestions about evaluating the effectiveness of the Export-Import Bank? I fear I start with an anterior question, whether I like the essentially mercantilist purposes of the bank in pushing exports. It may be necessary to counter the similar efforts of other countries. I should prefer to see an attempt by the Department of State to make the Berne Agreement work. Mr. Piquet writes about the Berne agreement as if it were successful. My limited information, on the other hand, suggests that the agreement has broken down virtually entirely, especially on the question of limiting credits to the Eastern bloc. It would seem to me most unwise for the Export-Import Bank and the similar entities in Western Europe and Japan to escalate the subsidy of exports to Eastern Europe, with greatly enhanced risks of impairing Eastern credit standings.

Let me repeat that in all this my prejudices are insufficiently supported by information, and that in the press of other duties and commitments, I lack the time to provide a searching and well-informed answer to your queries.

Sincerely yours,

C. P. KINDLEBERGER.

HARVARD UNIVERSITY,
DEPARTMENT OF ECONOMICS,
Cambridge, Mass., October 12, 1792.

Hon. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
U.S. Senate, Washington, D.C.
Attention: Mr. Douglas Lee.

DEAR SENATOR PROXMIRE: I am writing this in response to your letter dated September 29th. You asked in it for my appraisal of the contradictory views of the U.S. Eximbank presented in two papers that were submitted to your Committee, one by Howard S. Piquet of your own staff and the other by Douglas R. Bohi who is apparently in some way associated with the Bank.

I do not feel that a reliable methodology now exists, or could be developed, capable of measuring in meaningful quantitative terms the effect of export credit granted and credit insurance provided by the Bank on the U.S. exports to specific countries or U.S. exports of specific goods. For reasons which Mr. Bohi correctly states, the underlying economic relationships are far too complex to be identified and measured by the procedure described in the Appendix to Piquet's paper or by any other statistical techniques. Deductive reasoning, or should we call it commonsense, however, leads me to believe that a powerful banking institution sponsored and unconditionally backed by the credit of the United States Government can and actually does offer particularly advantageous terms to the sellers and the foreign buyers of U.S. goods, the export of which it chooses to support.

The amount of capital that such government sponsored institutions can raise and the combined volume of credit guarantees that the United States Government can prudently provide are *limited*. The decision to use these credits and these guarantees to enable foreign buyers to purchase certain U.S.-made goods under particularly favorable conditions obviously represent selective dispensation of special favors to exporting industries, to foreign buyers, or to both. These credits and these guarantees could, instead, be used to finance public housing or, say, to encourage small domestic enterprise.

While it might be questioned whether the activities of the Eximbank could be interpreted as a simple and direct subsidy to certain types of export business, there can hardly be any doubt that the special benefits dispensed by these means are tangible and real and that they could and possibly should be offered instead to other types of private or public economic activities.

To the extent to which the foreign trade policies of the United States Government are aimed at promulgation of free international exchange of goods and services, rather than promotion of Government-sponsored cutthroat competition, the functions of Eximbank do not fit well into the picture. A large increase in the scale of its operation would have to be interpreted as a step up in dispensation of special government favors. Moreover the benefits to the American exporters might turn out to be short-lived. In the present state of international competition, such action can be expected to elicit compensating or retaliatory counteraction.

Please do not hesitate to get in touch with me again in connection with this or any other problem should need to do so arise.

Sincerely,

WASSILY LEONTIEF.

PROGRAM ANALYSIS DIVISION,
Arlington, Va., November 15, 1972.

Mr. DOUGLAS LEE,
Committee Staff, Joint Economic Committee,
Congress of the United States, Washington, D.C.

DEAR MR. LEE: In response to your phone request and Senator Proxmire's letter of September 29, 1972, I have enclosed a commentary on the two papers discussing the U.S. Eximbank.

I had no prior opinion about the usefulness of the Eximbank. It is my opinion that Professor Bohi has a philosophical bias against the Eximbank that shows up in his analysis. Dr. Piquet's paper is a straightforward refutation of Professor Bohi's paper.

I believe that a more sophisticated statistical analysis, as outlined in my comment, could settle the question of the value of the operations of the Eximbank for promoting exports. The question of whether or not the Eximbank's operations represent a subsidy could also be settled by a quantitative study. The question of the best way, for the cost, of promoting exports is not one which can be solved by a purely economic analysis.

If I may be of further help to you, please feel free to contact me.

Sincerely,

BRUCE TAYLOR GRIMM.

Enclosure.

A COMMENT ON TWO PAPERS EVALUATING THE EFFECTIVENESS OF THE U.S. EXIMBANK

(By Bruce Taylor Grimm)

Two papers on the effectiveness of the U.S. Export-Import Bank (Eximbank) strongly disagree on the effectiveness of the bank in promoting U.S. exports. The first paper, "Export Credit Subsidies and U.S. Exports: An Analysis of the U.S. Eximbank", by Professor Douglas R. Bohi, attempts, by analytical argument, to establish the lack of worth of the Eximbank programs. It also presents a simple statistical analysis which fails to demonstrate the effectiveness of Eximbank loans. The second paper, "'Export Credit Subsidies and U.S. Exports: An Analysis of the U.S. Eximbank', by Douglas R. Bohi—A Reply", by Dr. Howard S. Piquet, is largely a refutation of Professor Bohi's analysis. Dr. Piquet also outlines, in his paper, an argument for the effectiveness of Eximbank programs in expanding U.S. exports.

Professor Bohi's paper contains four sections. After an introductory summary, the first section outlines the major operations of the Eximbank over the last decade. The second section examines the benefits and costs of the Eximbank loans program using a simple partial equilibrium framework. The third section presents statistical analysis, using both real data on international financial operations and hypothetical numbers to argue that Eximbank loans are not needed given the competitiveness of private U.S. credit. The fourth section outlines a hypothesis about how credit provision affects exports. It also summarizes the results of ten regressions made to attempt to test the hypothesis. I have a number of reservations about Professor Bohi's analyses. As my reservations are included in the arguments found in Dr. Piquet's paper, I shall not present them in this comment.

Dr. Piquet's paper begins with a discussion of the mission and operation of the Export-Import Bank. He discusses what the operations of the Eximbank are and what their magnitudes are. He uses this discussion to support an argument that the Eximbank is a true bank, although it has a unique function in financing exports. He also argues that private banks do not and do not wish to provide the type of financing of exports provided by the Eximbank.

Dr. Piquet also argues that, as the Eximbank makes a profit, its operations do not represent a subsidy for exports. The counterargument to this is that private banks would charge higher interest rates, be more profitable, and provide a better sum of interest income. Any resolution of this conflict of claims could only be made with a very detailed careful empirical investigation. I believe that the question of whether or not the Eximbank's operations represent a subsidy must remain moot unless a very great amount of effort is put into its solution.

Dr. Piquet further argues that Professor Bohi's empirical analysis is too simplistic and that, in fact, no adequate statistical test can be made to settle the question of the effectiveness of Eximbank operations. I agree with the first part of this argument, but not the second. Dr. Piquet points out, quite correctly, that Professor Bohi did not take into consideration the entire mix of characteristics which make export sales but concentrated only on price and financing.

A weakness of Dr. Piquet's arguments in this section is that he fails to make a case that there is no other way to efficiently perform the credit functions of the Eximbank. Hence, he fails to establish what he claims (p. 7) is a "strong presumption of the facilitation of exports."

In the second section of his paper, Dr. Piquet summarizes and refutes the major assertions of Professor Bohi's paper. I believe that Dr. Piquet's arguments are correct, given the terms of reference of the two papers. In a few cases, however, I have some comments to make. These are listed below. The quotes are from Dr. Piquet's paper.

"Asssertion 1. Eximbank lending can have an adverse effect on the U.S. balance of payments". (The argument is that loans, if not offset by additional exports, damage the bal-

ance of payments). Neither author points out that when the loans are repaid, with interest, the overall long run gain to the balance of payments is the increase in exports plus interest paid. The repayment of the loan offsets its previous balance of payments cost.

"Assertion III. Export credits should be used as a counter-cyclical device". (The argument is that export credits have a high opportunity cost during tight-credit periods of booms). Dr. Piquet points out the difficulties of trying to use long lead time financing arrangements counter-cyclically. Neither author points out that monetary policy can easily be used to neutralize the credit demands of export financing during tight credit periods.

"Assertion V. There is no shortage of private capital to finance exports . . ." Professor Bohi argues that aircraft sales with increasing private credit shares over the recent past demonstrate the availability of sufficient private credit availability for export financing. Dr. Piquet counters that prior commitment of credit arrangements, which is hard to get from commercial banks, is essential to many export sales. The Eximbank supplies this commitment and also has strongly expanded guarantee programs for private credit. Mixed private and Eximbank financing also allows advantageous export financing terms. Dr. Piquet's arguments fail to fully counter Professor Bohi's. The assertion is therefore neither proven nor disproven.

"Assertion VI. Because the cost of private credit in the United States is lower than the cost of private credit abroad, there is no need to subsidize U.S. exports through Eximbank lending". The argument is based on long term government bond rates in the U.S. and abroad. Dr. Piquet argues that increased foreign government efforts to encourage exports may affect the interest cost differential, as will the U.S. bank flexible interest rate lending policy. This does not fully refute Professor Bohi's argument. A comparison of effective private lending rates of the U.S. and its competitors would be a good way to resolve the question.

"Assertion X. The ineffectiveness of Eximbank activities can be demonstrated mathematically". Professor Bohi did very simple regression analysis on limited data. Dr. Piquet points out the analysis is inadequate to test the hypothesis of Eximbank effectiveness. His arguments are correct, but not comprehensive.

Professor Bohi's first set of regressions, of changes in exports relative to changes in Eximbank authorizations for various countries, leave out all the other factors which may affect export levels. Further, they do not work with specific commodities where financing might be important even though the effect of financing would be lost in aggregating over time. The very low coefficients of multiple determination (R^2) also point up the inadequacy of the questions in explaining export changes.

Equations (3) and (4) do reject the hypothesis of no effects of Eximank financing on exports if a loose .7 level of confidence is used. Professor Bohi also seems to have used a "two tailed" test to obtain his results. The correct test for the hypothesis that Eximbank financing does not increase exports is a less demanding "one tailed" test. The same regressions also fail to reject, at the .7 level of confidence, the hypothesis that there is a one-for-one change in the value of exports with a change in the level of Eximbank authorizations. Professor Bohi's hypothesis that Eximbank loans do not affect experts is certainly not accepted by his statistical tests.

The fifth, sixth, and seventh regressions use a coarse commodity breakdown with, again, meaningless results. Negative coefficients and huge swings in measured R^2 statistics point up the lack of meaning for the regression equations. The categories of goods are much too gross and the necessary additional breakdown by countries is not made.

The eighth, ninth, and tenth regressions reverse the independent and dependent variables of the first, sixth, and seventh equations. The above objections hold. Further, the casual relationship cannot work both ways. For these to be meaningful tests, the other equations would be worthless.

A more sophisticated statistical analysis would provide a much better test of the hypothesis that Eximbank loans do not help exports. A breakdown both by commodities, finer than that used by Professor Bohi, and by countries should be used. More data should be gathered so that both cross section and time series analysis could be performed. Further, the large swings in R^2 found by Professor Bohi would be reduced if a longer time period were used for changes in exports levels and the explanatory variables.

A much more sensitive test of export performance could be made by using changes in the U.S. share in the total exports of commodities, to other countries, as the dependent variable. It is vital to examine changes in relative prices, income levels, cyclical demand pressure, and competitive world financing, and a variable simulating time related trends, as well as Eximbank authorizations as explanatory variables. The methodology for using this approach is an accepted and successful part of quantitative economic analysis. It has proven to be sensitive to changes in various aspects of export competitiveness.[1]

Dr. Piquet substantially refutes Professor Bohi's arguments. Dr. Piquet does so by demonstrating that Professor Bohi has been overly simplistic in his analysis and has frequently failed to consider all aspects of export competition and the workings of the Export-Import Bank. Dr. Piquet, however, with the except for mentioning his discussions with importers, exporters, and bankers, has failed to establish a "strong presumption" that the Eximbank is important in promoting exports.

A careful statistical analysis, of the sort suggested above, should be able to establish this presumption if it is true. It is unlikely, however, that this sort of analysis would even prove Professor Bohi's hypothesis of lack of effect for the Eximbank. A critic could always argue that more sophisticated techniques might lead to a rejection of the hypothesis.

Neither author really addresses what is the central question about the Eximbank. The problem is whether or not the Eximbank is the best way, for the cost, to encourage exports. In addition, the question of whether the export encouraging agency should be government or private is not one which cannot be answered by conventional economic analysis. This is a question of political economy, which is the province of congress, and not of economic theorists.

OCTOBER 20, 1972.

Senator WILLIAM PROXMIRE,
Chairman, Joint Economic Committee, U.S. Congress, Washington, D.C.

DEAR SENATOR PROXMIRE: The following are some comments in response to the questions you raised in your letter of September 29, 1972 about the problems of selecting an appropriate methodology for evaluating the role of the U.S. Export-Import Bank in furthering exports. The studies of Professor Bohi and Mr. Piquet used sharply differing methodologies and arrived at sharply contrasting conclusions.

Professor Bohi utilizes statistical models while Mr. Piquet uses an institutional approach dealing with the relative availability of export credits. Neither approach, as it now stands, appears to me to provide a satisfactory basis for making valid inferences about the effectiveness of the Ex-Im Bank. However, Mr. Piquet, by discussing the structure of the credit markets, appears more persuasive than Professor Bohi.

The basic model employed by Professor Bohi suffers from over simplification as Mr. Piquet points out in his study (page 45 et seq.). Bohi's is a simple two variable linear model. He relates changes in U.S. imports to changes in the Ex-Im's authorizations. (See Appendix of his study.) Clearly, changes in exports depend on many other factors, such as relative credit conditions, relative prices, etc. The fact that Professor Bohi's regressions mostly yield either perverse results (wrong signs) or statistically insignificant coefficients seems to confirm the view that the specifications of the model were inadequate.

Thus, we cannot conclude that the use of models *per se* is inappropriate for trying to test the effectiveness of the U.S. Ex-Im Bank. Whether, however, it would be possible to develop the statistics necessary to test a more complicated model is difficult to say. The chances are that the data are not likely to be adequate.

One final point about Professor Bohi's results: in one of his models he finds that "the implication is that the Ex-Im Bank shifts its loans from commodities showing growth in world markets to commodities that are declining." (Page 75, *The Economics of Federal Subsidy Programs,* Part 2 International Subsidies.) Professor Bohi does not test the validity of this statement which, it seems to me, can easily be done. The data are available. In fact, the conclusion, if true, could have been developed directly without the model.

On the other hand, Professor Piquet's approach seems to me to be too general. What is lacking is an in-depth analysis of a sample of the Ex-Im Bank loans and other activities showing what the conditions were which led to the loan and what might have happened to U.S. exports if the loan or other authorizations were not available. This, I recognize, would involve a great deal of judgment, but I see no way to avoid this. The file of the Ex-Im Bank should provide a good starting point. Only on the basis of a case-by-case analysis would one be able to reach reasonably satisfactory conclusions. In addition, a more general analysis of patterns of loans and other aid by countries and by types of commodities should be helpful in throwing light on the subject.

In the above comments and suggestions I have restricted myself to the issue of how to appraise the initial impact of the Ex-Im Bank's activities on the U.S. exports. By this I mean the question whether the Ex-Im Bank finances exports that would or would not have been made in any event to the same extent. I do not deal with the other issues that Professor Bohi raises which go the ultimate impact of such exports such as their effect in time on the general U.S. export position. These, it seems to me, are part of the more general question of the benefits and losses of international trade and more appropriately discussed in another context.

I trust that these comments will be of some assistance to your Committee's deliberations. I appreciate your courtesy in permitting me to give you my views.

Sincerely,

BENJAMIN CAPLAN.

[1] See, for example, F. G. Adams, H. Eguchi, and F. Meyer-zu-Schlocktern, *An Econometric Analysis of World Trade,* (OECD, 1969).

THE INTERNATIONAL EFFORT TO DEAL WITH AIR HIJACKING AND TERRORISM

Mr. JAVITS. Mr. President, a matter that is of great concern to me and, indeed, to the whole civilized world are the barbaric acts of skyjacking and ter-

rorism that continue to jeopardize the safety of all of mankind which travels by air. On September 8, I addressed the Senate on the subject of the Convention of the Legal Subcommittee of the International Civil Aviation Organization, convened in Washington at that time to consider a United States-Canada draft proposal that would require suspension of all air service with any nation that did not punish or extradite airplane hijackers and terrorists. I ask unanimous consent that this statement be printed in the RECORD at the conclusion of my remarks.

Following the ICAO Convention, I expressed to Secretary of State Rogers my concern for the need of the civilized world to put a stop to these barbaric acts of skyjacking and terrorism. I have recently received a response from the Department of State, which gives up-to-date information on the various international efforts on several fronts that are being pursued effectively to deal with the threat of skyjacking and terrorism. I ask unanimous consent that this correspondence with Secretary Rogers—released with the permission of the Department of State—be printed in the RECORD.

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

JAVITS CALLS FOR UNILATERAL U.S. ACTION AGAINST HIJACKING IF OTHER NATIONS FAIL TO ACT

(Statement by Senator JAVITS)

Mr. President, I have taken the time this morning to call the attention of the Senate and of the country to a conference here in Washington which is taking place right now and has such a great opportunity to strike a blow for justice. It could provide the only memorial that the dead Israeli athletes, I believe, would want. The signs, at the moment, are not favorable for the attainment of this very limited objective.

The occasion is the meeting of the Subcommittee of the International Committee on Civil Aviation which is an organ of the United Nations and which is trying to work out a treaty against plane hijacking.

This week, which has seen the barbarous murders in Munich, has also seen a checkered pattern of national indulgence in concerns with interests which should be subordinate to the overriding interest which the world faces in regard to this matter, so as to leave even the most ardent believer, like myself in the doctrine of international cooperation, profoundly concerned and even shaken.

Now, Mr. President, what is the meeting trying to accomplish?

The United States and Canada have proposed to a group of 17 nations a multilateral agreement, or treaty, which could be subscribed to by the principal nations of the world, which are the communications centers of the world, saying that any nation would be required to suspend air service with any other nation that did not punish or extradite airplane hijackers or saboteurs.

First and foremost, Mr. President, the treaty should be expanded to include the harboring of terrorists, giving them sanctuary, money, a place to train, and an opportunity to operate. Indeed, it is precisely the same kind of piracy which we encountered in hijacking.

Mr. President, I urge that the United States and Canada submit these proposals to the 17 nations as an addition to the treaty or to the proposed multilateral agreement.

What has been the reception, inasmuch as the world has suffered enough hijacking and the mortal danger to passengers and property, in many cases already realized in deaths and destruction of property, jeopardizing the whole civilized system of transportation for all mankind?

We see, first, that the Soviet Union opposes the hijacking pact. That is the news of September 5, 1972. "The Soviet Union sharply opposed today"' says the report, "a United States-Canadian proposal for an international convention"—and then it goes on to describe that convention.

What is the reason why the Soviet Union opposes that convention?

Well, the Soviet Union says that the sanctions—to wit, cutting off air communication from any such violating nation, should be determined by the United Nations Security Council.

That is just a convenient way of stalling the whole undertaking and making it meaningless. The Soviet Union knows as well as we do that a veto by any one nation in the United Nations Security Council will kill off any hope of exercising any sanctions whatever, against a nation, no matter how flagrant the offender.

What is the French and the British attitude, Mr. President?

How could we possibly believe that two such great civilized nations as France and Britain would seek or move for a non-acceptance of this kind of agreement? What is the reason for it?

We find the answer, again, in one of the dispatches, that "Britain is concerned with what might happen to its airlines in the Middle East," says the dispatch.

France is concerned about being forced to boycott Algeria, which has hosted hijackers, and other African ex-colonies with which France still maintains strong economic ties.

How quickly mankind can forget the bloody history resulting from this kind of chauvinism reflected by these arguments.

So, Mr. President, it is absolutely essential to speak out against and to condemn any such narrow nationalism and to do one's best to call the attention of the people of the world, including the peoples of these countries, to what is being done and said in their name.

Mr. President, in addition to the other countries which oppose action, those on the list in opposition, there is also the country of Egypt. Mr. President, this is a nation whose prime minister had the gall to tell the world in connection with the massacre that occurred at the Lod Airport outside of Tel Aviv at the hands of agents of Arab terrorists and to proclaim and brag about the fact that this was their mission. The prime minister applauded the fact that at last a way had been found to defeat Israel.

Mr. President, what has been found is a way to destroy mankind's sense of security and to introduce anarchy into the affairs of mankind. That is all that has been found.

So, Mr. President, because I so deprecate the loss of the opportunity which is here presented in this international subcommittee meeting going on right now in Washington in which there is still a week remaining to do something, I urge the United States to give the utmost consideration to acting unilaterally, if international action is not possible, to exclude any country from any communication with us if that country offends mankind and morality by harboring or receiving hijackers or harboring, aiding, or giving sanctuary to such terrorists in their countries.

We are a very considerable force in the world. I think that all of the efforts to depreciate our importance to the whole world ultimately turns certainly toward matters that are economic and social. That includes Mainland China and the Soviet Union as well.

The fact remains that this country has 50 percent of the production capacity of all mankind and is so far ahead of the production of man on earth that it almost boggles the imagination. We are a moral people and a decent people.

Mr. President, it is time that other nations of the world realized that the United States is deeply serious about this matter and that we cannot accept, even if somehow other nations strain their moral fiber to do so, the position of some of these nations. They must be condemned rather than approved by mankind and by all the people of the world. We cannot accept any act of barbarism, lawlessness, or politics by murder in days when all sovereign nations subscribe to the United Nation Charter and seek a place in the world among civilized men and women. The countries that take this position will become accomplices to terrorism.

U.S. SENATE,
Washington, D.C., September 26, 1972.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Department of State, Washington, D.C.

DEAR MR. SECRETARY: In connection with the recent Convention of the International Civil Aviation Organization's Legal Subcommittee in Washington, I made the enclosed statement on September 8 urging the United States to take unilateral action if international action is not forthcoming, to suppress aid hijacking and terrorism and to act against any nation that aids hijackers and terrorists in any way. In my statement I called for expansion of the proposed U.S.-Canada treaty considered by the ICAO Convention to include sanctions against those nations harboring terrorists, giving them aid, sanctuary, money, a place to train, and an opportunity to operate.

In this regard, on September 21 by a voice vote the Senate adopted a Javits-Tunney amendment to the Anti-Hijacking Act of 1972 to authorize the President to suspend U.S. and foreign air service to and from the United States by any nation determined to have been "used as a base of operations or training or as a sanctuary or which arms, aids, or abets in any way, terrorist organizations which knowingly use the illegal seizure of aircraft or the threat thereof as an instrument of policy."

On September 16 I received a letter from the Ambassador of France, M. Jacques Kosiusko-Morizet, commenting on my September 8 statement. You will note Ambassador Kosiusko-Morizet's statement: "The French government is absolutely determined to do everything in its power to . . . contribute to eliminating the scourge of air piracy." A copy of the Ambassador's letter is enclosed for your information.

I would be very interested to know what steps the United States is taking to achieve an effective treaty to prevent and punish air hijackers and terrorists and to implement international sanctions against any nation harboring, aiding, or abetting these criminals.

With warm regards,

Sincerely,

JACOB K. JAVITS.

DEPARTMENT OF STATE,
Washington, D.C. December 14, 1972.

Hon. JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: The Secretary asked me to respond to your letter of September 26, 1972, requesting a report on the status of our efforts to achieve effective international action against air hijackers and terrorists and any nations harboring, aiding or abetting them. I regret the lateness of this response, but your request arrived at a time of fast-developing events.

First, I want to thank you for the compliment to the Secretary on his address to the United Nations General Assembly. The Secretary has been devoting a great deal of time

recently to the threat of international terrorism and has often expressed his personal concern and that of the President about this terrible problem.

With respect to air hijacking and air sabotage, the meeting in Washington September 4–15, which you mentioned in your speech, made considerable progress in drafting a convention for the enforcement of international norms for dealing with hijackers, aviation saboteurs and hijacked aircraft by joint action possibly including suspension of air services to a delinquent State. These international norms are incorporated in the 1963 Tokyo Convention which requires prompt return of hijacked aircraft, passengers and crew, the 1970 Hague Convention which requires the extradition or prosecution of hijackers, and the 1971 Montreal Convention recently approved by the Senate, which requires the extradition or prosecution of saboteurs attacking aircraft in service.

In an effort to expedite the process of drafting such an enforcement convention, on September 28 we asked the Council of the International Civil Aviation Organization to schedule a diplomatic conference as soon as possible to complete work on it. Meeting on November 1, after the Washington Conference's report of proceedings had become available, the Council called a special meeting of the full ICAO Legal Committee for January 9–30, 1973, to examine the report. At the same time, the Council also scheduled a conference of plenipotentiaries to adopt a convention on air security enforcement for August 21–September 11, 1973.

With regard to the broader problem of international terrorism, such as the incident at Munich, attacks on diplomats and explosives sent through the mails, we urged the 27th General Assembly to set in motion procedures which would have produced a draft convention for consideration and, hopefully, adoption late next year. We submitted a draft convention on terrorism which we hoped would provide a basis for the negotiation of a final convention. We were disappointed that a non-aligned resolution which contained no provision for concrete measures was adopted by the Sixth (Legal) Committee on December 11 by a vote of 76 to 34 (U.S. with 16 abstentions. We are seeking to have this unsatisfactory text amended in the plenary session of the Assembly.

We are also pressing for action on another new convention, the one on protection of diplomats which was drafted by the International Law Commission. This proposed Convention was recently considered by the U.N. General Assembly which decided to postpone action for a year and submit it to governments for further study so that work on the convention can be finished at the assembly's 1973 session.

I would like to make one further comment on the air security problem with respect to France's position. I appreciate your enclosing the letter sent to you from Ambassador Kosciusko-Morizet in which he notes France's active role in preparation of the Montreal Convention. At the end of the diplomatic conference in Montreal, however, France announced it would not sign the Sabotage Convention, which continues to be its position to this day. In a resolution the United States introduced to the ICAO Council last June calling for prompt ratification of the Tokyo, Hague, and Montreal Conventions and the maximum possible implementation of their provisions pending ratification, France requested a separate vote on each convention, and then abstained on the vote on the Montreal Convention. The Council adopted the resolution on June 19 (copy enclosed) by a vote of 17, including France, to 1. The specific vote on the Montreal Convention, however, was 21 in favor and none opposing, with 4 abstentions including France. Frankly, we do not fully understand France's objection to the Convention, which, as the Ambassador's letter notes, is precisely aimed at combatting air piracy. We still hope France will agree to sign and ratify this Convention.

Second, the Ambassador raises a question about the lawfulness of an air security enforcement convention which might impose an air blockade against a state outside the framework of Article 41 of the United Nations Charter. The French Delegation also raised this point at the recent Washington Conference. The Observer from the legal bureau of the United Nations submitted a paper to the conference which appears to resolve doubts on this matter. We believe ICAO members will take account of this paper as they develop their positions with respect to the air security enforcement convention. A copy of the paper is enclosed for your reference in any further exchanges with the Ambassador.

Please let me know if we can supply you with any additional information on any aspect of our efforts to combat international terrorism.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

RESOLUTION ADOPTED BY THE COUNCIL ON JUNE 19, 1972

The Council deploring the continuing frequency of acts of unlawful interference which cause serious safety problems, endanger lives and undermine confidence in international air transport;

Mindful of the solemn declaration of the 17th Session of the Assembly condemning all acts of violence which may be directed against aircraft, crews and passengers engaged in, and against civil aviation personnel, civil airports and other facilities used by, international civil air transport;

Recalling the resolutions of the ICAO Assembly, the United Nations General Assembly and the Security Council relating to unlawful interference with international civil aviation;

Calls Upon Contracting States to implement to the fullest extent possible the security measures contained in Resolution A17–10, which are amplified in the ICAO Security Manual, and to report, as soon as possible and not later than 31 October 1972, on measures they have taken to implement them, for review and analysis by the Council within 30 days of that date, and DECIDES that all communications in this field with Contracting States should be treated as being of a strictly confidential character;

Directs the Legal Committee to convene immediately a special Subcommittee to work on the preparation of an international convention to establish appropriate multilateral procedures within the ICAO framework for determining whether there is a need for joint action in cases envisaged in the first Resolution adopted by the Council on 1 October 1970 and for deciding on the nature of joint action if it is to be taken;

Urges Contracting States to co-operate in the development of practical and effective security provisions which may form the basis for the adoption of ICAO Standards and Recommended Practices at the earliest possible date, so that the uniform application of such Standards and Recommended Practices will enhance the safety of civil aviation;

Urges States to become parties as soon as possible to the Tokyo Convention on Offences and Certain Other Acts Committed on Board Aircraft; The Hague Convention for the Suppression of Unlawful Seizure of Aircraft; and the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation;

Urges States, in the interim prior to their becoming parties to the above-mentioned Conventions, to observe to the maximum extent possible under their national laws the provisions of those Conventions.

STATEMENT BY THE UNITED NATIONS OBSERVER

With regard to the question whether the provisions of Articles 39 and 41 of the United Nations Charter on sanctions which may be decided on by the Security Council are exclusive of all other collective sanctions imposed by other means, it may be pertinent to make some remarks about the Charter and to cite certain actions of States within the framework of the United Nations.

It is evident that any decision of the Security Council which under the Charter is binding on States takes precedence over their obligations under any other international agreement; this is expressly provided in Article 103 of the Charter. One form of binding decision of the Security Council is sanctions decided on under Article 41, after the determination of the existence of a threat to the peace breach of the peace or act of aggression under Article 39. If the Council decides upon such measures, then obviously any inconsistent sanctions imposed under any other agreement must cease to apply. But what if the Security Council has made no determination under Article 39, and has not decided on measures under Article 41? If there is no threat to the peace, breach of the peace or act of aggression, then the Security Council will presumably not impose sanctions. Have States, acting within the United Nations framework, recognized the possibility of collective action in such circumstances?

In at least one field States have recognized such a possibility, i.e., in the United Nations narcotics treaties. The system of international narcotics control, ever since a treaty concluded in 1925, has envisaged the imposition of an embargo on import or export, or both, of narcotics from or to a country or territory where a situation exists which endangers the aims of the control system. The earlier treaties were taken over and amended by the United Nations, without eliminating this feature. In 1953 a United Nations conference adopted the Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and Use of Opium. This Protocol provides, in articles 12 and 13, for a mandatory embargo which may be imposed by the Permanent Central Narcotics Board either upon a party or upon a non-party to that treaty. The conference which adopted the Protocol was called by the Economic and Social Council, which in doing so had before it a draft treaty providing for the mandatory embargo. The Opium Protocol entered into force, and has probably not yet been completely superseded by later treaties.

Other narcotics treaties, in particular the Single Convention on Narcotic Drugs, 1961, and the Convention of 1971 on Psychotropic Substances, also provide for an embargo by States against both parties and non-parties in respect of all substances covered by the Conventions, although, like the treaties before 1953, they authorize the international organ concerned only to recommend an embargo rather than taking a mandatory decision.

Mention may also be made of the constitution of the International Labour Organization, as it existed at the time that the General Assembly approved the relationship agreement which made it a specialized agency of the United Nations. It was provided therein that any member could file a complaint against any other member for failure of effective observance of an international labour convention to which both were parties; and that the complaint could be referred to a Committee of Enquiry, which could indicate "economic sanctions" against

the member at fault, which could, as a last resort, be applied by the other members.

It is not desired to draw any conclusion as to whether the legal situations under the treaties which have just been mentioned constitute fully applicable precedents in regard to the problem under discussion in the Subcommittee. It may nevertheless be observed that in some circumstances States have considered that the provisions of the Charter on sanctions by the Security Council did not necessarily exclude the possibility of providing for sanctions in certain other agreements.

NIXON ADMINISTRATION SLASHES IN FARM AND RURAL PROGRAMS ARBITRARY, UNFAIR AND CALLOUS

Mr. HUMPHREY. Mr. President, the Nixon administration has moved in recent weeks to either terminate or sharply cut back a number of farm and rural development programs enacted and funded by Congress to strengthen and improve income and other opportunities for farm and rural citizens. All of these actions were taken without advance notice or consultation either with the Congress or the people affected.

In short, I believe these actions by the Nixon administration are arbitrary, unfair, and reflect a callous disregard of both the specific acts of Congress and the genuine need for continuation of these programs. I have always been under the impression that it was the duty and responsibility of Congress to create or expand programs, if needed, and or to abolish or change them when that became necessary. It is time for Congress to reassert its constitutional responsibilities in this regard and put an end to the growing tendency of "faceless" bureaucrats in the executive branch setting national priorities, terminating or cutting back programs, or illegally withholding funds appropriated by Congress. The people of Minnesota sent me to the Senate to represent them, not the President or Federal bureaucracy. Also, the people of this Nation expect Congress to set national priorities not the President. If they do not like what their congressional representatives do in that regard, they have an opportunity every 2 and 6 years, through the ballot box, to express their displeasure.

With respect to the cutbacks in farm and rural programs, I have joined with other Members of Congress in requesting that our Senate Committee on Agriculture and Forestry hold thorough hearings on these decisions, and soon. The chairman of the committee has indicated that he will conduct such hearings to begin in early February.

The termination and cutbacks made in farm and rural programs announced to date by the Nixon administration include:

First. Termination of the FHA and SBA disaster loan programs as they relate to both secretarial and Presidential designated areas.—Although the administration indicates that regular FHA insured farm loans will be made available to farmers now being denied loans under the 1972 Disaster Relief Act, they fail to address themselves to the differential in interest rates between the programs—1 versus 5⅞ percent—or the benefit inequities—loan forgiveness feature versus no forgiveness—created between those people who got their applications in before the cutoff dates and those who did not.

Also, what makes this particular decision so unconscionable, is the fact that FHA personnel readily admit to their advising qualified farmers to take their time in filing their applications, so FHA would not be inundated with filings. Yet, when the administration announced their decision to terminate the program, no forewarning was given to those farmers who tried to cooperate with FHA in this regard, and in the case of the Presidential designated areas, where affected farmers had about 2 weeks to file before the cutoff, local FHA offices were given no instructions to inform farmers and others of the new cutoff dates. This type of procedure can hardly inspire people to have any faith or trust in their Government.

Second. Termination of the rural environmental assistance program—formerly ACP.—Congress provided an advanced contract authorization in the Appropriation Act for this fiscal year of $225 million, of which only $14.5 million was utilized prior to the cutoff. The termination of this important program will also likely necessitate the cut of about 700 conservation engineers from the Soil Conservation Service and the closing of a number of ASCS offices, involving the termination of several thousand ASCS employees.

Prior to last fall's Presidential election, the administration announced an initial allocation of the funds appropriated for this fiscal year of $140 million, leading everyone to believe that the administration was going to act on this program in accordance with the intent and mandate of Congress. However, now that the election is over, the President apparently has decided to break this commitment and kill the program altogether. Also in view of all the administration rhetoric and expressed concern about protecting our natural environment, plus the fact that farmers themselves contribute 50 percent of their own money to this effort, farmers will have little or no reason in the future to have any faith in any commitments made by the administration. I have joined with a number of other Senators in introducing legislation which, if enacted, would hopefully result in reversing this arbitrary decision.

Third. Termination of farmers home administration rural housing loans that require subsidized interest under sections 502 and 235 programs—similar cancellation by HUD.—This particular action strikes directly at low- and moderate-income farm and other rural families in need of housing assistance. It will mean that only those families that can prove 100 percent repayment ability without assistance of interest rate supplements or rent subsidy will be able to qualify in the future for rural housing loans. Over 60,000 of such loans were made in fiscal year 1972, of which over half required some form of interest rate supplement. With rural America still having about two-thirds of the Nation's poor housing, yet receiving less than 20 percent of the housing assistance provided by the Federal Government, I find this action to be highly discriminatory and cruel. It is still another example of the administration's twisted sense of national priorities.

Fourth. Termination of the rural electric and telephone 2 percent loan programs.—On December 29 the 2 percent direct loan programs for rural electric and telephone systems were abolished by the administration, effective January 1, 1973. This action affects more than 1,000 rural electric systems which provide essential electric service to 25 million consumers. In fiscal year 1972, REA provided $260 million for this program; this year's need is estimated at $600 million. If electric and telephone cooperatives, which serve the unprofitable lines with few customers per mile, are forced to pay higher interest rates, these higher costs will, in turn, be placed on their consumers, thereby further increasing their cost of living and productions costs.

While Secretary Butz has announced that credit for these systems will now be made available under the Rural Development Act of 1972—at an interest rate of 5 percent—he failed to point out that this action was again taken without the expressed approval of Congress. If Congress wanted such a shift we would have indicated that in the Rural Development Act. The administration decision regarding this matter is a deliberate "perversion" of the Rural Development Act and the intent of Congress, which I also believe to be "illegal."

In response to this particular action, I have introduced legislation which will prohibit this shift in lending authority to the Rural Development Act. Specifically my bill would prohibit using any lending authority provided under the Rural Development Act in lieu of authority contained in the Rural Electrification Act. This would mean that while credit under the Rural Development Act could not to be used to replace 2-percent credit under the REA Act, credit under the Rural Development Act could be made available to electric and telephone cooperatives to supplement credit made available under the REA Act. My bill also would direct the Administrator of REA to make loans each fiscal year in the amounts appropriated by Congress.

If Congress were to pass this bill, and promptly, I believe it would not only serve to reverse the contemptible decision that has been made in this regard, but also would serve to demonstrate that Congress intends to make a "fight" of reasserting its constitutional policymaking prerogatives, which I feel is essential.

Fifth. Termination of the rural community water, sewer, and soil waste disposal planning and construction grant programs.—This action effectively blocks even from the loan program for these purposes all those small communities in need of such assistance. These are those communities, of course, which have the weakest and thinnest tax base to support the heavy investment such projects entail.

Congress appropriated for this fiscal year $150 million in new and renewed money for such construction grant purposes and $10 million to be used for the

planning of such projects. This action means that all those moneys not already expended under these programs for this fiscal year will be withheld from use. FHA estimates itself, that the number of rural communities in need of new or improved systems of this type is over 25,000 nationally.

Sixth. Cutbacks in farm payments and expansion of production and availability of commodities under our farm programs. Secretary Butz already has announced a cutback of $800 million under the 1973 feed grains program and $100 million payment cutback under the 1973 cotton program. In addition, the administration has called for expanded plantings of wheat, feed grains, soybeans and cotton under this year's programs. Furthermore, they are now calling in most of the warehouse and farm-stored crops from previous years, which they will undoubtedly make immediately available to the market.

While I share the Department of Agriculture's concern about having enough grain to meet both our domestic and foreign market needs, I believe cutting farm income payments accompanied by a possible return to the depressed level of prices in 1971, is ill advised and potentially disastrous to millions of farm families throughout this Nation.

Our experiences following the 1967 famine in India and the 1970 corn blight here in the United States should be evidence enough that "overreaction" to unusual market conditions can and usually do result in overproduction, accompanied by low farm prices and lower income.

In Minnesota, the wholesale call-in of previous crop year feed grains and wheat could also place many of our cattle, dairy and poultry producers in serious jeopardy in terms of having readily-at-hand needed supplies locally in the event of national and local production failures. Of course, by calling in all of these crops at once, there is a danger of overloading and depressing the market with grain. This already is being reflected in rail boxcar shortages and preventing cash grain sales from reaching the market in a timely manner.

In short, taking all of these actions in the absence of a guarantee to farmers against lower prices that might develop as a result of expanded production or supply increases is, in my judgment, asking farmers to assume all the risks. If farmers are going to be asked to respond to these increased demands, they are entitled to assurances that they will not be penalized, if overproduction occurs.

It is for these reasons that I believe our Nation should establish a reserve or inventory of these essential commodities which would be insulated from the marketplace to meet only emergency needs here or overseas. I introduced a bill to establish such a reserve program last Congress and will do so again this Congress. Hopefully, I will be able to get sufficient support this time to pass it in view of the increasingly obvious need for it.

Seventh. Interest Rate on Commodity Credit Loans Increased.—Adding further insult to injury was the administration's announcement that it has increased the interest rate on commodity loans to farmers from the present 3.5 percent to 5.5 percent, an increase of over 60 percent. This new rate will be applied to all 1973 crop year loans and to all prior crop year loans which are extended on or after January 1, 1973. This interest rate increase will cost Minnesota farmers almost $1 million more in added costs during the 1972–73 crop year. Given the fact that the number of loans are expected to be much lower than normal this year due to some strengthening in commodity prices, this interest hike can be expected to result in even higher additional costs in normal times.

The administration says it wants to help combat inflation. I hardly think increasing interest rates to farmers is the way to do that. Farmers, probably more than any other business, requires substantial amounts of operating capital, which requires them to borrow heavily. The question of interest rates therefore is of prime importance to farmers in that it represents a sizable portion of their production costs.

In fiscal 1971–72, a total of 1.7 million loans were made to farmers throughout the Nation for a total value of $2.7 billion. The Commodity Credit Corporation of USDA has been involved in commodity farm loan operations since 1933.

Eighth. Water Bank Program Terminated.—In 1970, Congress enacted the water bank program which provided authority for the preservation of wetlands and for providing additional habitat for nesting and brooding places for migratory waterfowl. Although the program was enacted in 1970 it was not until this fiscal year that funds were appropriated for it. Prior to its abrupt cancellation, activities under the program were being planned in 62 counties in 15 States, including Minnesota, North and South Dakota, and Wisconsin.

Under the program, which was to be administered by local ASCS offices of USDA, contracts with farmers and rural landowners are authorized, with planning and technical services to be supplied by the Soil Conservation Service. For a national program, this program would have to be considered small. However, the contribution it could make to the preservation of our Nation's wildlife, particularly waterfowl, would be extensive. This program was developed as a result of many years of work and effort by the Nation's conservation and wildlife interests, then only to be killed in 1 day, even before it got started. Just another example of the Nixon's administration's contempt for Congress and in preserving and protecting our wildlife and natural environment.

Ninth. Meat and Dairy Imports Expanded.—As part of their effort to check and moderate meat and dairy prices, the administration has suspended all meat import quotas for 1973 and have authorized the importation of 25 million pounds of nonfat dry milk. In addition the administration has announced that the ban on grazing cattle on set-aside acres under the 1973 commodity programs has been lifted—another move to encourage more beef production and to lower prices.

These actions which have been taken in concert with several other actions—increased interest rates for commodity loans, acreage expansions, no extensions on previous year crop loans—all are designed to push farm prices downward.

The dairy industry, in particular, is already feeling the pinch of these decisions. Dairy production costs will be pushed even higher than expected by these decisions. The parity ratio for milk already has dropped to a level below the 75 percent legal minimum.

Adding further to these problems is the administration's apparent desire to encourage U.S. farmers to get out of the dairy business entirely as part of a move on their part to liberalize international agricultural trade policy. This proposal is cloaked in secrecy at the moment in an administration document referred to as the "Flanigan Report."

Tenth. Other Cutbacks Rumored to be Made Soon.—Other programs apparently being considered by the administration for cutbacks include: possible termination of the special milk and summer feeding programs for children; sharp reduction if not elimination of surplus commodity feeding programs; no administration budget request for grants authorized by the Rural Development Act of 1972; termination of the EDA, Appalachian and Title V Commission programs; and no funds to be requested by the administration to conduct the 1974 agricultural census.

NEW FARM BILL—MAJOR AGRICULTURAL ISSUES TO BE RESOLVED IN 1973

The year 1973 will be a major one for American agriculture. The Agricultral Act of 1970 expires with the 1973 crops, thus requiring Congress to consider new farm legislation this year.

The administration will probably request a mere extension of the 1970 Act with amendments designed to remove or lower the payment floors that are now provided under that act for wheat, feed grains, cotton and wool. Senator TALMADGE, chairman of our Agriculture Committee has requested Secretary Butz to submit the administration's farm proposal to the committee by February 1.

IF NO FARM BILL IS PASSED

If a new farm bill is not enacted this year price supports for wool would be discontinued and supports for cotton, feed grains, and wheat would revert to those authorized under the Agricultural Act of 1938 and 1949, as amended. Under this situation, corn would be eligible for loans at not less than 50 percent of parity, or about $1.50 per bushel, but with no production adjustment program.

Wheat producers, under this situation, would be subject to marketing quotas and would have to vote in a marketing quota referendum by August 1, if the Secretary found that wheat would be in a surplus situation at the close of the 1974 wheat marketing year. However, the Secretary would be required to set acreage allotments for wheat even though a marketing quota referendum were not announced or held. Wheat producers who planted within their allotments would be eligible for loans at 65 percent of parity or about $2 per bushel. No certificate payments would be available unless a mar-

keting quota was in effect, and had been approved by two-thirds of the producers.

Should a farm bill not be passed this year, cotton producers would be subject to a marketing quota referendum. If marketing quotas were approved a national allotment of not less than 16 million acres would be announced—13.2 million acres harvested this year. Those who planted within their allotment would be eligible for price support loans at not less than 65 percent of parity or about 37 cents per pound, but with no accompanying payments.

And, any planting of allotments under the situation would result in severe penalties.

If marketing quotas were not approved, cotton producers who planted within their allotments would be eligible for loans at 50 percent of parity or about 28 cents a pound—again with no accompanying payments. Under the current cotton program producers are provided with a price support loan of 19.5 cents, plus a 15 cent payment.

PAYMENT LIMITATIONS

Under the Agricultural Act of 1970, a $55,000 limitation was imposed with respect to payments that could be made under the act to individual wheat, feed grain and cotton producers. When this subject came up for Senate debate in 1971, I introduced a resolution—which was passed—requiring that a study be made to determine alleged circumvention of those provisions of the 1970 act, plus the possible effects that lower than payment limitation level of $20,000 might have. The results of that study, plus the results of a similar study conducted by the General Accounting Office, suggest that a lowering of the payment limitation could be accomplished without adversely affecting wheat and feed in grain production or income or cotton production. However, such a move would result in cutting income payments to many of the larger cotton producers.

These studies also revealed poor administration of these provisions of the act by the Department of Agriculture which permitted many producers and farm corporations to escape having these requirements apply to them.

Further reduction of the present $55,000 payment limitation is certain to be a matter of much debate and discussion during consideration of any general farm legislation this year. In my judgment, I believe a further reduction of these payment limits will be necessary in order to get any farm bill through this Congress. Furthermore, I believe this can be accomplished with minimum damage to producers, including cotton producers, especially if other adjustments in our commodity program can be agreed to—particularly as it relates to possible upward adjustments in loan levels.

PUBLIC LAW 480 PROGRAM TO EXPIRE

As the chief sponsor of this legislation when it was first introduced and enacted in 1954, I am most familiar with the benefits that this program have provided millions of needy people throughout the world and our Nation's farmers.

Titles I and II of Public Law 480 must be extended in this session of Congress in that they are due to expire December 31, 1973.

Exports under these two titles have totaled about $1 billion a year for the past several years. Much of these exports in recent years have gone to Southeast Asia. With hostilities in that area drawing to a close and other potential demands that may develop in India, Bangladesh, and other Middle Eastern nations, a careful reevaluation of these provisions is required.

Other important matters and issues relating to the future of U.S. agricultural exports and trade policy include a new round of negotiations this year of the General Agreement on Tariffs and Trade—GATT—and the agricultural trade policy of the European Common Market—ECM. In addition, as the new chairman of the Agricultural Foreign Policy Subcommittee, I will be holding hearings on the adequacy of existing marketing practices and regulations governing U.S. commodities sold in international trade. Questions to be investigated will include operation of the wheat export subsidy program, the Department of Agriculture's information gathering system relating to foreign production and import demands and the Department's means of obtaining information promptly on the quantities of farm products sold to foreign buyers.

I also intend to examine the adequacy of existing U.S. grain reserves or buffer stock. Sharp year-to-year changes in world trade, plus the ever-present prospect of crop failures both here at home and abroad demands that this matter be very carefully assessed.

My recent trip to Russia and other European and Eastern European nations has given me some valuable insights into all of these export questions. In addition, my membership on the Senate Foreign Relations Committee and the Joint Economic Committee should provide me with a well-rounded view of international trade matters, especially as it relates to agriculture trade.

PROSPECTS FOR PASSAGE OF GENERAL FARM BILL

Getting a general farm bill through Congress this year will be very difficult, however, I believe that it will be possible to get one passed. Furthermore, I believe that it is both possible and important to get a 3- or 4-year bill.

Recent upswings in food prices have given rise to growing public concern about increased farm prices, farm exports, farm program costs and idle acres.

In addition, the number of urban oriented representatives in Congress this year has increased sharply—particularly in the House. This will obviously add to our difficulties in getting a farm bill passed. Also an increasing number of Members of Congress—and Secretary Butz—are now talking again about the need to end Federal farm programs altogether.

However, despite all of these recognized difficulties, I believe that Congress and the people of this Nation will continue to support American agriculture's need for production and income stabilization. In my judgment, they will come to realize in the final analysis that turning their back on the farmer will only result in destroying this Nation's most important and most productive industry, an industry which has produced for them the most abundant and highest quality food that the world or mankind has ever experienced.

FARMER BARGAINING POWER

More than 40 bills to strengthen farmer bargaining power were introduced in the last session of Congress, which included two bills that Senator MONDALE and I cosponsored here in the Senate.

Renewed attempts at gaining passage of this type of legislation are expected again this session of Congress.

FOOD STAMP PROGRAM DUE TO EXPIRE

On June 30, 1973, the food stamp program will expire. Since adoption of the 1970 amendments to this act, participation in this program has increased to about 10.5 million persons. Program outlays have gone from about $1.6 million in fiscal year 1971 to $2.3 million in fiscal 1973. However, the administration has withheld appropriated funds from being expended for further expansion of this program for the past 2 years—$300 million alone in fiscal 1972.

One action I hope to take in connection with this legislation this session is the repeal of those provisions of Public Law 92-603 which would make persons qualifying—or who would qualify upon application—for federalized public assistance programs for the aged, blind and disabled ineligible for food stamps—or commodity assistance—after January 1, 1974. I find these provisions of existing law to be highly discriminatory against those most in need and I hope to get them repealed before they take effect next year.

Contrary to what many people think, the war against hunger and poverty in this Nation has not been won. As a member of both the Senate Select Committee on Nutrition and Human Needs and the Committee on Agriculture I intend to continue the fight to eventually win that war. As a nation with the most productive agriculture in the world, we can hardly accept or tolerate any citizen of our country going hungry or being deprived of an adequate diet.

OUTER CONTINENTAL SHELF REVENUE

Mr. JACKSON. Mr. President, I ask unanimous consent that a letter from the Department of the Interior to the President of the Senate dated October 20, 1972, setting forth the receipts and expenditures for fiscal 1972 of the Department in connection with the administration of the Outer Continental Shelf Lands Act of 1953 be printed in the RECORD at the close of my remarks.

I call the attention of Senators to the large sums of revenues collected from the Federal offshore mineral operations which are transferred into the Land and Water Conservation Fund, thus making this source the biggest single contributor to the success of this important program.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., October 20, 1972.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to the requirement of Section 15 of the Outer Continental Shelf Lands Act of 1953 (43 U.S.C., sec. 1331, et seq.), following are the receipts and expenditures of the Department in connection with the administration of the Act for the fiscal year 1972:

Receipts	
Rentals	$ 5,931,514
Royalties	360,254,759
Shut-in gas wells	38,650
Rights-of-way	22,805
Bonuses	96,304,523
	462,552,251
Expenditures	
Salaries	3,411,862
Travel and per diem	157,157
All other	4,722,738
	8,291,757

Total cumulative collections through June 30, 1972, including bid bonuses, amount to $6,597,024,014 of which $4,013,605,767 has been covered into the General Funds of the Treasury and $668,753,085 transferred to the Land and Water Conservation Fund pursuant to Section 2(c)(2) of Public Law 90-401 (82 Stat. 355) approved July 15, 1968, as amended by Public Law 91-485, approved October 22, 1970. As of June 30, 1972, $1,914,665,162 was held in escrow receipt accounts pending distribution by order of the United States Supreme Court.

Sincerely yours,

RICHARD R. HITE,
Deputy Assistant Secretary—Management and Budget.

ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. PERCY. Mr. President, this week marks the 55th anniversary of Ukrainian independence, and I want to take this occasion to remind my colleagues in the U.S. Senate and all the people of the United States of the spirit and perseverance of the Ukrainian people through these many years.

I wish especially to salute the people of the Ukraine and all the dedicated Ukrainian Americans who have contributed so much to our national life.

THE REA LOAN PROGRAM

Mr. MONDALE. Mr. President, on December 29, 1972, it was announced that the Department of Agriculture was abandoning the rural electric and telephone 2 percent direct loan program, in favor of 5 percent insured or guaranteed loans under the provisions of the Rural Development Act.

The news of this action stunned affected cooperatives, for there was no prior consultation, and no opportunity for comment by potential borrowers.

Congress—which is constitutionally charged with responsibility for making laws, and for controlling Federal expenditures—was not even given the courtesy of advance notification.

Disregarding the immediate impact of the loan program cancellation, this decision has ominous implications for the integrity of the American constitutional system. The concept of separation of powers, embodied in our Constitution, is designed to prevent any one branch of Government from becoming all powerful, at the expense of a true and stable democracy. Under the Constitution, the President is given veto power if he feels a bill should not be made law. But in their wisdom our Founding Fathers did not invest the Presidency with unlimited power to repeal laws once they have been approved.

Press releases emanating from the Department of Agriculture have attempted to characterize the recent decision as a reform or modification of the traditional rural electric and telephone loan program. This representation is misleading, for the President clearly lacks the authority to adjust unilaterally the interest rates established under the Rural Electrification Act. Administration officials have also attempted to argue that the December 29 decision is not really a cancellation of funds for rural electric and telephone loans, rather that $200 million in new loan authority will be made available above the amounts previously provided. In reality the administration is refusing to spend approximately $450 million in money appropriated by the Congress for the REA electric and telephone loan programs.

The administration's actions are nothing less than usurpation of powers rightfully belonging to the Congress; for, if there were any doubt the actual language and legislative history of the Rural Development Act clearly show that at no time was it the intent of Congress to repeal the Rural Electrification Act.

On January 16, 1973, I joined with Senator HUMPHREY in cosponsoring a bill to prevent our laws from being haphazardly tossed aside by the Executive. Our bill would require that all appropriations provided for 2 percent rural electric and telephone loans must be spent before supplemental loan authority under the Rural Development Act can be utilized.

Since the December 29 announcement, I have received hundreds of messages from rural cooperatives, farmers, workers, and local communities in Minnesota protesting the administration's action. These letters and telegrams reflect mounting public alarm at this serious threat to our constitutional form of government, as well as strong concern for the fate of rural cooperatives.

I am hopeful that—if the administration does not voluntarily turn back from its present course—the Congress will swiftly approve the bill I cosponsored with Senator HUMPHREY last week.

Mr. President, I ask unanimous consent that a small sample of the messages I have received from people in Minnesota be printed in full at this point in the RECORD.

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

CHOKIO, MINN.,
January 18, 1973.

WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

SENATOR MONDALE: Enclosed you will find a certified copy of a resolution passed by the Board of Directors at its last monthly meeting. We urge you to help do everything possible to reinstate the REA direct loan program. The REA program is one of the greatest things that has happened to rural America and is desperately needed.

The shutdown of REA, the emergency loan program to farmers, REAP, low-cost housing, and other programs is a severe blow to rural America. We must have these programs if rural America is to survive.

Your help will be greatly appreciated.

Yours truly,

DONALD ROILAND,
Manager.

CERTIFICATE

I, Fred Fischer, do hereby certify that: I am the Secretary of Federated Telephone Cooperative of Chokio, Minnesota; the following is a true and correct copy of a Resolution duly adopted by the Board of Directors of the Cooperative at a Regular Meeting thereof held on the 10th day of January, 1973, and entered into the minutebook of the Cooperative; the meeting was duly and regularly held in accordance with the Bylaws of the Cooperative and the following Resolution has never been rescinded or modified.

Whereas, there is a very great need for the continuation of the REA 2%, 35-year direct loan program to both the Telephone and Electric utilities to give adequate service to meet today's needs, and,

Whereas, the REA program was set up by the Congress of the United States of America and should not be destroyed except by them, and not the Administration in office, and,

Whereas, the emergency loan program, REAP, etc., to rural farmers are definitely needed if many of them are to stay in business,

Therefore, be it resolved, that Federated Telephone Cooperative, Chokio, Minnesota, urge the Administration to reconsider this drastic action and reinstate these programs so vital to Rural America.

In witness whereof, I have hereunto set my seal and affixed the seal of the Cooperative this 18th day of January, 1973.

FRED FISCHER,
Secretary.

VIRGINIA, MINN.,
January 19, 1973.

Senator WALTER F. MONDALE,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: The recent decision of the Administration to discontinue the present REA direct loan program, disturbs me. I must confess that I am prejudiced as I live in a rural area, but I have tried to view this objectively. The discontinuation of loans at low rate of interest to our rural electric cooperatives will be a great loss and restrict present services and enlargement of same to an enormous geographic area. I am all in favor of cutting costs of government, and if this is a legitimate place to begin, so be it. However, let's re-evaluate the program before we bury it and see if there isn't some other area in which we can economize that will be less disastrous to rural America.

Thank you for your consideration.

Yours truly,

G. S. WHEELER.

BRAINERD, MINN.,
January 3, 1972.

Hon. WALTER F. MONDALE,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

MY DEAR MR. MONDALE: This letter will probably reach you as one of thousands, enlisting your aid *to overturn* the recent decision by the President to discontinue the 2% REA loan program. As a long time champion of the Rural Electrification program, I know you share our concern and astonishment at this latest executive order.

It is indeed ironic that the Rural Development Act of 1972 should be used to hamstring the very program so vital to the purposes of this act.

On behalf of the members and Board of Directors of the Crow Wing Cooperative Power and Light Company, I urge you to assign primary priority to the reversal of this administrative decision that will definitely threaten the survival of the rural electric systems.

Very truly yours,

KENNETH E. WOLLEAT,
General Manager.

PELICAN RAPIDS, MINN.,
January 8, 1973.

Senator WALTER F. MONDALE,
Senate Office Building,
Washington, D.C.

DEAR FRITZ: We know that you are acutely aware and concerned about President Nixon's recent actions concerning the cutback and elimination of certain programs which are beneficial to rural America and agriculture.

The Board of Directors of Lake Region Co-op. Electrical Association and I want to express to you the concern which we have about the drastic changes which so significantly effect the development and strength of rural America. Particularly, the elimination of the two per cent loan program of the Rural Electrification Administration is a severe blow to rural America and its struggle to maintain the little strength that it has and to improve upon that strength.

We urge your all out effort to curb the circumvention of the Rural Electrification Act of 1936 as amended.

Your vigorous efforts in these matters is urgently requested.

My warmest regards.

Sincerely yours,

CLARENCE W. PETERSON,
General Manager.

ST. PAUL, MINN.,
January 20, 1973.

Senator WALTER MONDALE,
Capitol Hill, D.C.:

Minnesota AFL–CIO stands behind you all the way in your fight to save the low cost REA program. In this most proven of all rural programs, as an organization representing the needs of the people, the Minnesota AFL–CIO has long upheld the objectives of the rural electric program. We are with you further in your fight to restore to the Congress the power of the purse which the Nixon Administration has usurped. We deplore President Nixon's unbelievable action of December 29, in which he seeks to destroy this most proven of all rural programs. As an organization representing the needs of the people, the Minnesota AFL–CIO has long upheld the REA program.

DAVID K. ROE,
President.

MIDDLE EASTERN OIL AND THE UNITED STATES

Mr. HATFIELD. Mr. President, as a member of the Interior Committee and a participant in the study of U.S. energy policies, pursuant to Senate Resolution 45 of the last Congress, I have recently attended a series of hearings on the security of oil and gas imports. On the concluding day of these hearings, I presented testimony which demonstrated that the United States will continue to be dependent upon oil from the Middle East in the foreseeable future, no matter what steps this country takes to develop further its own petroleum resources.

What, then, are the implications of this situation for U.S. policies toward the Middle East? I suggest that a positive and evenhanded U.S. approach to the Middle East will not only enhance possibilities of a durable peace in this area of the world, but will also do much to assure a continued supply of oil to the Western world and Japan.

I ask unanimous consent that my testimony on Middle Eastern oil and the United States be printed in the RECORD.

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

MIDDLE EASTERN OIL AND THE UNITED STATES—HARD REALITIES FOR U.S. POLICY GUIDELINES

Today we are facing an energy crisis.

Several committees in Congress, numerous Executive agencies, and countless private and academic organizations have been focusing attention on the energy situation in the United States and the world at large. Considerable human energy to study energy has been expended, and volumes of data and recommendations have resulted from these studies. But we have yet to see a single sound policy promulgated on this subject. As a result, the next 10 to 20 years will present serious difficulties for the U.S. energy supply. As the Secretary of the Interior has testified, our energy resources are probably sufficient to sustain this country in the future, but development of this capability would require decades, if indeed we embarked upon the programs necessary to achieve this goal at all. In the meantime, we must face certain hard realities about supply and demand. Oil is a good example to begin with.

The U.S. consumption of petroleum has been voracious, to say the least—close to 15 million barrels per day (mb/d) in 1971.[1] Consumption is projected to be 24 mb/d in 1980,[2] and 30.2 mb/d by 1985.[3] To satisfy this demand, we produced only 11.2 mb/d in 1971[4] and imported the rest from Canada, Venezuela, and the Middle East. This rate of production is optimistically projected to increase by less than half a million barrels per day through 1985. In fact, some less optimistic estimates project a decline of some 30% in production from 1970 to 1985.[5] Thus, as our demand rises dramatically, and while production increases insignificantly or even decreases, increase in imports is inevitably going to triple by 1980, and may approach five fold by 1985.

This obviously means increased dependence on foreign governments where the imported petroleum is produced. Except for Canada and Venezuela, the bulk of these imports (about 70%) will come from the Middle East and North Africa.[6] With this realization, one immediately has visions of political instability, local wars, and serious interruption in the flow of oil, not only to the United States, but also to Western Europe and Japan. How then do we minimize potential interruptions or insufficiencies of oil supply? What are our foreign and domestic options?

Alternate sources of oil in the United States include coal, shale oil, and tar sands (mainly in Canada). Coal cannot be burned to power automobiles; and 53% of our refined oil consumption goes into transportation.[7] However, research is progressing toward the production of oil from coal—a process successfully perfected by Germany during World War II. Under favorable circumstances, the most likely possibility of full scale operation would produce some 300,000 barrels per day by 1980.[8] The extraction of oil from shale promises at best some 200,000 b/d,[9] and the tar sands would produce about 150,000 b/d by 1980.[10] Assuming a solution to the thorny problem of managing the residual waste from these operations, and keeping in mind that the tar sands are in Canada, the most we can hope for in the production of oil from these unconventional sources would be about 500,000 b/d. This is a relatively negligible amount compared with the more than 10 million b/d we shall need to import by 1980.

Last, but not least, is the Alaskan oil discovered at Prudhoe Bay. The pipeline needed for transporting this oil has been the subject of heated environmental and economic contentions, and it is doubtful at this time that the pipeline will be fully operational before 1980. Even if it is, however, its full capacity by then would not exceed 2 million b/d—hardly significant in meeting the total domestic demand for oil. Even those who advocate maintaining independence from foreign imports agree that such could be achieved only at a substantial cost penalty to the people and the economy of the United States. There is already a wide gap in production and cost between the U.S. and the Arab world, for example. The average oil well in the United States yields approximately 14 b/d at a cost of about $2.50 per barrel, while the average well in the Arab oil producing countries yields over 5,000 b/d with a cost from less than 10¢ to 20¢ per barrel.[11] And why should the people of this country be so penalized?

We are faced with the fact that, short of emergency cash programs, there is little we can do in this decade that can alter the situation in a significant way. As we survey the known reserves and productive potential around the world, we find that only one area will have the capacity to continue to accommodate the ever-rising level of world petroleum consumption—the Middle East. There is simply no alternative to the Middle Eastern oil, the loss of which could not be effectively compensated in this decade by any other source or combination of sources.

It behooves us, therefore, to look carefully at the stance of Western Europe, Japan, and other oil consuming countries; examine the availability of oil from the Middle East and North Africa; and evaluate our own interests, politically as well as economically. There is no doubt whatsoever that this evaluation is the basis on which our energy policy should be formulated.

The situation in the oil consuming countries of Western Europe and Japan is far more precarious than our own. Petroleum fuels 60% of the economy of Western Europe and 80% of the economy of Japan. By 1980, it is estimated that Western Europe will import 90% of its oil and Japan almost all of hers, mostly from the Middle East and North Africa.[12] By comparison, the United States imports will exceed 50% of her needs. All this serves to dramatize the extent to which the countries of the western world are and will be dependent on the Eastern Hemisphere for their oil supply.

The present situation in the producing countries revolves primarily around their collective bargaining organization—OPEC. What exactly is OPEC's relationship to the energy crisis?

In the last two decades the governments of the oil producing countries have effected significant changes which drastically modified the position of the old concession-holding companies, and provided an effective medium to promote their own national aspirations. The most effective of these changes was the creation of the Organization of Petroleum Exporting Countries (OPEC), and its offshoot—the Organization of Arab Petroleum Exporting Countries (OAPEC).

OPEC was formed in September 1960, at the instigation of Venezuela, for economic purposes, primarily to stabilize and broaden the base of the taxation and royalty system.

Footnotes at end of article.

It was originally composed of Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. In 1962, OPEC was officially registered with the United Nations, and by June 1972, its membership had grown to include Abu Dhabi, Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Trinidad and Tobago, and Venezuela.

For many years the revenue of an oil producing country was based on the 50–50 concept. This concept began to change with time, however, and in June 1968, OPEC held its sixteenth conference in Vienna, which resulted in a far reaching Declaratory Statement (Resolution SVI, 90) that drastically changed the institutional environment of company-country relationships. The principles in that statement covered mode of development, participation, relinquishment, posted prices or tax reference prices, limited guarantee of fiscal stability, renegotiation, accounts and information, and conservation, among other subjects.

Because of the importance of OPEC to the future availability of imported oil, it is necessary to examine the gist of OPEC's statement. The concepts and principles emphasized in the statement can be summarized as follows:

(1) the principle expressed in a United Nations resolution of "the inalienable right of all countries to exercize permanent sovereignty over their natural resources";

(2) the desirability of direct exploitation of resources by agencies of the producing countries, rather than by outside agencies;

(3) the doctrine of "changing circumstances" which justifies countries in demanding changes in the terms of existing concession agreements;

(4) under the principle of changing circumstances, the right to acquire a participating ownership share for governments under the existing concession agreements;

(5) the right of governments to alter the financial terms of agreements where companies are receiving "excessively high net earnings";

(6) the right of governments to determine posted or tax reference prices;

(7) the accelerated relinquishment of concession territory.

In realizing these principles and implementing their demands, OPEC members have been largely successful in gaining control of the oil operations within their countries. OPEC members began to wield considerable political and economic power. Bargaining was very hard, but OPEC interests progressed in great strides. In September 1970, for example, the companies agreed to increase Libya's posted price by 30 cents per barrel, with 2 cents escalation annually, and generally greatly increased tax rates ranging from 54 to 58%. In December of the same year Venezuela enacted an increase in its statutory tax rate from 52 to 60%. Under similar threats of legislative action the companies signed the Tehran agreement of February 1971, by which the posted price of Persian Gulf oil was raised by 35 cents, and would escalate by about 11 cents annually through 1975.

The significance of these escalations lies in the ultimate revenues to the oil producing countries. Total revenues in 1970 amounted to $7 billion; but based on the recent agreements the revenues in 1975 will exceed $18 billion.[13] The awesome impact of this dollar reserve on the consuming countries cannot be overlooked, and will be considered again later.

At the present time, the most crucial of OPEC's demands is the principle of participation. Essentially, the demand is to acquire a 20% interest, rising to 51%, in existing assets located in those countries, upon cash payment of depreciated book value of those assets. The oil companies would then be entitled to their percentage share of production for sale or use to the extent desired, any excess being offered to the oil producing companies at a formula price or market value. Although Algeria has already nationalized 51%, and Iraq has nationalized the British Petroleum holdings, some of the more moderate OPEC members view participation as a means to bind the interests of the oil companies with those of the producing countries, to prevent competition and make it difficult for any producing country on its own to insist on an abnormal increase in production.

The companies have held the position that agreement with OPEC on the participation issue should be on commercial terms. Failing this, the companies might try to become contractors to the state agencies under mutually agreeable terms which would still leave them the essential function of producing, exporting, and marketing the required oil. If all this does not work, the OPEC countries could legislate their desired participation and the companies would be forced to become crude oil purchasers. Unfortunately, this could lead to threats of sanctions, embargoes, legal action, or some such pressures. This is illustrated by the breakdown last June in the negotiations at Vienna, and the threat of "definite concerted action" by the OPEC countries unless agreement could be reached in subsequent meetings.

These threats are real, and OPEC members have demonstrated that they can act unilaterally as well as collectively and interrupt the flow of oil not only for economic but also for political reasons. Such interruptions occurred in 1948 when Iraq closed the Iraq Petroleum Company's pipeline to Haifa, Israel. In 1951, Iran nationalized the Anglo-Iranian Oil Company and halted all exports for nearly three years. The Suez Canal was closed during the 1956 Arab-Israeli war, and again after the 1967 war, followed by embargoes to the United States, Britain, and West Germany. Two years later, the Trans Arabian Pipeline was sabotaged and was out of commission for eight months.

Outright declaration of political retaliation was recently enunciated by Libya's Colonel Qaddafi following the conquest by Iran of the Islands of Tunb and Abu Musa in the Persian Gulf. Libya contended that Iran acted with the blessings of the British, traditional custodians in the Gulf. In retaliation, Libya nationalized the British Petroleum Company in December 1971, and halted production from its fields. Colonel Qaddafi was quoted as saying: "We nationalized BP for political reasons. We hope that this reason will not occur in the future between Libya and America."

As of June 1, 1972, the latest of these episodes took place when Iraq nationalized the concession, installations and operations of the Iraq Petroleum Company, owned by U.S., British, French, and Dutch interests. Simultaneously, Syria nationalized IPC's pipeline within her borders.

All of these actions and the threat of more effective use of oil as a weapon by the OPEC members serve to point up the urgent need for the United States to have a national oil policy which will best be able to deal effectively with any future eventualities. This is the time for the U.S. Government and other industrialized governments to play a more positive role and assume a realistic stance in their relationships with the OPEC countries because of their dominant position in the all-important energy field.

What exactly is our relationship with the Middle Eastern countries at this time?

In dollars and cents, the economic realities show that the United States has experienced a favorable trade surplus with the Arab nations of at least $500 million annually, totaling more than $5 billion in the last decade. With oil revenues rising to more than $12 billion within the next three years alone, the Arab nations can provide an impressive and exceedingly promising market for American goods. Furthermore, our balance of payments shows a net dollar inflow that has been rising steadily to $2.7 billion in 1970.[14]

More important yet is the surplus dollars that are expected to accumulate in the hands of the OPEC countries within this decade. It is often said sarcastically that the Arabs cannot drink their oil. This is true, and nobody is more aware of this truth than the Arabs themselves. The success of OPEC demands has not been a matter of chance, brute force, or charity on the part of the concessionaires. It has been the result of tough, shrewd, and highly sophisticated negotiations. The last thing the Arabs want to do is turn off the flow of oil. The dependence of their national incomes on oil exports reaches as high as 90% in some countries.[15] And they realize that cutting off the flow of oil is contrary to their long-term national interests. Hence it follows that they are expected to maintain the flow of supplies, even though the more militant governments may choose to impose short-duration embargoes on selected markets.

Our soaring oil imports, and the income to the Arab countries will have ramifications on our balance of payments, balance of trade, and the strength of the dollar that cannot be overlooked. It is estimated that the cost of our oil imports will amount to about $20 billion annually by 1980, and will reach, according to the Chase Manhattan Bank, nearly $30 billion a year in 1985.[16] The control of monetary reserves by the Arab producing countries of the magnitude of $20 billion, which is quite possible in the near future, is not only a cushion which would allow the use of oil as a weapon, it is a weapon in itself. For comparison, the Japanese dollar reserves which caused the recent devaluation of the dollar and revaluation of the Japanese yen was on the order of $16 billion.[17]

With reserves far exceeding those of Japan, the Arab countries would be in an even more powerful bargaining position with regard to the valuation of the dollar.

Thus, from a purely economic point of view, the immediate dependence of the United States on Arab oil, the balance of payments, balance of trade, the strength of the dollar, and the very well-being of America's economy are compelling facts that dictate a positive policy approach between the United States and the Arab countries in the interests of both.

So much for the economic aspect.

As for the political aspects, the present situation and the future prospects are even more compelling for a positive U.S. approach to the Middle East. The reference here is made to our national security.

A major aspect of national security is our posture and policy overseas. The security of Western Europe and Japan are also at stake here. It was shown earlier that Western Europe and Japan are almost totally dependent on Eastern Hemisphere oil. There was a time when U.S. oil could be made available to these countries when their supply was interrupted. The United States has been a security factor on which Western Europe could count in an emergency. However, as she begins to fall into the grip of an energy crisis herself, the U.S. can no longer guarantee its own energy for security, much less provide others with credible prospects in emergency. Furthermore, the U.S. policy toward the Middle East has resulted in two major developments. First, it has forced our Western allies and Japan to formulate their own independent policies vis-a-vis the Arabs. Second, many Arab countries have become alienated from the U.S. and have turned to the Soviet Union.

Let us evaluate these developments.

(1) The actual implementation of U.S. policy toward the Middle East has, on numerous occasions, cast us into an image contrary to our own declared policy of even-

Footnotes at end of article.

handedness, of guaranteeing the sovereignty and territorial integrity of all nations in the Middle East, of upholding the international opposition to territorial acquisition by military action, and the implementation of U.N. Resolution 242,[18] for which we cast a supporting vote. Perhaps in the past we could afford such inconsistencies, but our European allies could not. As their very economic survival was at stake, they split with the United States on Middle Eastern policy. This was not merely a breakdown in policy lines among allies; it was the beginning of a more serious isolation of the United States.

Independent action by European oil consumers was dramatically demonstrated last June when Iraq nationalized the Iraq Petroleum Company. It was made clear then that IPC oil is for sale to any buyer, and France, Italy, and Spain immediately responded favorably. This is not to mention the even-readiness of the Soviet Union to step in and capitalize on such circumstances.

(2) It is incontestable that the Soviet Union is becoming more deeply entrenched in the Middle East. The Russian fleet is riding high on a wave of Arab resentment of U.S. policies. The Soviet Union has enhanced its influence in some of the oil producing Arab states and transit countries, and has ominously strengthened its military presence in the Persian Gulf, the Indian Ocean, and the Mediterranean. In the past few years, the Soviets have pursued an aggressive policy in oil matters, and made significant inroads in a number of oil producing countries. Agreements providing for Soviet technical assistance in oil development have been signed with Libya, Iraq, Algeria, and Syria. The Soviets are developing the North Rumailah Field which was part of the IPC concession in Iraq before it was expropriated by the government. Soviet tankers have been shipping oil from that field and from the nationalized Libyan Sarir Field and selling it in Eastern Europe. In addition, the Russians have been active in assisting other producing countries such as Algeria, Egypt, and Syria, and they have moved swiftly to establish economic ties with Kuwait and diplomatic ties with the newly established Union of Arab Emirates.

In short, our policies often have tended to alienate even those Arab states who have been traditionally pro-Western. They are finding it increasingly difficult to maintain such a posture against the tide of resentment. The Soviet Union does not need Arab oil for itself, but it is acutely aware of the western world's increasing dependence on it. The specter of the Soviet Union controlling the production, marketing, or the routes of Middle Eastern oil should be a matter of great concern to us, as it is to the rest of the oil importing countries. The foreign policy implications of the U.S. buying Middle Eastern oil from the Soviet Union are profound.

Recognizing our vital immediate need for imported oil, and the great economic and political benefits that we should utilize, we find that a policy of positive approach to Middle Eastern countries is definitely essential for preserving and promoting our interests.

The course that such a policy should take is no great mystery. Concerning Israel, we have repeatedly enunciated, and dramatically demonstrated, our commitment to her survival. This commitment must and will continue as an essential part of our policy. Israel herself has as much to gain as we do in the positive approach to the Arabs. Israel's very survival, economic as well as military, has depended for the most part on the United States. It follows, therefore, that if the economy of the United States, the strength of the dollar, and the security and welfare of this Nation are jeopardized, so will Israel's.

For the Arabs, all we have to do is act according to all the promises and pronouncements we have been making for years. The policy of evenhandedness should be practiced and implemented truly evenhandedly. It is often painful to see some of the more moderate Arabs reach for the United States in search of moral and ideological support, only to be rebuffed, discouraged, and disappointed by our attitude and execution of policy. The old policy toward that area should be transformed into one based on sincerity and a relentless drive for a durable peace in the Middle East. For therein lies the essence that fuels the economies of a good part of this planet, and makes the industrialized nations function.

FOOTNOTES

[1] *BP statistical review of the world oil industry, 1971.* British Petroleum Company; London, Britannic House, 1972, p. 8.

[2] Akins, James E. The international oil kaleidoscope. Address at the American Petroleum Institute meeting, Los Angeles, Calif.; June 6, 1972.

[3] Winger, John G. and others. *Outlook for energy in the United States to 1985.* Chase Manhattan Bank, Energy Economics Division; June 1972, p. 44. Estimates made earlier by the U.S. Bureau of Mines were 17.9 mb/d for 1975 and 23.5 mb/d for 1985. Most earlier estimates of projected demand have been revised upwards.

[4] *BP statistical review of the world oil industry. 1971. Op. cit.*, p. 19.

[5] *United States energy: A summary review.* U.S. Dept. of the Interior. Washington, Govt. Printing Off.; Jan. 1972, p. 27.

[6] Brougham, Robert I. *U.S. interests in and policy toward the Persian Gulf.* U.S. Congress. House. Hearings before the Subcommittee on the Near East of the Committee on Foreign Affairs. 92d Cong. 2d sess.; June 7, 1972, p. 50. The Chase Manhattan Bank estimates for oil imports from the Middle East and N. Africa are more than 75% by 1985.

[7] *Conservation of Energy.* U.S. Congress. Senate. Committee on Interior and Insular Affairs. Committee Print, 92d Cong., 2d sess.; 1972, p. 48.

[8] Schurr, Sam H. and Paul T. Homan. *Middle Eastern oil and the Western World.* New York, Elsevier; 1971, p. 7.

[9] *Ibid.*, p. 6.

[10] *Ibid.*, p. 7.

[11] Akins, James E. *The Middle East 1971: The need to strengthen the peace.* U.S. Congress. House. Hearings before the Subcommittee on the Near East of the Committee on Foreign Affairs. 92d Cong., 1st sess.; 1971, p. 122.

[12] Shurr and Homan. *Op. cit.*, p. 3.

[13] Levy, Walter J. Oil power. *Foreign Affairs*, Vol. 49, no. 4; July 1971, p. 655.

[14] *Economic realities and the Middle East.* American Committee for Justice in the Middle East, Position Paper No. 13; May 15, 1972, p. 2.

[15] Schurr and Homan. *Op. cit.*, p. 10.

[16] Winger and others. *Op. cit.*, p. 51.

[17] Brougham, Robert I. *Op. cit.*, p. 57.

[18] U.N. Resolution 242, dated Nov. 22, 1967, specifically cites the principle of inadmissibility of territorial expansion by force of arms, and stipulates the right of all nations to exist, withdrawal from territories occupied in the 1967 war, freedom of maritime passage, and a just settlement for the Palestinian refugees who were expelled or fled during the creation of Israel over twenty years ago.

U.S. MIRV BUILDUP UNWISE AT THIS TIME

Mr. PROXMIRE. Mr. President, the proposed Air Force plan to MIRV the entire Minuteman fleet is a dangerous move at this time that could result in a Soviet reaction that eventually could weaken the U.S. defense posture.

There have been newspaper reports that the Air Force is urging the Defense Department to continue producing and deploying the Minuteman III MIRV until the entire fleet of 1,000 missiles is equipped. Present plans only call for the deployment of 550 Minuteman III's by 1975.

There could be several repercussions from such a buildup. First, it will no doubt force the Soviets to accelerate their own reentry vehicle programs. Second, it will make the U.S.S.R. take a tougher bargaining stance at SALT II. Third, it will heighten fears about a U.S. first-strike capability. And finally, it would be an unnecessary added expense to an already inflated defense budget.

THE SOVIET MIRV PROGRAM

One of the mysteries of recent years has been the now-you-see-it-now-you-don't Soviet MIRV program. Since 1969, the Defense Department has been claiming that the Soviets have either tested or deployed a MIRV. In 1969 and 1970, the Secretary of Defense repeatedly claimed that the Soviets were testing a MIRV as opposed to the unguided MIRV. He said that they could deploy a MIRV by mid-1971. He further stated that this was evidence that the Soviet Union was going for a first-strike capability against the United States.

A study of the SS–9 and its triple warhead test system was concluded by TRW in April of 1971. This study confirmed that the SS–9 did not have the accuracy to be a first strike weapon. At about the same time, many defense analysts began to have doubts about the whole Soviet MIRV effort.

This evidence did not stop the Pentagon scare tactics. In April of 1971, the Secretary of Defense said that—

> There is every reason to believe that such activity (deploying MRV's) has gone forward.

By March 1972, he confirmed it.

In June the Secretary told the House Armed Services Committee that the U.S.S.R. had tested a MIRV carrying missile. The State Department denied that a MIRV itself had been tested.

And then the truth came out. The Soviets had given up on their triple MRV program apparently due to its inefficient targeting capability. The preceding years of threatening headlines and reports of ominous progress had come to nothing.

It must be concluded, therefore, that the Soviet MIRV program is at least 4 years behind that of the United States. If previous arms history is any guide, the U.S.S.R. will not accept an overwhelming advantage by the United States in this field. Undoubtedly they will judge a U.S. buildup in MIRV's to be threatening and seek adjustment either by accelerating their own reentry vehicle programs or by emphasizing some other element of their deterrent. Challenges are not met with acquiescence by the U.S.S.R. They are capable of responding in kind. And a MIRV buildup would be a serious challenge.

BARGAINING FROM STRENGTH

The President does not have a monopoly on the bargaining from strength philosophy. Certainly this has been a significant part of Soviet negotiating technique throughout the postwar period.

Applying negotiating pressure by means of continued arms buildups, however, results in ever higher arms levels and degrees of complexity. At some point it must be recognized that we are bargaining ourselves into an arms race.

The Soviets cannot be expected to remain passive in the face of a direct challenge such as the full MIRVing of the Minuteman fleet. We might expect them to insist on some unilateral or asymmetrical advantage of their own during SALT II. Perhaps they would want more SS–9's or new follow-on missiles as compensation. Perhaps more submarine missiles or bombers. Any such reaction would endanger the few agreements previously concluded. We cannot expect that it will make them more submissive or passive. There will be a reaction and that should be made known. If it occurs in the Soviet missile field such as with their large SS–9's or new missiles, it could endanger the survivability of U.S. land-based systems.

FIRST STRIKE FEARS

The accuracy of U.S. missiles has long been a potential source of instability in arms control. Highly accurate missiles, under some circumstances, give rise to the appearance of having a first-strike capability. The Pentagon has been alarmed about Soviet missiles even without this accuracy. Efforts to fund hard-target RV development in the United States have revived this concern.

Any missile force of reasonable accuracy and large numbers presents a threatening potential if launched first. This is accentuated by the deployment of MIRV systems with their capability to dispense several warheads from one missile. Thus, the targeting ratio is greatly enhanced for the force that strikes preemptively.

If the Soviets were to MIRV their entire SS–11 force, the Pentagon would be in an extreme panic. A crisis would be at hand. More appropriations would be requested. American national security would be at stake.

The Defense Department would claim that our deterrent is vulnerable. It would be called a national calamity.

And yet this is exactly what we are planning to do to the Soviet Union. There are about the same number of Soviet SS–11's as U.S. Minutemen I, II, and III.

It is generally recognized that a successful first strike by either country is not possible. In no other area, however, does the distinction between capability and intention become so blurred. Since intentions of first strike are not easily verifiable, military experts rely on the appearance of first strike as determined by the interplay of numbers of missiles, and to lessor degree, megatonnage. In the case of the latter, equivalent megatonnage should be the relevant statistical indicator.

A highly MIRVed force, when coupled with accurate re-entry vehicles, has the appearance of a first strike posture. If it applies to the Soviet Union, it must also apply to the United States. A full MIRVed force looks provocative. It is even more relevant to the United States since we have a significant lead in missile accuracy.

INFLATED DEFENSE BUDGET

The Minuteman III program, as presently envisioned, will cost over $6 billion exclusive of Atomic Energy Commission costs for warhead development and production. The Minuteman II program, which would be entirely converted to Minuteman III under the proposed plan, will cost the taxpayer about $5 billion. By 1975 when total of 550 Minuteman III and 450 Minuteman II's will be operational, these two missile versions will have cost well over $11 billion. Based on rough estimates, it would cost another $3 billion to convert the remaining Minuteman II's to Minuteman III's.

The argument is being made that the production lines for Minuteman III will be closed after fiscal year 1974 unless new force levels are authorized. If the lines are allowed to shut down, it is said start up costs will be very high. Therefore it is economically sound to continue production without interruption.

The production line argument overlooks the most important aspect of any new weapons system: do we need it? Weapon systems must not be justified by profits or assembly line efficiency. First they must be determined to be necessary. Then these other factors come into play.

At this time there is no threat that requires a U.S. reaction of the size of the proposed Minuteman III buildup. With the defense budget heading irrevocably toward the magic $100 billion level, it is more critical than ever that every program be scrutinized solely on the basis of need.

MIRV AND THE U.S. DETERRENT

It may be that at some time in the future, in the face of a direct threat, the United States would have to complete its MIRV deployment. That threat is not now present. SALT I reduced the need for a continued buildup in offensive weapons.

With the severe restrictions placed on ABM systems by SALT I, there is no remaining justification of a saturation strategy. MIRV is not needed to penetrate a heavy ABM system for no such defense has materialized and none is allowed under the SALT treaty. Only two other justifications remain, increased targeting or hard target flexibility.

There is no evidence that there are more lucrative civilian targets to strike in the Soviet Union now than 5 years ago. The U.S.S.R. has a limited number of large cities. For the most part, the civilian targets have remained constant. This means that an increase in U.S. MIRV's will be used on new military targets. The most likely choice would be the growing Soviet land- and sea-based missile sites. With a high number of individual reentry vehicles at hand, it becomes possible to target missiles silos with more than one warhead, thereby significantly increasing the probability of kill. To some this might be called targeting flexibility. The public statements of the President have pointed in this direction. To others, however, it appears to be a hard-target doctrine.

WHY A MIRV BUILDUP NOW?

The proposed MIRV buildup is the result of the three assurances required by the Joint Chiefs of Staff for their support of SALT I. Immediately after this first phase of negotiations, the Defense Department hastily prepared a long list of technological advances that could be put into effect by stretching the treaty to its breaking point. MIRVing the full Minuteman fleet is one of these proposals.

No sooner was the ink dry on the treaty but the United States and the U.S.S.R. were busy attempting to find loopholes and exploiting those areas that were not controlled by agreement. Since the United States is limited to the present 1,054 land-based missiles, it became evident that the only land-based expansion program allowed was one that increased the number of warheads.

THE STATISTIC OF MIRV

By 1977, at the end of the first 5-year period of SALT, the United States will have 9,800 warheads deployed including 6,000 in land- and sea-based missiles and 3,800 in bombers. By contrast, the Soviet Union will have only a total of 3,950, according to the Department of State. Therefore, the United States will have almost 2½ times the number of warheads of the Soviet Union even without the projected increase in the MIRV force.

If the U.S. MIRVs the entire Minuteman force, it would require about 4 years beyond 1975 for full deployment at the present rate of about 120 missiles per year. The total number of warheads for the Minuteman fleet at that time would be about 3,000 or an addition of about 900.

From a Soviet viewpoint, the United States is undertaking a massive crash program in warheads, going from about 6,000 in 1972, to nearly 10,000 in 1977. If the reverse were true, it would be the source of great alarm in this country.

Mr. President, what I argue for is a display of prudence. Let us assess the dynamics of the relationship between the United States and U.S.S.R. and allow the SALT treaty and agreement to be molded into a permanent form of arms reduction. On our present course, we are headed for ever increasing forces and ever lessening security. For the time being, there is no demonstrable need for a fully MIRVed Minuteman force. Let us keep open this option as an implied threat. It will be just as effective.

If funds for MIRVing the full Minuteman fleet appear in the fiscal year 1974 budget, it will be a signal to the Soviets that the United States intends to continue its present buildup of strategic warheads *regardless of SALT I.*

With the exception of the ABM, the United States has not halted one strategic weapon program in progress at the time of the first negotiations. In fact, new programs have been initiated and others accelerated. This is a strange form of arms control.

Coupled with the proposed slash in the budget of the Arms Control and Disarmament Agency, the MIRV buildup raises serious questions about the commitment of this administration to continuing arms control negotiations.

RULES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I ask unanimous consent that the text of the Committee Rules adopted by the Committee on Interior and Insular Affairs for the 93d Congress be printed at this point in the RECORD.

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

RULES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

COMMITTEE RULES

Rule 1. The Standing Rules of the Senate and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such Acts are applicable to the Committee on Interior and Insular Affairs and as supplemented by these rules, are adopted as the rules of the Committee.

MEETINGS OF THE COMMITTEE

Rule 2. The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting executive business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary. Subcommittee meetings or hearings shall not be scheduled nor held concurrently with full Committee meetings.

EXECUTIVE SESSIONS

Rule 3. Meetings for the transaction of business of the committee or each subcommittee shall be open to the public except when the committee by majority vote orders a closed executive session.

EXECUTIVE SESSION AGENDA

Rule 4. The agenda for full Committee executive sessions shall be provided to each member at least three days prior to such executive session, and no new items may be added after the agenda is published except by the approval of a a majority of the members. The Clerk shall promptly notify absent Members of any action taken by the Committee on matters not included on the regular published agenda.

Rule 5. A legislative measure or subject shall be included on the agenda of the next following executive meeting of the full Committee if a written request for such inclusion has been filed with the Chairman at least one week prior to such meeting. Nothing in this rule shall be construed to limit the Chairman's authority to include legislative measures or subjects on the agenda in the absence of such request.

QUORUMS

Rule 6. (a) Seven members of the Committee shall constitute a quorum for reporting legislative measures or recommendations. Proxy voting will be permitted on all matters, except that no measure or recommendation shall be reported unless a quorum of the Committee were actually present to vote at the time a measure or recommendation was ordered reported.

(b) One member of the Committee or any subcommittee shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure before the Committee.

SUBCOMMITTEE MEMBERSHIP

Rule 7. (a) Membership of subcommittee shall be fixed by the Chairman in consultation with the ranking minority member, and, insofar as possible, shall reflect the wishes and preferences of the individual members of the Committee.

(b) Following consultation with the ranking minority member, the Chairman may, from time to time, establish such ad hoc or special subcommittees as he deems necessary to expedite committee business.

CONFIDENTIAL TESTIMONY

Rule 8. No confidential testimony taken or confidential material presented in a closed executive session of the Committee or subcommittees thereof or any report of the proceedings of such an executive session shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the Committee at a closed executive session called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 9. Any person whose name is mentioned or who is specifically identified, and who believes that testimony or other evidence presented at a public hearing, tends to defame him or otherwise adversely affect his reputation may file a (sworn) statement of facts relevant to the complained-of testimony or other evidence or comment. Such request and such statement shall be submitted to the Committee for its consideration and action.

BROADCASTING OF HEARINGS

Rule 10. During open public hearings, photographers and other reporters using mechanical recording or filming devices shall position their equipment in such fashion as will not interfere with the seating or vision of Committee Members or staff on the dais, nor with the orderly process of the hearing.

Mr. JACKSON. Mr. President, by unanimous action the Committee on Interior and Insular Affairs this morning adopted a new rule providing that "meetings for the transaction of business of the committee or each subcommittee shall be open to the public except when the committee by majority vote orders a closed executive session." This rule was proposed by the junior Senator from Montana (Mr. METCALF). As Members of the Senate are aware the junior Senator from Montana was the author of the 1970 Legislative Reorganization Act and has been a leading advocate of making all business of the committees of Congress open to the public.

Mr. President, I commend the Senator from Montana for his amendment and I agree that all public business should be conducted in public session.

The action of the committee today makes the Committee on Interior and Insular Affairs the first committee of the Senate ever to require by formal rule that all formal committee business be conducted in open public session.

AN ACTION PLAN TO HELP KIDNEY PATIENTS

Mr. DOLE. Mr. President, in the 92d Congress I supported a bill that provided financial assistance to individuals suffering from chronic kidney disease. This disease afflicts some 8 million Americans. According to the National Kidney Foundation, kidney disease is the fourth major cause of death in the country. The tragedy lies in the fact that many of those who die could be saved through treatments with the artificial kidney or kidney transplantation. I ask unanimous consent that the article entitled "An Action Plan To Help Kidney Patients," written by Belding Scribner, M.D., taken from the December 1972 issue of Today's Health, be printed in the RECORD.

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

AN ACTION PLAN TO HELP KIDNEY PATIENTS

(By Belding Scribner, M.D.)

If the President of the United States were to announce tomorrow a cure for cancer, this would mark a great moment for mankind; if the American Heart Association would declare that a wonder drug had defeated the scourge we know as heart disease, this too would signal a great medical breakthrough.

Regrettably, neither of these events is soon to happen. However, I can issue a pronouncement which I consider equally as dramatic and far-reaching as these two would represent.

I can declare that we have found a way to defeat death from chronic renal failure, commonly known as kidney disease.

Consider, that just 13 years ago chronic kidney failure meant death. Today, through the use of artificial kidney machines and through transplants some 6,000 terminally ill Americans each year are given—for the second time—the gift of life.

But, is there meaningful excitement over this remarkable scientific triumph; now almost 13 years old? Not to my knowledge; indeed, an epidemic of apathy surrounds our "breakthrough" and despite the fact that we continue to spend $100 million a year on kidney disease there is only a ripple in the public consciousness of the problem—a problem, incidentally, which finds eight million Americans with some form of kidney disease and annually claims three times as many lives as are saved.

Here, then, is The Story: *the hard news.*

For, while we unquestionably have the means, the medical skills and the necessary implements, we are failing to save all those who should be—must be—rescued from the horror of uremia.

As *The New York Times* has said:

"Thousands of [kidney] patients are condemned to die of their potentially treatable disease."

So, in allowing two of every three patients with kidney disease to slip off and die somewhere, we are failing ourselves, our society and we're saying to our research scientists:

"Don't find us ways to overcome disease . . . to prolong life, because we lack the will, the money, the diagnostic skills and the administrative knowledge to properly utilize them."

I know because I have given the better part of my professional life to kidney research. And from my own experience I know that we can improve upon our shameful waste of life; moreover, I understand that you cannot talk kidney disease without talking money. Still, the high cost of dialysis (Home dialysis averages about $5,000 a year; hospital dialysis roughly $25,000) isn't the only prohibition to greater progress against endstage kidney disease.

Let me explain:

Eleven years ago there was no hope for the chronic kidney case. Medicine had no answer to this killer-disease. Then, with the help of two colleagues, Dr. David H. Dillard and Wayne E. Quinton, I found a way to allow the kidney patient to "hook up" to the hemodialysis machine, which performs as an artificial kidney. That is, it rids the blood of the poisons which the patient's own malfunctioning kidneys are incapable of handling. The kidney sufferer now could dialyze three times a week, for a total of 30 hours, and at all other times was free to lead a nearly normal life, working, traveling, raising a family. The device permitting the frequent hook-up is about the size of a washing

machine and researchers are working to make it even smaller.

People now say to me: "How fulfilling . . . what a great reward for your efforts." Some of these are friends who know that Clyde Shields, the first patient to go on the shunt, lived 11 years.

Of course, I am gratified that Clyde and thousands of others have lived beyond a time when they were so sick they had lost the will to continue. But, there can be little satisfaction and no professional smugness when you realize that we are reaching only one-third of those who are desperately sick and, significantly, too few people care enough to even speak out. I am not one of them.

In my home state of Washington, where we have worked long and hard on the problems and no one need go untreated for lack of money, or any other reason, the average incidence of chronic renal failure is 50 per million population.

Our national average is only 20 per million.

This disparity between the two figures means thousands of Americans with kidney disease aren't being treated. Some, I suspected, because they haven't been correctly diagnosed; others because they mistakenly believe dialysis ("living by a machine . . . not for me!") is too painful, too humiliating, too costly.

I know that certain voices claim that some patients are knowingly, stoically, foolishly choosing death—rather than go on dialysis, or seek a transplant. These pathetic patients argue, sometimes with justification, that they cannot *afford* to live: the price is too high.

Clearly, we have a long way to go and the time to begin is now. Toward this goal, I offer a basic, three-point plan for action:

I firmly believe we need a strong central agency overseeing all our efforts, and astride this agency should be an "enlightened despot." Call him a czar, or a secretary or an ombudsman, but let him perform as did Basil O'Connor for the old Polio Foundation. In short, he must speak loudly and often. He must represent the best interests of the sufferers, as well as their medical and volunteer servants. This man must know about politics, medicine, fund-raising, advertising and, most of all, human dignity.

The Kidney Czar would be an advocate in Washington and all the state capitols. He must be an achiever, bringing awareness, excitement and the pressures that spark progress.

Again and again he would say on television: "Here we sit today with kidney patients dying—and we have the solution at hand. . . ."

At present, there is neither an advocate nor an agency of the kind that is so needed. Perhaps this is why we aren't taking the maximum advantage of our *cure*.

Second, we must reorganize our dialysis programs so that we can service more patients at lower cost. I refer now on the manifold benefits of home dialysis.

As a result of our experience with the Northwest Kidney Center in Seattle, I am convinced that dialysis in the home is superior to hospital dialysis.

We are able to train most patients in three weeks; thereafter, they dialyze at home according to their own schedules and rhythms. In this way, they maintain their self-sufficiency and, in 75 percent of the cases, are able to work full-time.

Moreover, the difference in cost is so great that hospital dialysis must be regarded as an extravagance of both money and medical manpower. For every patient maintained in a hospital, we at the Northwest Kidney Center can care for between five and 10 patients on home dialysis. The obvious savings to the taxpayer, who ultimately pays for everything in this country, are in the millions of dollars.

If the time ever comes when we in the United States are able to accept all the eligible candidates for dialysis, this population will reach between 15,000 and 25,000 persons, depending upon the number and success ratio of transplants. If the figure is 20,000, the annual cost of hospital dialysis would run around $500 million. These same 20,000 patients could be maintained on home dialysis for under $80 million: a savings of $420 million. Hopefully a portion of this savings could be used for research.

It is only through research that we will develop a smaller, less expensive dialysis machine, moving us toward that day when hemodialysis will be as natural to the kidney patient as insulin injections are to the diabetic. Further, it is only through research that we shall improve our tissue matching, opening the way to a greater and surer use of cadaver transplants.

And, of course, research will lead us to the true causes of kidney disease—and a time when neither dialysis nor transplant are needed. This is Nirvana, to be sure; yet, in our lifetime medical science has discovered and perfected a vaccine which has made the iron lung obsolete. The analogy may not be overly far-fetched.

Third, we must have a national kidney registry, much like the one in Europe which promotes an exchange of kidneys between Britain, France, Germany, Holland, Switzerland and the Scandinavian countries.

Under this program, when a cadaver kidney becomes available for transplant information on the donor is fed into a computer and the best-matched recipient chosen.

You see, no country in the world gets more than 30 percent of the kidneys it needs for transplant, so it is imperative that we make the best possible use of every available organ.

And with a kidney registry, I believe we would increase the number of transplants performed while reducing the risk of rejection, and the estimated cost of $10 to $15 million would be earned back in a relatively short time.

Finally, permit me a personal note: on March 9, 1970, we held a 10th "reunion" dinner in Seattle and 130 local dialysis patients signed a posterboard reading, "Thank you, Doctor Scribner."

My wish now is that on this day in 1980 we all meet for dinner again. This time I hope we need a bigger hall and that our keynote speaker is the Kidney Czar who is on hand to report a long list of new achievements.

I can promise him an enthusiastic audience.

COMMITTEE ON RULES AND ADMINISTRATION—RULES OF PROCEDURE

Mr. CANNON. Mr. President, at its organization meeting on January 17, 1973, the Committee on Rules and Administration readopted without amendment the rules of procedure which, pursuant to section 133B of the Legislative Reorganization Act of 1946, as amended, it had adopted on January 17, 1973, at the commencement of the 92d Congress.

In conformity with the provisions of that section, I submit a copy of those rules to the Senate and ask unanimous consent that it be printed in the RECORD.

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

COMMITTEE ON RULES AND ADMINISTRATION—RULES OF PROCEDURE

[Adopted February 4, 1971 (pursuant to Section 133B of the Legislative Reorganization Act of 1946, as amended). Readopted, without amendment, January 17, 1973.]

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Senate Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee shall be open to the public except during executive sessions for marking up bills or for voting or when the committee by majority vote orders an executive session. (Sec. 133(b) of the Legislative Reorganization Act of 1946, as amended.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business, committee business, and referrals will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate nonagenda topics.

TITLE II—QUORUMS

1. Pursuant to sec. 133(d) 5 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to rule XXV, sec. 5(a) of the Standing Rules of the Senate 3 members shall constitute a quorum for the transaction of routine business.

3. Pursuant to rule XXV, sec. 5(b) 3 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Subject to the provisions of rule XXV, sec. 5(a) and sec. 5(b), the subcommittees of this committee are authorized to fix their own quorums for the transaction of business and the taking of sworn testimony.

5. Under no circumstances, may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Secs. 133 (b) and (d) of the Legislative Reorganization Act of 1946, as amended.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of record-

ing a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Sec. 133(d) of the Legislative Reorganization Act of 1946, as amended.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the senatorial long-distance telephone regulations and the senatorial telegram regulations.

TITLE V—HEARINGS

All hearings of the committee shall be conducted in conformity with the provisions of sec. 133A of the Legislative Reorganization Act of 1946, as amended. Since the committee is normally not engaged in typical investigatory proceedings involving significant factual controversies, additional implementory rules for hearing procedures are not presently promulgated.

TITLE VI—SUBCOMMITTEES

1. There shall be seven, three-member subcommittees of the committee as follows:

Standing Rules of the Senate.
Privileges and Elections.
Printing.
Library.
Smithsonian Institution.
Restaurant.
Computer Services.

2. After consultation with the ranking minority member of the committee, the chairman will announce selections among the members (and to the Joint Committee on Printing and the Joint Committee on the Library) subject to committee confirmation.

3. Each subcommittee of the committee is authorized to establish meeting dates, fix quorums, and adopt rules not inconsistent with these rules.

4. Referrals of legislative measures and other items to subcommittees will be made by the chairman subject to approval by the committee members.

UNITED STATES SHOULD TALK WITH THE PEOPLE'S REPUBLIC OF CHINA ABOUT ARMS CONTROL

Mr. PROXMIRE. Mr. President, during November and December of 1972, I exchanged correspondence with the Arms Control and Disarmament Agency about the question of arms control negotiations with the People's Republic of China. My interest was spurred by certain press reports indicating that the Chinese were developing a family of strategic missiles capable of attacking the U.S.S.R. and eventually the United States.

CHINESE TECHNOLOGY GROWING

The acquisition of nuclear and missile technology by China poses serious problems. The bipolar world is gone for good, it seems, and arms control will be infinitely more difficult as a result. It is only prudent that the United States examine ways to open arms control negotiations with the People's Republic of China.

It is apparent that recent Chinese advances in missile technology already have influenced the first round of the United States-U.S.S.R. strategic arms limitation talks—SALT I—by causing the Soviets to insist on retaining an ABM system for Moscow.

As the Chinese gain sophistication in their weapons programs, they will have more impact on the delicate SALT II negotiations. It is time, therefore, to start talking with the Chinese about ways in which to reduce the threat of atomic war. If we do not take Chinese advances seriously, there could be further undesirable consequences on the SALT negotiations.

There is an arms control philosophy currently in vogue that nations can bargain only if they have reached a state of parity or overall equality in strategic weapons. Perhaps there is some truth to this in particular cases.

We cannot afford to wait, however, until the Chinese catch up with the United States and U.S.S.R. The time to begin dealing with this problem is now. Why wait for the problem to get worse before we take steps toward its solution?

Although Chinese missile technology has not developed as quickly as expected, and by U.S. standards they are clearly inferior in all aspects, their technology base is growing. It has been reported that the Chinese are building a family of different types of missiles some of which are deployed in hardened sites. A Chinese ICBM force capable of hitting the United States is not expected to be deployed until 1975 or later.

In addition to missiles, the Chinese have an active nuclear weapons test program, have produced their own new fighter, and a medium range bomber. None of these weapons, however, pose a threat to the United States.

RECOMMENDATIONS FOR ACDA

It may be that only the most preliminary arms control discussions would be appropriate at this time. Perhaps they would be strictly informal and nongovernmental. The Arms Control and Disarmament Agency has responded to one of my letters by indicating that they are maintaining an open door policy toward the Chinese in this field. This is constructive. By itself, however, it may not be enough.

We cannot afford to remain passive in the face of the recent Chinese advances. Though the problem is one of long range and no immediate threat is present, the growth of Chinese nuclear and conventional power will have widespread ramifications throughout Asia.

For this reason, the United States should take positive steps to bring about serious arms control discussions with the Chinese. In lieu of any specific suggestions or actions from the Agency, I offer the following possibilities:

First. Consider responding to the Chinese policy statements of "no first use" of nuclear weapons by reciprocating with a U.S. policy of "no first use against China" as long as nuclear weapons have not been used by any other parties.

Second. The United States could make an initiative regarding a nuclear free zone in Asia.

Third. Begin broad multilateral discussions about conventional arms control in Asia.

Fourth. Start informal discussions with visiting delegations from the People's Republic of China.

Mr. President, I ask unanimous consent that my exchange of letters with the Arms Control and Disarmament Agency be placed in the RECORD at this point along with three newspaper articles describing the recent Chinese missile advances.

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

NOVEMBER 10, 1972.

GERARD C. SMITH,
Director, Arms Control and Disarmament Agency, Washington, D.C.

DEAR MR. SMITH: I urge you and the Arms Control and Disarmament Agency to undertake serious negotiations with the Peoples Republic of China (PRC) on the issue of strategic arms limitations.

Recent press reports, reportedly from official spokesmen, confirm that the PRC now has the missile capability to attack the Soviet Union including the portion west of the Urals. Apparently the Chinese are developing a family of missiles with different ranges, and some of these are already based in hardened sites.

For many years we have known that the Chinese were experimenting with a variety of launch vehicles. Our estimates of deployment, however, have generally been premature. With the recently released information and the knowledge that they are also developing an ICBM capable of attacking the U.S., it now becomes necessary to begin long range planning with respect to possible U.S./Chinese arms control issues.

In addition to this general precautionary measure, we should consider the potential consequences of Chinese nuclear developments on the SALT II negotiations. It has been said that fear of Chinese technology already has influenced SALT I by causing the Soviets to insist on retaining an ABM system for Moscow. What new developments might adversely affect SALT II?

There is an arms control philosophy currently in vogue that nations can bargain only if they have reached a state of parity or overall equality in strategic weapons. Perhaps there is some truth to this in particular cases. We cannot afford to wait, however, for the Chinese to catch up with the U.S. and USSR or approach some theoretical level of Chinese "sufficiency" before we think about arms control. The time to begin is now, even if at a low level. Why wait for the problem to get worse before we take steps toward possible solutions?

The rise of another nuclear power of fundamentally different ideology greatly complicates arms control. The old bi-polar world is gone for good.

I hope you will take my suggestion seriously and take steps to begin talking with the Chinese about strategic issues.

Sincerely,

———— ————,
Chairman, Joint Economic Committee.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., November 30, 1972.

HON. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: We appreciate your thoughtful letter of November 10 urging us to undertake strategic arms negotiations with the People's Republic of China. I assure you that we are giving your suggestions close and serious consideration.

The Administration has taken far-reaching

steps to open a dialogue with the People's Republic of China on matters of mutual interest, including measures leading to a more peaceful and secure world. We are studying various ways in which we and the PRC can further our common objective of reducing the danger of international military conflict, an objective set forth in the Joint Communique of President Nixon and Premier Chou at Shanghai.

It has long been apparent to us that it would be desirable to broaden multilateral discussions on arms control in order to include the PRC. The U.S. representative stated specifically at the Conference of the Committee on Disarmament at Geneva in June, 1971 that "we would welcome the participation of all nuclear-weapon states in arms control and disarmament efforts."

The Chinese Government has been very cautious in approaching this sensitive subject. So far it has not gone beyond participation in the annual U.N. disarmament debate in New York, despite urgings from many quarters to play a more active role.

We will of course continue to do what we can to broaden multilateral participation in arms control efforts, and will remain very receptive to any indications from authorities of the People's Republic of China that they wish to discuss such matters.

Sincerely,

JAMES F. LEONARD,
Acting Director.

DECEMBER 4, 1972.

Hon. GERALD C. SMITH,
Director, U.S. Arms Control and Disarmament Agency, Washington, D.C.

DEAR MR. SMITH: I have received the recent letter from your office regarding my suggestion for preliminary arms control discussions with the People's Republic of China. I appreciate your timely reply and have taken note of your willingness to proceed down this path. May I commend you and your Agency for having the foresight to anticipate these problems and the flexibility to be receptive to approaches by the PRC.

I would urge you, however, to be more than receptive. China has gone through such massive internal upheaval and we know so little about this nuclear power that it may rest with us to make the initiatives. After all, if done carefully and with proper consultation of allies such as Japan, what do we have to lose?

Negotiations are not often culminated without the most painstaking advance preparation, as you know more than anyone else. This argues that the time to begin is now, even if at the lowest levels.

While the US has made some limited initiatives toward the PRC, a stronger stance must be taken. The US should take positive steps to bring about serious discussions with the Chinese. In lieu of any specific suggestions in your previous letter and with respect for your opinions, I offer the following possibilities:

1. Consider responding to the Chinese policy statements of "no first use" of nuclear weapons by reciprocating with a US policy of "no first use against China" as long as nuclear weapons have not been used by any other parties.

2. The US could make an initiative regarding a nuclear free zone in Asia.

3. Begin broad multilateral discussions about conventional arms control in Asia.

4. Start informal discussions with visiting delegations from the People's Republic of China.

Could you supply me with ACDA's position on these points?

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., December 20, 1972.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: Thank you for your letter of December 4th to Mr. Smith, who is presently at the SALT TWO negotiations in Geneva. I welcome your continued interest in the prospects for progress in arms control with the People's Republic of China.

This Administration has opened serious discussions with the PRC on a range of important questions. This has made a signal contribution towards the normalization of our relations. It is now a matter of building on that foundation, and we will continue in a positive spirit our search for areas of mutual Sino-American interest. Your specific suggestions will naturally receive our careful attention.

Sincerely,

JAMES F. LEONARD,
Acting Director.

CHINA'S MISSILES CAN HIT RUSSIA

(By William Beecher)

There is now evidence that China has deployed a handful of strategic missiles capable of reaching Moscow, administration officials report.

The missiles, the officials said, have a range of about 3,500 miles, carry a three-megaton warhead and are installed in launching sites comparable to America's nine-year-old Titan-2 intercontinental ballistic missile silos.

The officials said some missiles are installed in underground concrete-and-steel silos capable of withstanding even a near miss, and others are built into mountain sides.

The officials declined to reveal the nature of their evidence, but presumably it came from reconnaissance satellites.

In addition to these 3,500-mile liquid-fuel missiles, the officials said, China has deployed about 20 other missiles of two types: One with a range up to 1,000 miles, the other with a range up to 2,500 miles.

Further, new launching facilities are under construction for all three types of medium-range and intermediate-range missiles, they said.

SOVIET-CHINA RELATIONS

Most analysts regard those developments as being of major importance in shaping the relations between the Soviet Union and China. They note that China now can target the capital of the Soviet Union with a few missiles, but they disagree over whether this constitutes enough of a retaliatory threat to strike.

Those who tend to doubt it—and they appear to be in the minority—point out that the Soviet Union has recently completed construction of five new storage depots for tactical nuclear weapons along its border with China.

That brings to 19 the number of such hardened depots—for tactical bombs and warheads for tactical missiles—that the Soviet Union has built along the long border with China over the last five years.

"Many of our analysts felt that once China deployed enough 1,000-mile missiles and nuclear-armed TU-16 bombers to be able to destroy cities in Soviet Asia in the event of attack, Russia was deterred," one ranking planner said.

SOVIETS STRENGTHEN BORDER

"But some of us aren't so sure any longer. The Soviets have recently added another three divisions along the border and built five more nuclear storage bunkers. Why does she continue to expend so much effort and wealth on that region if she is not keeping open an option to make a preceptive strike?"

Another analyst put it this way: "Most of my colleagues believe it's silly to even think in terms of a Soviet first strike. But I think the next 18 months are the critical period. By that time, Peking should have 30 to 40 missiles that can strike Moscow and other major cities in European Russia and by then a Soviet first strike really would be too dangerous."

Officials agree that probably the principal reason the Soviet Union insisted on maintaining an antimissile defense around Moscow, in its negotiations with the United States on limitation of strategic armaments, was to retain a capability of defending against a possible Chinese missile attack.

The treaty signed by the United States and the Soviet Union last May permits 100 antimissile missiles each around Moscow and Washington, and 100 defensive missiles around one ICBM complex in called Galosh antiballistic missiles around Moscow. But each nation.

CHINA WORKING ON ICBM

At present there are 64 so-American specialists say this weapon is not regarded as very effective and conceivably could be penetrated by a Chinese attack. The Russians are known to be actively testing advanced defensive missiles and radar systems.

China is believed to be working on an ICBM with a range of up to 6,000 miles, but has not yet fired it outside her borders. Such a range would bring targets in the United States within reach. However, China is not expected to have an operational ICBM for roughly three more years.

Weapons specialists say China has had several successful tests of three-megaton warheads and bombs. A megaton is equivalent in explosive force to one million tons of TNT.

A three-megaton warhead would be larger than most American and Soviet warheads, although the Soviet SS–9 intercontinental missile is believed to carry one 25-megaton warhead in test cases and three five-megaton warheads in some instances.

CHINA PREPARING TO DEPLOY INTERMEDIATE RANGE MISSILES

(By Joseph Alsop)

China is now briskly preparing to deploy a first group of about 10 nuclear missiles with sufficient range to reach Moscow, Leningrad and other Soviet heartland targets. The Chinese preparations, only recently observed by the United States, are both novel and ingenious; for the missile sites are literally being carved into the sides of mountains, out of living rock.

Just when the missiles themselves will be married to the sites is of course anyone's guess. But it is certain that the Chinese have already successfully tested a new missile with intermediate range of a few thousand miles.

In Soviet eyes, as anyone can figure out, Chinese deployment of these new missiles will surely mean that a new phase has opened. For the missiles in their rough-carved sites must appear altogether different from the earlier Chinese deployment, in completely soft sites, of about 50 missiles with just enough range to reach targets in Siberia.

In the previous phase, there was very little to deter a Soviet preventive attack upon China—provided the Soviets were ready to use nuclear missiles of their own to take out the short-range Chinese missiles in soft sites. In the new phase, such an attack would still be entirely possible—even a rock-carved missile site cannot give full protection against one of the huge warheads of the Soviet SS–9s—but it will be considerably more risky.

The new phase now visibly ahead will obviously look forward, furthermore, to the final phase. This will come when the Chinese add an adequate antimissile warning system to their nuclear panoply. If they then adopt

a policy of "launch-on-warning" (as is highly likely), the risks of a Soviet preventive attack will finally become almost unbearably great.

These are the background facts, obtained here, against which one must judge all sorts of facts in China. They mean, to begin with, that the Chinese have not yet reached their long-fought point of no return when the Soviets must discard all thought of the attack on China they have been so expensively preparing.

Instead, the period of maximum danger still lies ahead, but it is now getting fairly close. For the Soviets must certainly make their decision about attacking or not attacking China at one of two points in time: either when missiles that can reach Moscow and Leningrad actually begin to be deployed; or when the Chinese begin to complete the design, with a workable antimissile warning system.

Meanwhile, as noted in the last report in this space, the danger of a Soviet preventive attack is the true mainspring of Chinese policy. Among other things, this mainspring in fact produced the new relationship between China and this country.

Most interestingly, Prime Minister Chou En-lai told me flatly that the first overture came from the United States. Beyond doubt that was in 1969 when President Nixon violently rejected a rather direct Soviet request for tacit American support in immediate action against China.

A long period was then consumed by the complex minuet that culminated in Dr. Henry A. Kissinger's first visit to Peking. Prime Minister Chou mentioned Vietnam as a complicating factor. But it seems clear that an even much greater complicating factor was Chinese internal politics; for the prime minister wanted the new American link, whereas Lin Piao and his group quite bitterly opposed it.

This was why Marshal Yeh Chien-ying was the soldier who talked with Kissinger along with Prime Minister Chou. And since the first Kissinger visit preceded Lin Piao's flight and death, this is also why the Chinese were then so passionately insistent that no one should learn about Kissinger's other Chinese interlocuter, Chou's military ally against Lin, old Marshal Yeh.

Yet it is far more important for Americans to understand the real basis of the new Sino-American relationship. The basis was none of the things that virtuous people have supposed in this country. It was, instead,, the danger of Soviet preventive attack on China, acknowledged by both sides.

For both sides, too, the new relationship was and is founded on hard interests. For if a Soviet preventive attack on China finally materializes, we in the United States will find ourselves living in another Hitler-time albiet with no Hitler.

CHINESE EXPECTED TO HAVE MISSILE TO REACH UNITED STATES BY 1975

China is expected to have an operational intercontinental ballistic missile in 1975 which would be capable of striking the United States, U.S. intelligence sources said today.,

The sources also said there are indications China has begun deployment of intermediate range missiles which presumably could be targeted against such neighbors as Japan.

The disclosures followed a statement by Sen. Stuart Symington, D-Mo., who said at a Jan. 9 meeting of the Senate Armed Services Committee: "I was shocked to find out how close another power is to becoming a super power in missiles. This, to me, reduces the practical effect of the Strategic Arms Limitations Talks (with the Soviet Union)."

PRIVATE BRIEFING

Symington commented during the confirmation hearing of Elliot L. Richardson, President Nixon's nominee for Defense secretary. He explained later that his comments were based on a private briefing of the armed services panel by outgoing director Richard Helms of the Central Intelligence Agency.

The intelligence experts minimized Symington's dismay, saying the U.S. intelligence community had been keeping close track of China's missile development and while it did not know all the details, the United States was well aware of China's growing missile capability.

Outgoing Defense Secretary Melvin R. Laird said in his defense posture report on Feb. 8, 1972, that China was not expected to deploy more than 10 to 20 long-distance missiles by 1976.

NO EXCESSIVE THREAT

Such a small force would not appear to be an excessive threat to the United States. But it would underline the eventual necessity of engaging the Peking government in disarmament negotiations.

The State Department said Jan. 17 that the United States did not propose to invite China to participate in strategic arms limitation talks with the Soviet Union, which department spokesman Charles W. Bray described as "bilateral."

Bray did say, however, that the United States would welcome China's participation at the Geneva disarmament conference, which resumes Feb. 20. The 25-nation conference will discuss a ban on chemical warfare and a possible ban on underground testing of nuclear weapons.

CHANGES IN OIL IMPORT POLICY

Mr. STAFFORD. Mr. President, last week the President made two major changes in U.S. oil import policy: First, he removed all controls on No. 2 fuel oil imports into districts I–IV until April 30; second, he increased crude oil imports into districts I–IV for 1973 by 50 percent and placed those districts on the supply gap import formula which has long been in effect in district V.

The removal of controls on home heating oil is of vital concern to the people of Vermont and New England, and I should like to comment this morning on what it does and does not mean for our region.

First of all, the fuel oil supply crisis has not been solved by decontrol. This action has simply come too late in the winter to have much effect; fuel oil is a bulk commodity which must be moved over long distances in vast quantities. Removing the import barriers is not like breaking a dike; the oil will not flow quickly in,

Since last spring and summer, we in New England have been seeking a substantial increase in No. 2 fuel oil imports into our region. We knew a crisis was coming; we knew that long leadtime was needed to locate the necessary quantities of fuel oil and to arrange for shipment to assure arrival during the peak demand months of January, February, and March.

We were right, but unfortunately our warnings were not heeded. Unfortunately for the homeowners of New England, the major oil companies gave the administration bland assurances that fuel oil stocks could be built up; the industry laughed off our warnings, saying that we did not understand the oil business.

I am convinced that the action taken last week is not enough, and it does not offer a solution to our fuel oil crisis in either the short or long term.

With reference to the short term, the current winter: Additional steps must be taken to assure that sufficient fuel oil supplies are available to our region and that no homes are without heat. One specific and effective step must be taken immediately; complete removal of the requirement that No. 2 fuel oil imported into New England must be purchased from the Western Hemisphere refineries and manufactured from Western Hemisphere crude oil.

Although we have, since last spring and summer, urged that this restriction be permanently suspended, the Director of the Office of Emergency Preparedness refused to do so; ignoring our warnings, he waited until last month to act and then only ordered supension for a 4-month period, January–April 1973.

The restriction is ridiculous; it hurts New England and is apparently only maintained to please a few bureaucrats in the State Department.

I am aware of the Department's concern about the Venezuelans; but I am frankly more concerned that the homes of New England have heat and the independent marketers have the fuel oil the homeowners need.

Further, I hope that the Department of State and the Venezuelans will realize that the Caribbean producers and refiners will benefit greatly from last week's order; as a result of the import liberalization, these producers and refiners especially the Venezuelans, will be able to market additional quantities of No. 2 fuel and crude oil in our country during 1973.

There is, in short, no longer any justification for the preference, especially since its prompt removal will assure that more No. 2 fuel oil can be imported into New England over the next few months. As the Oil Policy Committee is aware, European refiners have told east coast independent deepwater terminal operators they will produce more No. 2 fuel oil for delivery during the first quarter of 1973, if the terminal operators will also agree to take deliveries during the summer and fall of 1973; and these refiners have offered to sell the summer product at substantially lower prices, thus enabling independents to "average down" the current inflated costs of winter shipments from abroad.

Unfortunately, the independents cannot enter into the long-term contracts necessary to assure these added supplies of No. 2 fuel oil at lower prices.

The reason: They cannot purchase in Europe after April 30, because the U.S. Government puts back the Western Hemisphere restriction on that date.

As I have said, that restriction must be removed permanently; and the Office of Emergency Preparedness must act immediately in order to insure the maximum level of No. 2 fuel oil imports during the next three critical months.

Decontrol is not enough; the Western Hemisphere restriction must be completely removed.

I might add that no other part of the oil import program is subject to such

a restriction; crude oil can be imported from anywhere.

I pointed out earlier that the major oil companies misled the Government and precipitated the current crisis; that is, I know, the view of Gen. George Lincoln, retiring chairman of the Oil Policy Committee. The irony is that the action taken by the administration last week will benefit the major oil companies most, for these companies are now permitted to import the massive quantities of No. 2 fuel oil that they have been accumulating abroad and supply their own marketing systems at the expense of the consumer.

I urge that the Government monitor the performance of the majors in the next few months to determine whether they are using imported supplies to reduce domestic refinery runs of No. 2 fuel oil and turn out more gasoline instead or are responding to present emergencies. The majors precipitated this problem; they should not be permitted to profit from it.

I should like now to turn to the long-term implications of the President's actions, their impact on fuel oil supplies in subsequent winters.

In brief, the proclamation of January 17 is not the formula for the instant panacea to New England oil problems. By reimposing controls on April 30 and reducing home heating oil imports to 1972 levels, the administration guarantees that the grim cycle of the current winter will be repeated next year. And it could be even worse in 1973–74.

First. Home heating oil demand will continue to soar, by 5 to 10 percent to at least 150,000 barrels per day.

Second. Gasoline demand will continue to rise—also by 5 to 10 percent.

Third. Domestic refining capacity will remain the same.

Fourth. Import levels seem destined to remain at 50,000 barrels per day.

A fourth grade mathematics student would easily conclude on the basis of these facts that there will be a fuel oil shortage next year and that it could be worse than the current one.

Given these facts, it is clear that action must be taken by April 30, at the latest, to assure that no homes or schools or hospitals are without heat during the winter of 1973–74.

We cannot permit the delays and the miscalculations that have caused the present crisis. And I wish to make clear that a prime objective of the New England delegation, and we will, I am sure, be joined in our effort by delegations from the rest of the east coast and Middle West, will be to assure that effective decisions on next year's heating oil import program are taken by April 30, 1973. We will take this winter's lesson and press for action in time to avoid runouts and crisis and disruption.

Our objectives are simple and they can be easily and promptly implemented by the administration:

First, continuation of the decontrol of No. 2 fuel oil on a permanent basis. District I is the area of the highest consumption of this product, and as imports move into our area, additional domestic supplies will become available to the Middle West.

Second, complete and permanent removal of the Western Hemisphere restriction on all imports of No. 2 fuel oil.

Mr. President, fuel oil shortages need not occur. The crisis which now faces the east coast and the Middle West could have been avoided if the warnings of the past 8 months had been heeded. All of us who represent those areas must pledge now to our citizens to work to assure that the vicious cycle of the past year will never be repeated; and that the outdated bankrupt oil import restrictions that have contributed to the crisis will be completely and permanently removed.

HARRY S TRUMAN

Mr. JACKSON. Mr. President, Harry Truman had the responsibilities of the Presidency thrust upon him overnight. He was confronted with a series of tough, unprecedented decisions—with nothing less than the future security of the free world at stake. He never shrank from those decisions, despite the hostile environment of those postwar years. It can be said that his greatest decisions were made when the public polls gave him the lowest ratings. His courage, his wisdom, and his decisiveness in that period shaped the future course of the Western World.

I am proud to have served in the House of Representatives during the Presidency of Harry Truman and proud to have supported him in his efforts to maintain the security of the free world. With the passing of the years, his place in history—and in the hearts of his countrymen—is ever more assured. He will be known as he is already—as one of our country's greatest Presidents.

VIETNAM

Mr. MONDALE. Mr. President, the recent indiscriminate bombing of North Vietnam, undertaken in the 2 weeks before Christmas, has aroused the indignation of thoughtful citizens across this country.

I believe that a recent editorial in the St. Paul Pioneer Press, which appeared on December 31, is one of the clearest and strongest expressions of opposition to the President's policy which has appeared in any of the print media. This editorial is yet another reminder of the dangers inherent in the bombing campaign of the President, and the need for quick and effective congressional action to reverse the drift of power from Congress to the President.

I ask unanimous consent that this editorial be printed at the conclusion of my remarks.

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

UNITED STATES SHOULD GET OUT OF WAR—NOW

America, the world's wealthiest, most powerful nation, with a population of 200 million people, has for the past 10 days been engaged in probably the most massive sustained bombing attack in the history of warfare.

The victims are the people of North Vietnam, a small, impoverished, underdeveloped rural Asian country with a population of 21 million peasants. In area, North Vietnam is much smaller than the state of Minnesota, having 61,000 square miles of territory compared with Minnesota's 84,000.

More than 10 million pounds of deadly explosives have been dropped on the heavily populated Hanoi-Haiphong area in a single day. On President Nixon's personal orders, without consultation with Congress, this holocaust has been in progress since Dec. 18. It is part of an American military policy which has wreaked havoc in North and South Vietnam, Cambodia and Laos with more than 7 million tons of bombs since 1965.

Nixon told the American people that peace would come in 1972. Instead, even in friendly South Vietnam, 1972 produced more war victims than any previous year of the conflict—2 million new refugees, 200,000 or more civilian casualties with more than half of these being women and children. And this says nothing of what has happened in North Vietnam.

America's current annihilation campaign in the Hanoi-Haiphong area has brought a wave of moral revulsion in many parts of the world. Members of the West Germany Parliament from Chancellor Willy Brandt's Social Democratic party appealed to Nixon to stop the bombing. In Sweden the leaders of that country's five political parties joined in similar action. In Australia the shipping unions have banned further services to American vessels until the bombing ends. There are protests in France and Japan. Russia and China say friendly relations with the United States are threatened.

President Nixon, keeping himself in seclusion and avoiding direct questioning by the press, lets subordinates explain that the terror bombing is to force Hanoi officials to sign a peace agreement meeting his own terms. These terms are designed to perpetuate the near dictatorial rule of President Thieu in South Vietnam. This is an impossible goal, for the Vietnamese people themselves are divided by civil war and political dissension which will continue in the future, no matter what papers are signed by officials.

If present Washington policies continue, the main hope for American disengagement from the Indochina quagmire appears to be action by the United States Congress in the coming session to deny funds for continuation of this cancerous and futile war.

Such action was voted by the Senate last August but rejected by the House. A majority of members of the new Senate have stated their support for a new effort. A group of House Democrats has appealed to the Democratic National Committee to join a stop-the-war coalition with like-minded Republicans.

Some Republicans who formerly backed President Nixon on the war have shifted their position. One is Senator William Saxbe of Ohio, who said the President "appears to have lost his senses."

A military aid authorization bill is scheduled to come before Congress in the early weeks of the new session. This may become the vehicle for a new expression of antiwar sentiment in the Senate and House.

America has given President Thieu and his Saigon regime every reasonable support to enable it to stand on its own feet in Indochina for the future. Beyond that, the United States should not go. The time is long since past when there was any justification for continued American military action in that part of the world.

If it takes a congressional rebellion against presidential war-making powers to bring the White House to a disengagement policy, then that is the action which should be taken.

American participation in this misguided adventure in Vietnam should be brought to an end.

THE KRESGE FOUNDATION

Mr. GRIFFIN. Mr. President, nearly 50 years ago the Kresge Foundation was established by Sebastian S. Kresge, a giant in the merchandising field. Since then the Kresge Foundation has been of great assistance in many worthy causes in Michigan, in the Nation, and in the world.

The foundation is now under the leadership of the founder's son, Stanley S. Kresge, of Birmingham, Mich., who is one of Michigan's most distinguished citizens.

Mr. President, an excellent article about the Kresge Foundation, its leadership, and activities appeared recently in the Legal Advertiser of Oakland County. It was written by Stephen T. Spilos, a well known Michigan historian who, incidentally, is a member of the U.S. Capitol Historical Society.

I ask unanimous consent that the article by Mr. Spilos be printed in the RECORD.

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

KRESGE HAS DEEP ROOTS IN MICHIGAN

(By Steve Spilos)

There is no greater proof that a great institution has a deep and abiding interest in humanity than the fine work of The Kresge Foundation which helps many worthy causes nationally, and internationally, and takes a special interest in Detroit area projects.

In philanthropic circles, it is known as a "bricks and motar" foundation, giving assistance to already established institutions and non-profit organizations when they have a need for additional facilities.

The amazing factor—although it is a phenomenal achievement—is not in the construction of these Kresge buildings, which number into the hundreds, but what goes on inside of them once they are completed.

Good examples are the Kresge Eye Institute of Wayne State University, the Kresge Hearing Center at the University of Michigan, Children's Village, world-renowned for its service to children from broken homes, and what to some may seen a remote endeavor—yet vital to the people it serves—a training center for flying doctors at Nairobi, Kenya, where there is about one doctor for every 40,000 persons.

Since it began nearly 50 years ago, the Kresge Foundation has helped many colleges and universities—510 in all, by the latest count. This is a significant and coincidental number indeed, considering the business of the founder, Sebastian S. Kresge, who opened his first "five and ten" cent store in Detroit in 1899.

Kresge's variety store chain developed very rapidly, and his wealth far exceeded his expectations. Inheritance taxes were not a compelling factor when he established his Foundation "to better serve humanity" on June 11, 1924, during the 25th anniversary of the S. S. Kresge Company.

Including his initial gift of $1,300,000, Kresge made 14 separate endowments to the Foundation for a total of $60,577,183. Today the assets of the Foundation are nearly $900 million. The increase is largely credited to the Kresge stock that was held by the Foundation.

However, apart from stock holdings, the two operations—the Company and the Foundations—are not related in any way.

During its existence Foundation grants have added up to more than $109 million. In response to 700 applicants requesting $150 million in 1972, appropriations were $28 million, indicating there are always more requests for money than there are funds available.

S. S. Kresge worked out his plans for the Foundation with his lawyer, Paul W. Voorhies, who was president of the Foundation for 28 years. Voorhies also served as attorney general for the state of Michigan and trustee of Albion, the first college to receive a sizable grant from the Foundation.

When Voorhies died in 1952, he was succeeded as president by Sebastian's son, Stanley S. Kresge, who is now chairman of the board. Sebastian died Oct. 18, 1966, at the age of 99, and in the next annual report of the Foundation his son expressed a very strong conviction.

"This world will not be greatly improved," he said, "until and unless the teachings, experience and spirit of Jesus Christ are more fully understood and applied in our lives and promoted throughout the land."

The work of those who labored for the purposes of the Foundation throughout the years has been distinguished by harmony and a fine spirit of dedication to the aims of the founder.

Donald F. Valley, who retired in 1971, and the late Howard C. Baldwin also served with distinction, and they were both directors of the S. S. Kresge Company. Baldwin served until his mandatory retirement March 15, 1953, three months before he died. He was succeeded in both positions by his son, William H. Baldwin, president of the Foundation.

Other members of the board of trustees are Amos F. Gregory, treasurer, Wilbur K. Pierpont, George Russell and Bruce A. Kresge, M.D. Additional officers include Wesley R. Baker, secretary and assistant treasurer, and Alfred H. "Ted" Taylor, Jr., vice president of administration.

A competent secretarial staff—Florence M. Johnson, Virginia M. Jeffrey and Shirley A. Mueller—perform the daily functions of the office, keep the officers on schedule, and in 1971 alone sent out approximately 8,000 pieces of correspondence.

The Foundation offices are located at 1500 N. Woodward Avenue in Birmingham, Michigan. Formerly they were situated in the Detroit Bank and Trust Company Building on west Fort Street.

The Foundation was started in the original Kresge Building, now the Kales Building, at Park and Adams. Next spring the Foundation will move to the Standard Federal Savings and Loan Association Building in Somerset Mall on Big Beaver Road in Troy, Michigan.

Although the work of the Kresge Foundation spans many years, a brief summary of its activities shows the variety and magnitude of the projects that concern and interest the Foundation, which serves millions of people in all walks of life.

Foundation grants are as diverse as the activities of the people they reach, ranging from aid in the early days for refugee Chinese intellectuals to present construction of adobe schools by Indians themselves in the pueblos of the southwest.

Detroit and Michigan area grants alone include gifts to the Interlochen National Music Camp, where students from all over the world receive training in music, arts and drama; support of the Artrain of the Michigan Council for the Arts, funds for Camp Oakland—an extensive youth program that provides a summer vacation for 500 underprivileged children every year—libraries for both Wayne State and Oakland Universities, a Medical Center for the University of Michigan, an Art Center for Michigan State University, and substantial contributions to the Meadow Brook Music Festival and Baldwin Memorial Pavilion, where thousands of people every season enjoy the best in music.

Recent citations presented by the Detroit Historical Society and the Detroit Institute of Arts to Stanley S. Kresge praise the Foundation's gift to the Cultural Center, including a Ford-Kresge building for the new Center for Creative Studies—a project of the Detroit Society of Arts and Crafts—renovation of an old mansion to provide a new library for Merrill Palmer Institute, a Kresge Court and a new wing for the Art Institute, sponsorship of the annual Family Book Fair at the Detroit Public Library, a Kresge Exhibit Hall for the Detroit Historical Museum, and the Science Library at Wayne State University.

Many Detroit organizations have received helpful assistance from the Kresge Foundation—the YMCA and YWCA, Friends School, Salvation Army, Lutheran School for the Deaf, Goodwill Industries, League for the Handicapped, World Medical Relief, Michigan Cancer Society, United Foundation, and others.

In its special consideration of Detroit, the Kresge Foundation has made great contributions to New Detroit, Inc., and to the new Medical Center, where Children's Hospital got its start in 1886 with a ward of 12 beds in old Harper Hospital.

Mrs. Gerard Slattery, chairman, has served Children's Hospital for many years. When the Kresge Foundation donated funds for four classrooms and a medical library for student nurses, interns and staff physicians, she was elated.

"Stan and Dorothy Kresge are two of the finest people I know," she said. "They gave us $400,000 from their own funds for an auditorium—on their 40th wedding anniversary."

The auditorium serves many useful purposes. It has a seating capacity of 350 and is used by a great number of medical groups, and for "battered children" conferences, which are attended by parents of these unfortunate youngsters, as well as doctors, lawyers and social workers.

NEW YORK TIMES SALUTES EASTERN WILDERNESS BILL

Mr. CHURCH. Mr. President, Senators JACKSON and BUCKLEY have introduced a bill, S. 316, to add 19 new areas of Eastern wilderness to the National Wilderness Preservation System.

I was proud to cosponsor this measure, and am happy to note that the New York Times endorsed the bill and its need in an editorial entitled "The Wild East," published on Monday, January 22, 1973.

Because it provides such an excellent explanation of the purpose of the bill, I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the New York Times, Jan. 22, 1973]

THE WILD EAST

If the word "wilderness" were mentioned in a word association test, most people in the eastern United States would immediately respond with the matching word, "West." It is natural to think of the towering Grand Tetons in Wyoming or the rugged Alpine beauty of Glacier National Park. It takes reflection to realize that many stretches of genuine wilderness still exist within a day's drive of the crowded cities of the East.

Senators Jackson, Washington Democrat, and Buckley, New York Conservative-Republican, have reintroduced a bill they sponsored in the last Congress to protect eleven wilderness areas in the East, scattered from

West Virginia to Florida, plus eight newly selected areas in the White Mountains of New Hampshire and the Green Mountains of Vermont.

These oases of wilderness all exist in national forests. They are known as "de facto" wilderness because they are, in fact, wild even though they are not on the list of lands which Congress in the 1964 Wilderness Act specifically required the Forest Service to study. The Forest Service contends that there is little or no wilderness in the East because any land that has ever felt the impact of human activities cannot qualify as wilderness. But that view contradicts the more reasonable, pragmatic language of the Wilderness Act itself, which defines wilderness as an area where "the imprint of man's work [is] substantially unnoticeable."

The Forest Service's purist stance is more responsive to the timber industry's economic objective than to a disinterested concern for the land. The timber industry vehemently opposes extension of the wilderness system because logging is forbidden in areas officially designated as wilderness.

Senators Talmadge, Georgia Democrat, and Aiken, Vermont Republican, chairman and ranking minority member respectively of the Senate Agriculture Committee, are sponsoring a bill to establish so-called "wild lands" in the East. Their bill rests on the Forest Service premise that no or few areas of genuine wilderness quality exist east of the Rockies. Some conservationists endorse this bill as a compromise but the risks of undercutting the Wilderness Act far outweigh any probable gain.

The Jackson-Buckley bill meets the need for new legislation by giving protection to areas which the Forest Service refuses to classify as wilderness. There is no need for a new subcategory of wilderness, be it called "wild lands" or whatever. What is needed is a new, more positive attitude on the part of the Forest Service toward conserving the eastern wilderness, and positive legislative protection, as in the Jackson-Buckley bill, for the few suitable areas that remain.

PHASE II: A FAILURE

Mr. PROXMIRE. Mr. President, there have been repeated statements by the administration reflected in turn by unthinking, uniformed, uncritical newsmen that phase II price controls was a success, that it worked well, slowed down inflation, did the job.

Mr. President, this erroneous view has become so widely held, that I think it must be answered.

The fact is that controls did not work. Surely they were popular, because everyone is against inflation. It seemed that the Government was acting to stop inflation by imposing controls on prices and wages. Since the administration made the decision to put controls into effect, since Congress overwhelmingly approved the decision, and since the country wanted the controls, it is now a simple political ploy to announce blithely that controls worked. It is human for everyone to want to believe they were right, so the assertion is accepted.

But did the controls work?

What are the facts?

At the time controls were imposed, inflation had alrealy slowed considerably. All the economic factors were promoting a further slowdown in prices. Unemployment was high, and it has remained high. So the pressure on wage increases was lessening, as it always does when the labor markets are slack. Vacant plant capacity was high and while it has improved a little, it remains high. And vacant plant capacity of course retards price increases as businessmen are tempted to hold down prices or cut prices in order to increase sales so they can use their additional volume and increase profits—even with stable or lower prices.

So the economic situation was ripe for a further reduction in inflation.

Then controls were imposed.

What was the result? The first 6 or 8 months of controls were not a good test. Here is why: In the first 3 months prices and wages were frozen. That worked, and worked well. When the freeze went off and prices were allowed to rise to reflect cost increases, there was a temporary bulge, while the economic readjusted to the end of the freeze and the beginning of price increases.

But that bulge certainly ended by June of this past year. The last 6 months of phase II is a fair period for judging the effect of phase II in holding down prices. Controls had been in place long enough to work. The freeze and the bulge were over.

Now let us compare the last 6 months of phase II with the period prior to the freeze, the period before President Nixon announced his new economic program. For comparison purposes the Bureau of Labor Statistics selects the period between December of 1970 and August of 1971. On August 15, 1971, President Nixon announced that he was involving at that time wage and price controls.

If we compare the latest 6 months of phase II with the period just before any controls were instituted, do we see an improvement in the cost of living? Do we see a big reduction in inflation stemming from controls, a small reduction, or no reduction at all?

Mr. President, the economic statistics are out today. What do they show? They show that prices actually increased more—I stress more—after controls were firmly in place—that is, in the latest 6 months—than they did before we had any controls. The statistics are the Consumer Price Index, 1971, prior to phase I, December 1970–August 1971. All items up 3.8 percent annual rate, latest 6 months, June 1972–December 1972, up 3.9 percent.

Now think about that for a minute. This Government decided to control the prices in our previously free economy, the result: Prices actually rose more rapidly under controls than with no controls and they did this in spite of the fact that unemployment was still high and plant capacity vacant.

I submit, Mr. President, that this Government should learn a lesson from this experience, it is this:

Wage and price freeze may work for a short period of time, perhaps for 3 or 6 months, but wage and price controls at least as conceived and executed by this administration did not work in this experiment we have just completed. It is imperative that our Government and our people learn this lesson. The temptation to pose wage and price controls is likely to continue to persist, and there may be controls of a kind and a duration that we might find are useful. But the experience we have just had should make us very wary indeed of the glib, politically attractive claim that controls did the job against inflation in 1972. They did not. They failed.

FINANCIAL STATEMENT BY SENATOR MONDALE

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement of my estimated net worth as of December 31, 1972, be printed in the RECORD.

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

Financial statement of Senator Walter F. Mondale, Dec. 31, 1972

ASSETS

Residence in Washington	$63,000
Automobiles:	
Chevrolet	1,489
Oldsmobile	1,565
Total automobiles	3,054
Cash in deposits	584
Household and personal goods	5,000
Cash value of life insurance	4,450
Personal contributions to Federal employees retirement system	22,227
Total assets	98,315

LIABILITIES

Mortgage on residence in Washington	36,557
Miscellaneous personal bills	1,000
Total liabilities	37,557
Estimated net worth	60,758

THE 75TH ANNIVERSARY OF TULSA, OKLA.

Mr. BELLMON. Mr. President, On January 18, 1898, U.S. District Judge William M. Springer signed papers which incorported a new town in Indian Territory. That city, Tulsa, Okla., is celebrating its 75th anniversary.

As the mayor of Tulsa, Okla., Robert J. LaFortune, puts it:

No resident of Tulsa or expert on the growth of cities could have envisioned in 1898 that Tulsa would be the dynamic and enterprising city that exists today. Tulsa's growth is a result of the determination of our early day pioneers to build a new, viable, and progressive city in the fresh and invigorating environment of the Southwest.

While advantages of building a new city on the plains included abundant natural resources, ultimate success or failure of this growing city would be based on the courage, determination, and dedication of its citizens.

Tulsa has seen great change in its first 75 years and it will continue to change if it maintains its greatness. Its history, carved by hard working, adventurous pioneers will be carried on in the years ahead by, not only native sons and daughters, but others moving here from areas across the nation who want to be a part of the great promise which Tulsa holds for future generations.

Tulsa deserves to be congratulated on the achievements made during the last 75 years. Because of an abundant supply of natural gas, Tulsa has been able to grow industrially but has avoided the costly degradation of the environment which is closely associated with indus-

try. In addition, the desire of its citizens to have a community which would provide not just basic services but educational, recreational, and cultural advantages uncommon in cities of its size, have played a great part in making Tulsa what it is today.

Mr. President, I ask unanimous consent that the article from the Tulsa Tribune, of Wednesday, January 17, 1973, be printed in the RECORD.

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

EARLY TULSA ALSO DYNAMIC TOWN

(By Sam Fox)

An exciting transformation was taking place in America in the late 1890s.

Confidence was replacing the despair which marked the years following the Civil War.

President McKinley had been elected and was beginning to talk about "black smoke pouring from factory chimneys" and was promising "the full dinner pail."

This confidence was evident in "Tulsey Town," a settlement in Indian Territory which H. C. Hall had founded a new years earlier.

About 1,000 persons lived in the town on Tuesday, Jan. 18, 1898, the day three prominent citizens returned from Muskogee with news that U.S. Dist. Judge William M. Springer had signed incorporation papers, which had been petitioned a month earlier.

One of the men on the train was a young lawyer named L. M. Poe, who would later become Tulsa's first district judge.

Accounts differ as to the identities of the other men. Several report that they were J. M. Hall, brother of the town's founder, and Col. Edward Calkins, Tulsa's first mayor. Another identifies, them as Jay Forsythe, organizer of the first bank, and Dr. Samuel G. Kennedy.

Except for Forsythe, those men were among the signers of the incorporation petition. Others were P. L. Price, W. T. Brady, the Rev. George W. Mowbray, R. E. Lynch and Capt. John D. Seaman.

The first charter called for a mayor-at-large and two aldermen from each of four wards.

Reports state that in 1890, there were four stores, a small hotel, a livery stable and a blacksmith-saddle shop.

By the beginning of 1898, business was beginning to boom.

The town had a bank, the Tulsa Banking Company, forerunner of First National Bank. It was located next to the Lynch Building, named for merchant R. E. Lynch, on the east side of Main between First and Second streets.

The bank was doing well, as reflected in a statement of March 4, 1898, showing deposits of $43,744.42; demand (deposit) certificates of $3,140.43; and capital stock of $10,000. A profit of $888.16 was reported.

Several structures had been erected, including the first brick building put up by Dr. Kennedy and his brother six years earlier.

The town had a number of churches, not all with buildings. They were First Presbyterian; First Methodist; First Methodist Episcopal Church, South; First Baptist and the Catholic Church.

There was a milk and ice plant, a barber shop and restaurants.

Tom Shackle, who came to town a few years earlier, had just built his own drug store at 10th and Main Streets.

There were 38 "traders" in business in 1898.

On Dec. 5, 1897, about 1½ months before the incorporation news came, several of the businesses burned.

The bank, the Scott (general merchandise) Store, Lewis & Brobeck Hardware, Silver Moon Restaurant, several upstairs offices and other businesses were burned.

Undaunted, the bank's owners moved across the street and were open for business the next day.

A sign, hung on the unburned vault read: "We are a little disfigured but still in the ring and open for business in J. M. Hall and Co. Store. Come and see us."

Most of the others were also determined to start again.

Tate Brady was one of the more enterprising businessmen. Stories of his big sales are legend. People came from miles around when a Brady sale was held.

One report has it that he provided entertainment for his customers. After he built his new building, he would send someone to the second floor of the building to throw small change to the street and watch the people scramble, it is said.

Some of the leading business people were S. Dickson, furniture; L. M. Darrow, music store; P. L. Price and J. M. Gillette, grocers; Ernest Roop, drug store, W. A. Dickason, lumber.

Relative newcomers to the community as 1898 began were J. E. Mills, fur and poultry; Sanford Kelly, clothing; J. H. and Marion Kelly, brickmaking and construction; L. D. Lewis and George R. Brobeck, hardware; and John Moran Sr., freighting.

There were a number of doctors in town, including Dr. S. S. Kimmons.

There were J. M. Hall's general store, J. S. Kallam's City Livery Barn, Price's Harness Store and the R. N. Bynum store.

John H. McAllister was serving his final year as postmaster. He was kept busy by persons coming to town to see if they had any mail since there was no delivery service.

Albert A. Poague was the Frisco agent.

Tulsa was, like many towns of the West, a place where one could either fear or hope for the future.

Lawyer Poe chose hope. He established his law practice in the young town with a partner, Harry Campbell. Fees were from about $5 to $10 per case.

While most of the citizens were upstanding people, the town had its share of outlaws.

Just about five years earlier, two of the Dalton brothers and other members of the Dalton gang were killed in a daring daylight attempt at robbing two banks in Coffeyville, Kan. The Daltons had been frequent visitors to Tulsa.

Other frequent visitors or residents were the Bucks, the Bill Cook gang, Cherokee Bill, Henry Starr and Bill Doolin.

Incorporation of Tulsa was seen by the editor of the weekly newspaper, The Indian Republican, as the dawn of "better and brighter day."

The Republican stated that it was "not safe at night to light up a store or residence without having the light shot out," that "stores are blown up" and "fronts (of stores) are broken out."

The blown-up store incident referred to the time when someone fired a shot into a powder keg at Jeff Archer's store, mortally wounding Archer.

The paper continued that Tom Stufflebeam, "... our kangaroo city marshal (chosen by the vigilance committee) . . . gets drunk and falls and would have drowned if it had not been for Burl Cox."

The Republican editor lamented conditions which, he claimed, had caused " a high-class jurist like Elijah Tollett" to leave Tulsa "because of fear of his life at the hands of a band of outlaws. . . ."

But there was a different view expressed of conditions in the town.

Lawyer Campbell, who is credited with drawing up the incorporation petition, stated, "There never was a more law-abiding country in the nineties than Tulsa and its territory."

Tulsa was the center of cattle country, he said, and it was not unusual for 75,000 to 100,000 cattle to be brought into the district in the spring and shipped out again when fattened.

Tulsa was a junction for the Frisco and Katy Railroads, a significant factor in the growth of the town.

The town came close to being located several miles east of its ultimate site.

Founder Hall convinced the Frisco construction engineers that the road should end in the Creek nation instead of the Cherokee nation, because there would be better business opportunities due to more liberal laws.

A government survey team platted the townsite along the railroad in the early 1900s. Different versions set the original plat size at 654.58 and 1,440 acres, respectively.

The land was being settled by "honest, God-fearing people who had come West to build homes for their families," not yet fully aware that pools of oil lay untapped below the ground.

On that Tuesday, Jan. 18, 1898, on which Tulsa was incorporated, the people were begining to run short on feed and supplies. They would have to wait out the rest of the winter, which in those days seemed to keep snow on the gorund until well into March.

There would be other winters. The next one, in fact, would be accompanied by a smallpox epidemic, which would severely curtail activity.

But this was Jan. 18, 1898.

Soon it would be spring, and there would be new life in the land.

THE SHOCK OF A FACTORY SHUTDOWN

Mr. CHURCH. Mr. President, factories throughout the United States are now closing at the alarming rate of seven per week.

Large scale unemployment is usually only one of several disastrous results for the affected communities and their citizens.

In far too many cases a chain reaction is set in motion, with harmful consequences for the economic well-being of a locality.

And the impact upon workers and their families is oftentimes devastating: Economically, socially, and psychologically.

All age groups have been affected by plant shutdowns in one form or another. But, middle-aged and older workers—persons in their forties, fifties, and above—have been especially hard hit.

All too often, mature workers discover that they are the first to be fired, but the last to be hired.

However, the many harmful consequences of a shutdown can be reduced substantially.

One such example is the Middle-Aged and Older Workers Training Act, which would authorize strike forces to assist communities with widespread unemployment, because of a plant closedown or other permanent reduction in the work force. For jobless middle-aged and older workers, these strike forces would provide placement, recruitment, and other services to help them back onto the Nation's payrolls.

Equally important, this legislation is directed at several other unemployment problems confronting persons 45 or older. Another major thrust of this measure is to provide needed training to help un-

employed or underemployed mature workers to compete in our technologically advanced society. This is especially crucial, it seems to me, because the typical worker can expect to change jobs six or seven times during his working lifetime.

Despite some improvements in the overall employment situation during the past few months, the picture is not nearly as encouraging for the middle-aged and older workers. One clear-cut example is that more than 500,000 have withdrawn from the work force in 1972 alone. Their unemployment level is now approaching 900,000—almost 50 percent greater than 4 years ago.

For many of these individuals, plant shutdowns have played havoc with their lives.

Mr. President, a recent article by Sylvia Porter describes the immediate and future shock which is caused by a factory closedown.

Moreover, it also provides compelling reasons for favorable action for the Middle-Aged and Older Workers Training Act.

Mr. President, I commend the article entitled "The Shock of a Factory Shutdown" to the Senate and ask unanimous consent that it be printed in the RECORD.

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

YOUR MONEY'S WORTH: THE SHOCK OF A FACTORY SHUTDOWN

(By Sylvia Porter)

What happens when a factory is forced to close—and to lock out men who have spent their lives working in the plant?

A 5.5 percent unemployment rate hides far more than it tells.

Behind it are 4,500,000 Americans still out of work, for the total of unemployed has declined only 100,000 after a year of solid expansion. The rate doesn't count those who are so discouraged they no longer are looking for jobs, who are working part-time because they can't find full-time jobs, who are in jobs far below their skills and capabilities. It certainly doesn't disclose the much steeper jobless rates among blacks, the young, women, unskilled.

In the United States, factories close at the rate of seven each week, estimates the University of Michigan's Institute for Social Research. This percentage could climb sharply in defense-oriented areas unless there is much more sensitive planning for the transition to peacetime production.

ALARMING SITUATION

So what happens?

"An alarming rise in anxiety and illness," writes Alfred Slote in "Transition: The Closing at Baker Plant" (Bobbs-Merrill, $7.50)—with at least half the workers studied suffering from ulcers, arthritis, hypertension requiring hospitalization, alcoholism, depression requiring medical help, even hair loss.

"Job loss, in certain personalities, can have devastating, even fatal, effects if the proper help is not provided."

Slote's book was the result of a research project directed by Sidney Cobb, M.D., of the Institute's program on Social Development and Mental Health. The book looks at an actual closing of a Detroit paint plant through the eyes of the men who worked there.

"Big Dave" Masiak was once described as one of the strongest men at Baker, but the plant closing left him practically disabled—with high blood pressure, bad headaches, arthritis, diabetes and obesity—and getting worse each day.

FUNCTIONED THERE

At Baker, there was a place for him; he functioned there. Now his health has become Masiak's job, way of life, his functioning. When he is not talking about his health, he is usually asleep. He is what Slote describes as an "invisible cripple."

If a man is totally disabled, he can receive Social Security. Masiak, in Cobb's opinion, is totally disabled, but his disablement doesn't show. He is an invisible cripple.

The plant manager who saw the Baker plant through its two years of closing today lives in "hiding" in a remote part of Arkansas—sick and haunted. Of Baker's seven salesmen, three died during the closing. Baker's last production manager has not permitted a visitor in his house in two years. A salaried employe who had worked for Baker for 33½ years was not permitted to work a crucial three months longer, even without pay—he lost his pension.

"The test of a civilized society is how well it takes care of its losers," say Slote and Cobb.

Ways must be found to minimize the suffering caused when workers lose their jobs through no fault of their own. This is clearly not among the Nixon administration's current priorities.

Portable pension plans must become the rule, not the exception, so workers can take their pension protection with them when they must move elsewhere. The overhaul of the private pension system which was promised in 1972 must become reality.

Health insurance coverage should be automatic in unemployment compensation. The unemployed often have extraordinarily high medical bills.

Plants which are about to close, argues Cobb, "should be required to establish a transition period during which employes are helped to find suitable new employment."

UNITED STATES DISINTERESTED

A lot of men at Baker, Slote says, were bitter about the federal government's lack of interest in them. They could understand the company not giving a damn, and many felt the union didn't care either. But the government somehow should have cared.

"As Henry Burns (one of Baker's workers) put it in anger: 'They got law protecting rapists and murderers, but what are they doing about poor slobs like me!' "

FUEL OIL SHORTAGE NOW—GASOLINE SHORTAGE LATER?

Mr. McINTYRE. Mr. President, the National Oil Jobbers Council representing the thousands of small business marketers supplying consumers throughout the country with gasoline and home heating oil among other products held a press conference today in the House Caucus Room urging substantial changes in our present Federal oil policy.

During this morning's meeting, Mr. John G. Buckley, chairman of the Fuel Oil Committee of the council, made a statement clearly outlining the causes of recent fuel oil shortages throughout many sections of the country and urging drastic revision of our present oil import quota system.

In Mr. Buckley's statement, he warned that unless changes are made immediately that the United States will be facing continual shortages of not only home heating oil, but other essential products including gasoline.

Mr. President, it is urgent that immediate action be taken concentrating on long-range solutions to these problems. Petroleum refining capacity in this country has reached its maximum capability along with crude oil production. At least for the short term, for a 4-year minimum, consumers of oil products in this country have no alternative, but to rely on increased imports of oil products to meet their needs.

I urge each Member of Congress to read Mr. Buckley's definitive statement on our present oil crisis and ask unanimous consent that it be printed in the RECORD.

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

THE CAUSES, DIMENSIONS, AND IMPLICATIONS OF THE CURRENT FUEL OIL SHORTAGE—A MARKETER'S APPRAISAL

(Remarks of John G. Buckley, Chairman, Fuel Oil Committee, National Oil Jobbers Council)

Thank you for allowing the National Oil Jobbers Council to visit with you today here in Washington.

Gentlemen we are here, quite frankly, because our industry, the oil industry, is in a state of disarray, unparalleled in our history as a modern industrial nation. We shall be outlining some of the specifics during this meeting and to those who have always taken a dependable supply of oil energy for granted, these specifics will be frightening. In essence, there are today shortages of kerosene, jet fuel, diesel oil, No. 2 fuel oil used for heating homes, and low sulphur heavy fuel oil.

Yes, to some, the almost daily recitation in the nation's newspapers over the last ten days of school and factory shutdowns, of the closing of public buildings, the cutback in public transportation and run-outs of fuel oil used for heating homes may have come as a shock. To those of us in the independent marketing business, and to many of your colleagues here in Congress, these developments are no surprise at all for the signs have been very clear—just as have the repeated warnings been unheeded.

The public and representatives of the public here in Congress certainly have a right to ask what has happened? I would like to try to answer that question in my remarks this morning. I shall start by outlining briefly the history leading up to today's problems. I shall then comment on some of the steps that have been taken to attempt to forestall this supply crisis and will go on to outline for you what we see coming up over the next several months, the balance of this year and the years beyond. We shall end this meeting with specific short term, and long range solutions for your consideration.

Turning then to the history of this industry it is easy to see three separate phases.

The first phase characterized by surplus producing capability and large scale exports of petroleum from the United States ran through all of the early years of the industry and up the middle years of the 1950's. At that time we were starting to import some of the very low-cost Middle East crude oils that had been discovered in the early years after World War II. In 1955 the Reciprocal Trade Act was amended by authorizing the President to impose quotas—quantitative restrictions—on the importation of any product which in his judgment threatened to impair the national security. Under this extremely important Congressional Act President Eisenhower instituted a voluntary quota program on oil imports in 1957. Finally, in 1959, quotas on the importation on oil became mandatory. Oil remains the only product upon which such quotas have been set

under the National Security Clause of Reciprocal Trade Act.

The second major historical phase can be clearly identified then as starting in the year 1959. It lasted through year 1971. The second phase can be characterized as a very tight system under which our domestic oil prices have been allowed to be pegged at prices substantially higher than the prices paid for oil energy in every other industrialized nation in the world. State prorationing, under which producing state regulatory bodies set oil production rates to meet demand, insured that there would be no surplus production which could undermine domestic crude oil prices. This program worked in tandem with the oil import program which, in turn, insured that lower-priced foreign crude oil would not be allowed to enter the country in sufficient volume to upset the domestic pricing structure forming the heart of the system. The period featured surplus producing capacity so that whenever supply became tight the state regulatory agencies could simply permit a larger volume to be produced to meet growth in demand.

Now we stand at the threshhold of the third major phase. This new phase is to be characterized by growing imports to meet growing demands. To be sure that mandatory oil imports mechanism is still in place, as is state pro-rationing. But we have topped out on domestic crude oil production and the producing states are now allowing production at 100% capacity. Thus state prorationing as a production deterrent has, in effect, ceased to exist. Similarly, the oil import quota system still functions but has been modified to allow huge quantities of new crude oil imports. This has been done because we have been simply unable to meet U.S. demand from domestic crude oil sources. If you will note, the President's action last week allows an increase in crude oil imports this year of just under 1-million barrels daily of additional crude oil. This comes on top of almost equally large additional imports of crude allowed in 1972.

So today we do stand at the beginning of the third phase in the history of the U.S. oil industry. We should view today's supply situation, then, against the perspective of this historical background. But it must be viewed also in the light of one other major change in our energy picture. I refer to the enormous shifts that have been brought about in our total energy structure as a result of the high priority placed by the nation on environmental improvement. The quest for cleaner air; for example, has had a dramatic impact on both the supply and demand of all of the competing energy fuels—natural gas, oil, coal, and electric energy generated by these fuels and by nuclear fuel.

From the standpoint of air emission purity, natural gas has a built-in environmental plus. Moreover prices for this fuel have been held at very low rate by Federal Regulations for many, many years. As a result demand for natural gas has grown sharply for the past 20 years, (i.e., it's been growing at a rate of 6% per year and currently supplies about 35% of the nation's total energy needs). At the present time, demand for natural gas is over 23-trillion cubic feet annually, but reserves have fallen to only 11 years as compared to 20 years in 1960. More alarming still is the fact that new reserves added each year are now covering only about 2/3rds of our annual use.

In sum, natural gas supplies are short and will be even shorter at least for the next several years. This is what lies behind the sudden cutoffs in interruptable gas supplies to industry. And this is what lies behind the sudden surge of demand for alternative light fuel oils by industry—a surge that could not be met within existing refinery capacity of the oil industry this year.

To be sure we are now importing some liquified natural gas (LNG) from Algeria. We have also started to build some synthetic natural gas capacity which converts oil to pipe-line quality natural gas. I am sure that the President's energy message will include some strong words about allowing natural gas well head prices to rise so that exploration for additional natural gas reserves will be stimulated. I am sure, too, that there will be continuing pressure to import natural gas via pipeline from Alaska and the Canadian Arctic. Looking at all of these alternatives realistically over the next decade only serves to underline the fact that added all together they will be but a trickle of the total volume needed if natural gas were only to retain its current share—not an expanding share—but it's current share of the energy market. This won't be achieved. Oil will have to take up the slack.

Let us now take a look at the environmental impact on coal. Coal is the one fossil fuel we have in great abundance in this country. Yet coal still faces insurmountable short-term problems with sulphur content. One of the largest gains in demand for heavy fuel oil has been the replacement of coal by oil in the industrial Northeast. In my home area of New England very few coal users are still left. And most of these are now being phased out. Given the lead times needed to develop stack technology so that the burning of coal will meet the tough new primary and secondary standards set by the 1970 Clean Air Act, we cannot expect coal to bear much, if any, of the growth in energy demand over the next decade. Again oil is, and will have to continue, to take up the slack.

Atomic energy is yet another situation—with its own special set of environmental problems. The Calvert Cliffs decision has put that whole industry into kind of a semi-permanent holding pattern." The lead time between a decision to build atomic capacity and getting it on stream has now risen to something like 7 to 8 years. We do expect atomic energy to play a role of greater importance in the 1980's. But for the next decade—atomic energy will play a much smaller role in the energy field than had been expected a year or more ago. Here again oil is going to have to take up the slack.

Similarly, the exotic fuels may play an important role after 1985, but no major contribution to our energy supply situation is expected before then from solar, tidal, geothermal, fuel cells and the like.

It seems clear, upon reviewing these facts, that these environmental considerations have thrust oil into a position where it must carry the burden of almost the entire growth of national energy demand, over the next 10 to 12 years. Never before in our history has one fuel been expected to do so much.

But if all these trends have been so clear why hasn't oil been able to take up slack? Why are we now in a state of shortage for so many vital oil products? One of the prime answers to that question is that the mandatory oil import control program has stood in the way. Make no mistake, we are not really in an oil energy crisis. Rather, we are facing an import crisis. We simply don't have the domestic productive capacity or the refining capacity to cover our growing oil demands. That's what's behind the shortages today.

To be sure last week the President ordered the complete suspension of import quotas on home heating oil and a substantial increase in the allowable import of crude-oil. But last week was too little and too late. As a result spot shortages will continue and have spread from home heating oil to diesel fuel, kerosene, jet fuel and now, partly as a result of last week's action, also to low sulphur heavy fuel oil. Last minute crisis action by the Executive branch prevented proper planning, prevented attractive annual contracts, and prevent the lining up of required tankers to carry expected increases in imports. Instead there is a sudden decision which greatly distorts all of these planning factors and leads to exorbitant prices for imported oil and for the freight to carry that oil. That, at best, is what we are facing at the moment.

But what of the rest of the year and the years beyond. Certainly crude oil imports must rise by 1-million barrels per day each year, or more, simply to replace declining domestic production. But that is not enough. All that does is feed the refining capacity now in place. And that refining capacity, as we all know now, is already insufficient to meet our oil product requirements. Thus we must import more refined products this year and every year for the foreseeable future.

It takes no special genius to stand here and tell you that just as soon as the heating season is over and we have solved the heating fuel crisis by virtue of the fact that the weather has turned warmer, we will be plunged immediately into a gasoline shortage. The gasoline shortages, in fact, started last Summer when refiners were unable to meet supply commitments to independent marketers because there wasn't enough supply to meet growing demand. A number of independent companies were granted emergency allocations to tide them over. I understand that even now in mid-January there are some 65 new applications pending for emergency allocations of gasoline this year. One thing I can safely predict is that there will be many more applications.

We simply do not have enough refining capacity to meet gasoline demand. In fact one of the reasons for the heating oil shortage has been the fact that refiners continued to maximize gasoline runs in order to meet demand for that product long after the time when they normally would have been building up inventories of home heating oil.

This year's gasoline demand will be higher than last year's. Each new model year of automobile comes along with the improved emission controls now required. But overall, the engine is less efficient than the old engine that it replaces. The Office of Emergency Preparedness has estimated that one model year such as 1972 requires an additional 300,000 barrels of oil per day simply to get the same number of miles driven as the car replaced. The air emissions are safer but the efficiency of the engine, the miles it gets per gallon, are lower and more total gasoline is consumed.

If our domestic refining capacity was unable to meet last year's gasoline demand, there is no question that this year the shortfall will be even greater. And this means a recurrence next fall of the heating fuel crisis. Our heating fuel demands are growing rapidly—in the 4th quarter of 1972 heating oil use was up 13% from the same quarter a year ago. We estimate for the first quarter of this year it will be up between 6 and 7% assuming a normal winter. We really must all pray for a normal or warmer-than-normal winter at this point, because a 5% below normal first quarter will result in another 150,000 barrels per day of home heating fuel demand. And, unfortunately, there is no way that independent markets can meet their share of such extra demand because of the stringent import controls due to be reimposed on May 1, 1973.

Let me go into that subject just a bit more. It became clear to the independent marketers during the early part of 1972 that they would be unable to meet their home heating oil and diesel fuel need for this winter unless a silly rule called "the Western Hemisphere Restriction" were lifted. That restriction limits the foreign sources from which independent terminal operators may buy foreign-produced home heating oil to refineries in the Western Hemisphere which use Western Hemisphere crude oil.

That curious restriction was placed upon the home heating oil import program established for independent terminal operators by a Government anxious to do a favor for Venezuela. But how costly it has been. Within months of the time it was adopted, the price for home heating oil in the Caribbean rose 50%. All of the consumer benefits that might have flowed from allowing imports of No. 2 fuel oil flowed instead to the refiners—the major company oil refiners in the Caribbean area. Quite logically the Venezuela Government then moved to make sure that it got its fair share of tax revenues from the new, higher prices. Thus Venezuela has raised its tax reference values, from which its taxes are calculated, three times in the past 2½ years. Yet right through 1972 the Administration insisted that despite the higher prices, the independent marketers had to import from these Western Hemisphere sources.

There is, of course, no such restriction on all other oil imports including all of the crude imports brought on by the major oil companies. Only the imports of home heating oil by independents is subjected to such a ruling and the total volume of the independent imports is under 1% of our total imports.

Now all imports, as I indicated earlier, are authorized by the National Security Clause of the 1955 Reciprocal Trade Act. Can anyone in this room tell me how imports of home heating oil from a Canadian refiner using Eastern Hemisphere crude impairs the national security whereas imports from a refiner using Venezuela crude does not impair the national security, especially when the total volume involved is less than 1% of our imports and other imports are allowed to come from any source? I would certainly like to know that answer. This Western Hemisphere limitation is clearly not the kind of thing Congress has in mind, I am sure, when it gave the President authority to control imports of oil. It is not a legitimate exercise of a delegated power.

Now then for the first four months of this year the Administration finally recognized, in December of 1972, that the Western Hemisphere rule was seriously curtailing independent ability to acquire foreign home heating oil. And so the rule was suspended for the first four months of 1973. In fact, the suspension of the rule, even at that late date, did prove helpful. But increasingly in recent weeks European refiners have flatly told us that they will not enter into any more spot sales of distillate oil. They want annual contracts. The same annual contracts that domestic refiners insist upon. So we stand in a position now of being able to get additional distillate oil supply so badly needed in the upcoming months if we can sign annual contracts. But the current regulations and reimposition of the Western Hemisphere restriction on May 1, 1973 prevents us from entering into such contracts. For all of the hoopla last week about the total suspension of distillate oil import quotas, our company has not been able to buy any additional distillate oil in foreign markets.

I suggest to you that if the independents are going to be able to carry their share of the burden of making up the heating oil deficit over the next three and one half months immediate action must be taken to suspend the Western Hemisphere limitation permanently. At the very minimum it must be suspended until May 1, 1974 so that we can enter some annual contracts.

To sum up the balance of this year, then, let us say we expect continuing difficulties with supply the balance of this winter—a substantial gasoline shortage in the spring and summer and an even more critical shortage of heating fuels next winter. For the years beyond 1973 the problems of course will get worse under the existing system. Emergency measures, emergency allocations, last minute stop-gap measures, increasingly will fall short thereby creating chaotic market conditions and shortages. There is no way the United States can escape from the plain fact that each year for at least the next four years and possibly beyond, we shall have to cover all of our increasing product requirements by product imports. There is not one major refinery project under construction in the United States today. That means there can be no relief expected from the domestic refining industry to the problems that will plague us at least until 1976.

Turning now to another aspect of this subject I would like to note that there are a lot of myths that have been swallowed by the government. You will hear them as you examine this issue in more detail. I would like to just explore with you some of the most oft repeated of these myths this morning so that you will be able to recognize them when you hear them in the future.

One such myth is a line of reasoning that says we must keep a tight lid on imports of refined products because if we don't, we will be "exporting our refining capacity". I have heard this stated over and over again by officials of the Interior Department in the past year. Yet, I remember all too clearly back in 1968 when the State of Maine sought a foreign trade zone in order to build a 300,000 barrel per day refinery specializing in the production of low sulfur fuel and home heating oil that the oil industry and the Interior Department opposed it bitterly. The State of Maine stated that building the plant in their state at Machiasport would prevent "exporting refining capacity". But the Interior Department and the oil industry, fearful of a break in the oil import quota system, opposed and eventually killed that proposal. It seems ironic to me now to hear the very men who opposed that project spouting off about "exporting our refining capacity".

Gentlemen, the tight lid imposed on imports by the oil import control program has not contributed to the expansion of domestic refining. The facts are otherwise. Since 1959 there has not been one new refinery built on the entire East Coast of the United States. Nor is any plant, as I indicated earlier, under construction anywhere in the United States at this moment. If the oil import control program was supposed to encourage domestic refining capacity on the East Coast these facts indicate it has been a complete failure and should be scrapped.

To be sure in the last year or two, as import controls opened upon crude oil, there have been a few refinery proposals on East Coast sites. These plans were made in spite of rather than because of the oil import program. Unfortunately, in every case, environmental opposition killed these projects. That's a problem we must face squarely. As long as environmentalists prevent construction of any new refinery capacity, our nation's fuel problems are going to deepen.

Speaking of the environment, I must say I have been disappointed that more ecologically-oriented people have not taken up the banner of energy conservation. For our part, we strongly support every measure which will reduce unnecessary fuel use. It just makes good sense to insulate properly to cut fuel use. Similarly it makes no sense at all to use 2 or 3 barrels of oil to generate electricity to heat a home for 9 days in midwinter then 1 barriel of home heating oil can do the same job.

Getting back to refineries, I would like to note that actually, apart from the environmental pressures, one of the key reasons that new refineries are not being built is that every company, before committing the hundreds of millions of dollars needed to build modern refineries, would like to know what the import rules are going to be. I submit to you that if imports are to be freely allowed, there will be no hestitation by the oil industry in building new capacity in this country. Companies could then be certain that they would be able to bring in the lowest cost crude oil available in the world to run in their plants and the plants would be built. Lack of this knowledge, or indeed, lack of any knowledge of what the Government plans with respect to imports, has been the single largest impediment to refinery construction, certainly on the East Coast where there is access to ocean transport, if not in the entire nation.

Another myth that you will hear, and I would like you to plant a little flag in your mind so that when you hear the words you will recognize them quickly, is that we must not allow increased imports of crude oil and refined products because it will be disastrous to our balance of payments. You will hear oil industry officials stating this balance of payment argument with a great deal of conviction. You will hear also responsible Government officials repeating it. In fact, just four months ago a high administration official appeared before Senator McIntyre's small business sub-committee and stated ". . . dependence upon foreign sources for oil to meet our energy need raises serious questions as to the effect on our dollar in addition to the reliability of supply for the energy needs of all American consumers . . . if the necessity to import increased quantities of petroleum products continues then we will have further jeopardized both the security of the American consumer in his energy supply and the position of the American dollar in the world market."

I wonder just how secure the American consumer feels today in his domestic energy supply. Quite apart from that, what about the position of the American dollar. This high official that appeared before Senator McIntyre's Committee mentioned a balance of payments outflow of $20 to $25-billion a year as a result of increased oil imports. I have seen other estimates by industry sources pegging the amount at $25 to $30-billion per year.

If one delves behind these estimates, one sees that the balance of payments analysis is simplistic at best. It merely assumes a price for crude oil and a price for freight and multiplies the landed cost of the oil times the number of barrels to be imported. That kind of figuring, as a balance of payments analysis, would fail any student in an elementary economics course. The publishing of such statistics are designed to promote fear over product or crude oil imports. It does nothing for the creditability of the oil industry.

Actually an in depth analysis of the balance of payments impact must include any analysis of who produces the crude oil. If the foreign oil is produced and sold by an American oil company, quite obviously the profit element in such sales does not involve a balance of payment drain. Moreover a good part of the cost of producing such American-produced foreign oil does not represent a foreign exchange drain since it is usually American technology and American equipment which is used in the production of such crude.

On the tanker transportation, or freight cost side of the equation, one must also look at who owns the ship. It may well be a tanker registered in Liberia, but if it is owned by an American company there is very little foreign exchange drain associated with the operation. Finally one must look at the propensity of the foreign producing country to spend dollar earnings from tax and royalty income in the United States for other goods and services purchased here. If an oil-producing country spends large sums purchasing U.S. goods in the U.S. market, the net balance of payment drain from oil sales to the U.S. is substantially reduced if not entirely eliminated.

Looking at the balance of payments impact from this standpoint is likely to show a balance of payments drain in the mid-

1980's of perhaps $7 to 8-billion annually—not $25 to 30-billion annually. A $7 or 8-billion drain in the mid 1980's out of a total economy of perhaps $1.5-trillion hardly represents a serious threat to the viability of the dollar as an international currency.

The experience of Japan, in this regard, is a case in point. In the United States oil accounts for less than half of the total energy demand. In Japan, by contrast, more than 80% of total energy requirements are met with oil. All Japan's oil requirements are met by imports. Yet despite this enormous drain and dependency on foreign sources of energy (for the most part produced and owned by non-Japanese interests), Japan at present has a balance of payments surplus so large as to be embarrassing. I would suggest to you that one of the reasons for this is the fact that over the last 20 years Japan has had one of the lowest energy costs of any industrialized nation. The reason for its low energy costs can be directly traced to the fact that it allows imports of both crude and heavy fuel products. There is no domestic oil-producing industry to protect. The object lesson for us in Japan's experience should be obvious.

Another statement often heard these days is that the United States is at the end of an era of low cost abundant energy and that henceforth we can expect the cost of energy to rise. This statement, too, should be taken with a large dose of skepticism. While it is true that energy costs will be rising, it is certainly not true that we have just had an era of abundant lost cost energy. At least, it is not true as far as oil is concerned. In fact since 1959 and the imposition of mandatory oil import quotas we have had higher oil costs by a large margin than any other industrial nation in the world. The cost differential has varied but for most of the last thirteen years we have been paying between $1.25 and $1.60 per barrel more for our crude oil than the countries with whom we compete for world markets. This has been a direct result of the quota limitations on imports of foreign crude. It has been an extra cost which has undermined the competitive ability of every industry which has any significant fuel cost in the cost of its production.

It has been a burden, as well, to U.S. consumers—a burden not shared equally but hitting particularly hard at those consumers who just happened to live furthest away from the domestic source of U.S. crude production. The total cost of that consumer burden was estimated by President Nixon's Cabinet Task Force on oil imports in 1970, at about $5 to $7-billion annually.

Ah! yes, you will hear, but we must control foreign imports because we cannot become dependent on "insecure foreign sources." There is a real national security objective to oil import controls it is argued. I don't argue with that, I think that from a national security standpoint a legitimate argument can be made. But oil import controls are not the only way—and are certainly not the cheapest way—to meet legitimate security objections to the free importation of oil. If the government is seriously concerned about security, the Government can use tax money to subsidize the construction of storage facilities that will give us an ample cushion against unexpected foreign actions which result in a diminution of foreign oil flowing into this country. At least such a program would distribute the cost of a national security or national defense objective evenly over the general population. One of the most serious faults of the oil import quota control program is that the cost is borne disproportionately among various regions of the country. This is not fair or equitable and is certainly not the proper way to handle national defense-oriented programs.

Soon we shall all know what the Administration's new national energy policy is to be. I suspect that there will be many objectives to which all of us can agree and towards which all of us will be willing to work. But I am afraid that when it comes to the question of oil imports we are going to be offered more of the same. More of the same bankrupt policy which the Administration, by its action last week in suspending oil import quotas on heating oil, directly recognized as a policy which has failed.

One reason that we were pleased to come here and speak to you today is that we feel independent marketers must have a voice in determining the new national energy policy. We know that the National Petroleum Council has been asked to study various aspects of this problem for the Administration. No one has asked for our views. We would hope that we could express them through you, the Congress. I don't mean to imply that we have all the answers. But I think our answers for the most part make more sense than simply extending the present system and tightening it so that the independent marketer is squeezed out of the market place.

What many of the leaders of the oil industry and many of the key officials in the Administration responsible for energy policy fail to recognize is that in the final analysis the national energy policy rests with you, the Congress. I have seen many learned discussions on subjects affecting the United States foreign policy in which it is argued that there is a real question of whether the Executive Branch or Congressional Branch of the Federal Government has overriding power. There can be no such question about the power of Congress in connection with the oil import program.

Article I, Section VIII, Paragraph 3 of the United States Constitution lays it out quite clearly. It says "Congress shall have the power to regulate commerce with foreign nations and among the several states and with Indian tribes." It does not say Congress and Executive Branch shall have the power to regulate commerce, it says Congress alone shall have that power. In the case of oil imports, of course, Congress back in 1955 delegated its power to the Executive Branch so that quotas could be imposed on any product that threatened to impair the national security.

It is very clear, however, that what Congress delegates, Congress can take back. This year the Act which gave initial authority to the Executive Branch to impose quotas is once again up for Congressional consideration. I could think of a dozen different pithy clauses to add to the clause which grants the authority to the President to impose quotas on products threatening to impair the national security. For example—the clause could go on to read except for the next five years no quota on oil shall be allowed without prior approval of the Congress. I am sure that many of you can think of many other interesting clauses that could end for once and for all the abuses of the current delegation of authority.

I would like to stress at this point that we, the independent marketers of the United States, are not here looking for any special treatment from the Congress. We merely want to be able to compete. Most of us think we are fast-moving and that we have lean organizations which can win increasing business simply by offering better service and lower prices to consumers. We know that when we go into battle with the major oil companies, we are going to lose some battles. But we think we can win our share. All we ask is that the rules of the game be changed so that we truly have equal access to the world market, so that we can buy our oil at competitive prices and use the natural assets, the deepwater terminals, port facilities, storage facilities, and people at our command.

You may wonder if we are worried? The answer to that is yes, we are concerned. We have heard that there are proposals making the rounds for serious consideration in the Executive Branch right now under which the very modest quota that independent marketers have received to import home heating oil would be scrapped. Superimposed in its place would be a provision that allows refiners—the major oil companies—to bring in 7% of their crude oil import in the form of finished products, such as home heating oil, diesel oil and gasoline. Frankly such proposals worry us. We would then be in a position where the major companies would bring in foreign crude at low cost, bring in foreign products at low cost and we would be forced to buy only from them, and then attempt to go out in the market place and compete with them for customers.

From the standpoint of competitive equity, we would be in dire straits indeed. You may wonder if we are just another special interest group here arguing our case. But I think in this industry, the independent marketer provides a measure of protection for the consumer disproportionate to our financial strength and size.

This then is a year of decision for the nation with respect to the path it will follow on energy policy. This is the year that the course will be set. How it's set will be up to you. It will not be a partisan issue. This Administration happens to be Republican, the last two Administrations were Democratic, prior to that there was a Republican Administration. Thus since the imposition of the quota program there have been two Demorcatic Administrations and two Republican Administrations. Both parties can share the blame and the shame of that program. Similarly, there is equal credit to both parties if, here in Congress, present policies can be changed.

Certainly in New England, where the first serious challenge to the oil import quota system began back in 1968, oil imports are a non-partisan matter. Since 1968 all 6 Governors, all 12 Senators, all 25 Congressmen, be they Republican or Democrat have stood side by side fighting for more liberal imports and for a fairer, more equitable deal for New England consumers.

In more recent years the New England delegation has been joined by its colleagues from both sides the aisle from the Middle Atlantic States, New York, New Jersey, Pennsylvania and further down the coast. Now as a direct result of the shortages that have spread from Northeast clear across the country, there is growing anger, growing awareness, growing concern about the oil import program in States that have hitherto viewed the problem as a "regional" problem affecting the Northeast. We would hope that from this new awareness a coalition of consumer states can be formed to bring about much needed change. Your very presence here today is stimulating to us for that reason alone.

I don't want anyone here to think our marketing group is at odds with the industry on most of its basic goals. We, along with the industry, support the concept of more domestic refining, more domestic production, exploration and hopefully production offshore the East Coast and a rapid favorable decision to build the Alaska pipeline. Our only difference with the rest of industry is on the question of what we do as a nation in the meantime. Until this new capacity can be built we need imports. That means that for the next 4 or 5 years at least, the current import rules just don't make sense.

It is my hope that this new consumer-oriented coalition of Republicans and Democrats working together can for once and for all allow us to escape from the Alice in Wonderland days of crises-oriented Presidential Proclamations which characterize the current oil import program.

I don't think there is any other economic issue facing the country and facing the Con-

gress this year that is more important than the question of our future energy policy. Consumers, workers, industry, the United States competitive posture in the World market, our foreign economic policy, and our overall foreign policy generally—all of these are involved in this question. It is perhaps the clearest of all tests facing you with respect to the question of reasserting the power which is rightfully yours so that in the critical energy sector of the economy no one will have to smirk or wink knowingly when he reads the words "The Congress Shall Have The Power To Regulate Commerce With Foreign Nations." In this area of oil imports, there is no question of which Branch of Government has supremacy. Obviously it is our hope that the Congress will reassert the power clearly granted to it by the Constitution. The nation, our people will be better off for it. If such action is taken there will indeed be a silver cloud from these dark days of shortage, layoffs, school close-downs and disruptions of the commercial and personal fabric of our national life.

I have covered a lot of ground in a relatively short period of time. I certainly want to thank you for your patience, interest and understanding.

ASSASSINATION OF AMILCAR CABRAL

Mr. BROOKE. Mr. President, it was with the deepest regret that I learned this morning of the assassination, in Conakry, Guinea, of Amilcar Cabral.

Mr. Cabral was a fervent nationalist and a brilliant man. For many years he has led his people in a tireless fight for freedom. His death is a great loss to his people, to the people of Africa, and to the world.

I ask unanimous consent that the January 22 Washington Post article reporting Amilcar Cabral's death be printed at this point in the RECORD.

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

LED FIGHT TO OUST PORTUGAL: AFRICAN NATIONALIST SLAIN

(By David B. Ottaway)

Amilcar Cabral, the most prominent African nationalist leader in the struggle to oust Portugal from Africa, was assassinated Saturday night at his exile home in Conakry, Guinea.

Guinean President Sekou Toure said in a broadcast yesterday that the leader of the nationalist movement in Portuguese Guinea had been assassinated "in a cowardly and horrible manner" in front of his home "by the poisoned hand of imperialism and Portuguese colonialism."

In Lisbon, the Portuguese government refused to comment on Cabral's death. But Portuguese sources denied that Portugal had had anything to do with killing him and ascribed his death to an internal rivalry within his nationalist movement.

Toure gave no other details on how Cabral had been killed. But he said that the "principal killers" of the assassination had been arrested, it was reported from the nearby Senegalese capital of Dakar, where the broadcast was monitored.

Cabral, 47, was the second major leader of an anti-Portuguese African nationalist movement to be assassinated. In February, 1969, Eduardo Mondlane, leader of Frelimo, the Mozambique nationalist movement, was killed in Dar es Salaam, capital of Tanzania, by a bomb concealed in a book he received in the mail.

Frelimo charged at the time that Mondlane's death was the work of Portugal's Internal Police for the Defense of the State (PIDE), while the Portuguese said he was probably assassinated in a factional dispute.

Cabral was secretary general of the African Party for the Independence of Guinea and the Cape Verde Islands (PAIGC), which has long claimed to control about two-thirds of Portuguese Guinea.

The West African territory, which Portugal regards as one of its "overseas provinces," is sandwiched between Guinea and Senegal and has a population of about 700,000.

The 15 Cape Verde Islands lying off Portuguese Guinea have a population of about 250,000. Little guerrilla activity has been reported there.

The death of Cabral, who had dominated the PAIGC since its founding in 1956, is a major blow to the nationalist movement in Portuguese Guinea and is likely to have wide repercussions on developments there and in Portugal's two other "overseas provinces" in Africa, Angola and Mozambique.

Cabral was widely regarded abroad as the most brilliant and successful leader of the three nationalist movements in the Portuguese African territories.

Under his leadership, the PAIGC has made far more progress in its guerrilla war than the nationalist movements in the other two Portuguese territories. Most impartial observers agree that the PAIGC controls at least half the territory in Portuguese Guinea and that Portugal faces its toughest struggle there. Lisbon has 25,000 to 30,000 soldiers, plus 15,000 African irregulars, fighting against approximately 7,000 PAIGC guerrillas.

Cabral achieved wide prominence last fall when he was permitted to address the United Nations in New York as spokesman for all the African nationalist movements. In 1970, he was received by Pope Paul VI at the Vatican.

His assassination comes just as the PAIGC was about to declare the "independence" of Portuguese Guinea and to demand recognition by the United Nations, a move intended to increase international pressure on Portugal to leave its African territories.

In preparation for the announcement of independence, the PAIGC had recently held elections for a 120-member national assembly in the territory its controls, and plans were under way to promulgate a constitution and choose a cabinet.

It is likely that Cabral's death will set these plans back as the party grapples with his succession, a prospect the Portuguese could not help but regard with relief.

Cabral's death leaves Holden Roberto and Agostino Neto, heads of the two rival Angolan nationalist movements that recently united, as the best-known leaders of the anti-Portuguese nationalist groups. But neither of them has the prestige and general respect that Cabral and Mondlane had achieved.

A Portuguese-educated agronomist born in the Cape Verde islands, Cabral lived with his wife in Conakry, where the PAIGC has its base of operations.

In November 1970, the PAIGC headquarters in Conakry was one of the prime targets of a Portuguese backed force that invaded Guinea in an attempt to topple Toure. It was also widely believed that one of the chief objectives of the invading force was to kill Cabral, but the PAIGC leader was not in Conakry at the time.

UKRAINIAN INDEPENDENCE DAY

Mr. MONDALE. Mr. President, January 22 marks, once again, the commemoration of Ukrainian Independence Day.

As in past years, we pay homage on this day to millions of Ukrainians in their continuing struggle of justice and freedom. This has been an effort underway for decades, but the essential justice of their cause is only increased with the passage of time.

Together, we must attempt to keep alive this courageous effort to secure fair treatment. Those of Ukrainian descent in my State of Minnesota join with me and their brethren across our Nation in hoping that future years will brighten the prospects for achievement of the type of freedom which we wish for all mankind.

UKRAINIAN INDEPENDENCE

Mr. ROTH. Mr. President, January 22 marked the 55th anniversary of Ukrainian independence.

I am proud to pay tribute to the country of Ukraine and its people. I am proud also to be able to share in the celebration of Ukrainian independence with the wonderful Americans and Delawareans of Ukrainian descent.

Ukraine, however, has not been independent for a half century. In 1921, after 3 short years of freedom, the brave Ukrainians were crushed by the Red Army and a puppet government was established. In 1923, this puppet government was formally incorporated into the Union of Soviet Socialist Republics.

The loss of Ukrainian independence was much more than a political tragedy. Forty years ago, millions of Ukrainians starved to death in what may have been the largest mass starvation in history. The policies of the central Soviet Government, formulated in Moscow, appeared designed to aggravate rather than alleviate this crisis.

Fortunately, free Ukraine survives today in the hearts of Ukrianians both in Ukraine, where it must be cherished in secret, and in the United States, where it is celebrated openly. These Ukrainians keep alive the memory of one of Europe's largest nations, a country which has retained its separate identity and culture in spite of all Soviet attempts to "russify" it.

A nation that lives in the hearts of its people always lives. I have no doubt that one day the people of the Ukraine will realize their political aspirations.

QUESTIONS ON POST-WAR AID TO INDOCHINA

Mr. KENNEDY. Mr. President, over the recent weeks peace negotiations we have heard a great deal about Vietnamization and about the vast quantities of military hardware being sent to South Vietnam to support a cease-fire. But the public record indicates that little thought and even less planning have been given to the massive humanitarian problems resulting from the war—as to what, for example, our country will do in helping to repair a ravaged countryside and rehabilitating at least 15,000,000 war victims throughout Indochina.

At a time now, when the hopes for peace are bright, we regrettably find that some of the tools for really building this peace and restoring the lives of the people of *Indochina* have been all but neglected. There appears to be a vast gap in the administration's projections over

the future of Southeast Asia, and we ought to know why.

Mr. President, Congress will soon be called upon to authorize and fund post-war assistance to the nations of Indochina—an obligation that I firmly believe our Nation has. But at a time when our domestic needs cry out for attention—when our priorities must change—we cannot be expected to appropriate such aid funds in the dark. We must have the information and the rationale supporting post-war assistance to Indochina, and we must be assured that it will not simply be more of the same kind of assistance that got involved in the first place. We need to know that the aid we appropriate will be the kind that will heal the wounds and rehabilitate a war devastated land—not military or paramilitary or any other kind of military aid.

Mr. President, to help obtain this information, I wrote last week to Secretary of State William P. Rogers on behalf of the Judiciary Subcommittee on Refugees, to seek information on our Government's plans and projections on post-war assistance to Indochina, particularly for refugees and civilian war victims.

The subcommittee recognizes that our Government has a clear commitment to assist in the rehabilitation of the peoples of Indochina, including North Vietnam. President Nixon has repeated an earlier commitment of President Johnson to accomplish this. But I know that many of us are concerned that the public record suggests that little systematic thought or planning has been given to fully identifying the vast scope of post-war people problems, or to measuring the resources and capabilities of the various political authorities in the countries of Indochina, or in determining the degree and form of America's role in the rehabilitation and reconstruction process.

To help develop this information, the subcommittee has submitted a series of questions to the Department of State regarding post-war assistance programs in Indochina. We are hopeful that a response will be forthcoming soon, so that both the subcommittee and the Congress will have more definitive information on our Government's intentions about post-war aid.

Mr. President, I ask unanimous consent that my letter to Secretary Rogers and the series of questions that I attached to it be printed in the RECORD.

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

TEXT OF SENATOR EDWARD M. KENNEDY'S LETTER TO SECRETARY ROGERS

DEAR MR. SECRETARY: As you know, since 1965 the Judiciary Subcommittee on Refugees has closely followed war-related civilian problems in Indochina. In this connection, the Subcommittee has continuously sought to encourage an expanding international participation in meeting humanitarian needs among the war victims, and from time to time has raised the issue of planning for post-war relief and rehabilitation under international auspices.

The Subcommittee recognizes that the intentions of our government are clear on the question of our country's assisting in the rehabilitation of the peoples of Indochina, including those in North Vietnam. President Nixon has repeated an earlier commitment of President Johnson to accomplish this end. Other Subcommittee members share my distress, however, over the fact that the public record strongly suggests that little systematic thought has been given to fully identifying the vast scope of post-war people problems, to measuring the resources and capabilities of the various poliitcal authorities in the countries of Indochina, and to helping determine the degree and form of America's role in the rehabilitation and reconstruction process.

Nearly a year ago, on March 27, 1972, the General Accounting Office (GAO) filed a report with the Subcommittee on assistance to war victims in Vietnam. At my request, the GAO inquiry included the issue of post-war planning. The report concluded in part that "the United States has not developed long-range plans for dealing with the long-term human problems of refugees and other war victims who continue to suffer from social and economic disadvantages caused by the war." In a hearing before the Subcommittee on May 8, 1972, Mr. Robert Nooter, a deputy coordinator for the Agency for International Development, in the main confirmed the GAO finding. A fuller excerpt of the GAO finding is attached.

Given the widespread congressional and public concern over post-war people problems in Indochina, and the apparent gap in our government's projections on the future of Southeast Asia, last year I introduced an amendment to the Foreign assistance authorization bill to encourage Presidential initiatives on post-war planning and rehabilitation. The amendment was co-sponsored by Senator George Aiken of Vermont and passed the Senate on July 18. It is my understanding that the Administration fully supported this amendment.

Since that time, and especially in the weeks immediately following Dr. Henry Kissinger's October 26 announcement regarding the prospects for peace in Indochina, there has been much discussion and speculation in the press and elsewhere over the rehabilitation process. Little public comment, however, has been forthcoming from the Executive branch.

In light of persisting hopes among all our citizens for peace in Indochina, and to clarify the President's declared commitment on post-war rehabilitation, I feel it would be extremely helpful if definitive information on the current status of our government's planning could be made available to the Subcommittee. To help develop this information a number of questions are attached to this letter. I am hopeful, Mr. Secretary, that the Subcommittee can anticipate receiving at an early date the responses to these questions and any additional helpful information, and that appropriate officials from the Executive branch will also be available for consultation or hearing.

Many thanks for your consideration.

Sincerely,

EDWARD M. KENNEDY,
Chairman Subcommittee on Refugees.

QUESTIONS CONCERNING THE ROLE OF THE UNITED STATES IN POST-WAR RELIEF AND REHABILITATION AND RECENT PROGRAMS IN INDOCHINA, SUBMITTED TO SECRETARY OF STATE WILLIAM P. ROGERS, BY SENATOR EDWARD M. KENNEDY, CHAIRMAN, JUDICIARY SUBCOMMITTEE ON REFUGEES, JANUARY 12, 1973

1. Generally define our government's understanding of the post-war rehabilitation and reconstruction problems in each country of Indochina.

What, for example, is our government's assessment as to the scope of rehabilitation needs as measured by the numbers of refugees, civilian war casualties, orphans, and other categories of war victims and persons disadvantaged by the war? What is our government's current assessment of damage and destruction to housing, medical facilities, schools, and other civilian installations? What, generally, has been the social, economic, and political impact in each country of the massive displacement of people, and, in South Vietnam, what has been the impact of what is labelled by some as "forced urbanization"?

What more needs to be done in helping to define rehabilitation and reconstruction needs and problems in Indochina? Are field surveys anticipated? If so, which countries, for which needs and problems, and by whom?

2. Generally define American policy toward the post-war rehabilitation and reconstruction of Indochina, including such things as immediate and long-term objectives, anticipated priorities, and so forth.

3. In his third annual report on the state of United States foreign policy (Feb. 9, 1972) President Nixon said "we are prepared to undertake a massive $7.5 billion 5-year reconstruction program as part of an overall agreement, in which North Vietnam would share up to $2.5 billion." Elaborate on this statement.

For example, what is the basis and origin of the $7.5 billion sum? How will this sum be allocated among the countries of Indochina? What is the basis and origin of this allocation for each country, including the $2.5 billion for North Vietnam cited in the President's report? Does the sum of $7.5 billion represent a potential American contribution to the rehabilitation and reconstruction process, or a contribution from the international community at large? If the latter, what is the potential contribution of the United States? What is the projected American commitment on an annual basis for the 5-year period cited in the President's report?

4. In terms of specific priorities, programs, and projects for the entire area and each country of Indochina, define existing contingency plans for our country's participation in post-war rehabilitation and reconstruction. In developing these plans, what considerations have been given to the competing needs of humanitarian relief and rehabilitation versus general economic and reconstruction assistance?

5. Given the very widespread congressional and public concern over children, orphans, and Amer-Asian youngsters, what specific plans currently exist for assistance in this area, particularly in South Vietnam? What specific plans currently exist for the fitting of prosthetic devices?

6. What departments, agencies, and offices within our government have been responsible for post-war planning in Indochina?

7. How will our country's contribution to post-war rehabilitation and reconstruction be implemented—through international agencies, bi-lateral arrangements or both? What considerations are defining these channels for Indochina generally and for each country in the area?

What role is anticipated for the United Nations, its specialized agencies, and other international or regional organizations in participating in the post-war rehabilitation and reconstruction process? Does our government anticipate the creation of a special international agency along the lines previously created in Korea, Bangladesh, and elsewhere? What role is anticipated for the International Committee of the Red Cross, the League of Red Cross Societies, and private voluntary agencies? Discuss the anticipated role of other governments in the rehabilitation and reconstruction process.

8. What kinds of arrangements are anticipated in our government's post-war assistance to North Vietnam? Among other things, does our government anticipate an American presence in North Vietnam?

9. If, under the provisions of a cease-fire agreement for both Vietnams or all of Indochina, different political authorities function within the same country, will all such

authorities be responsible and eligible for administering post-war assistance? In South Vietnam, for example, what is the anticipated role of the National Liberation Front in areas under its control? And who will authorize and monitor displaced persons returning to their home areas across the ceasefire line? Elaborate our government's views on these kinds of problems in South Vietnam, Laos, and Cambodia.

10. What departments, agencies, and offices within our government will be responsible for administering and implementing our country's participation in the post-war rehabilitation and reconstrutcion process? What is the anticipated number of American personnel involved—in the United States and Indochina, under both bilateral and multi-lateral arrangements?

11. Assess the capabilities of the existing governmental authorities in Indochina to absorb rehabilitation and reconstruction assistance, and to contribute to the implementation of specific humanitarian and general economic programs.

12. What U.S. governmental studies and documents currently exist on post-war assistance to Indochina, and could they be made available to the Subcommittee?

TRIBUTE TO REPRESENTATIVE BLATNIK

Mr. MONDALE. Mr. President, on December 4, a tribute was held in Chisholm, Minn., for one of the truly outstanding Members of Congress ever to hold office from our State—JOHN BLATNIK. Congressman BLATNIK, a veteran of 26 years in the House, holds the distinction of being one of only four Minnesota Congressmen ever to hold the chairmanship of a major House committee. As chairman of the House Public Works Committee, he is in a unique position to benefit both our State and the Nation with his farsighted leadership.

At the tribute to Congressman BLATNIK, a moving address was offered by U.S. Civil Service Commissioner L. J. Andolsek. I ask unanimous consent that Commissioner Andolsek's remarks be printed at the conclusion of my statement, as a tribute to the accomplishments of the senior member of Minnesota's congressional delegation, JOHN A. BLATNIK.

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

TRIBUTE TO THE HONORABLE JOHN A. BLATNIK

Distinguished citizens and friends:

Today—with pride, gratitude, and deep love in our hearts—we honor one of our very own.

We honor him—not because he has achieved greatness . . . which indeed he has done . . . but because he has honored us by making our lives on this earth, in this beloved land of ours, a more pleasant, meaningful, and noble experience.

John Blatnik is the closest personal friend I have and I am so pleased to have had this opportunity to be closely associated with him over these many years. He has reached out and touched my life as he has reached out and touched yours—and the life of every American.

He has demonstrated in words and deeds that he cares. He cares about us, about our God-given natural resources, and about our beautiful land. And most certainly, we care about him.

In the book of Matthew, we find the words: "A prophet is not without honor, save in his own country, and in his own house." John Blatnik is different. He most surely is honored in his own country and in his own house.

Many years ago he saw how we were ravaging our land in quest of virgin timber and later he saw how we were ravaging our land in quest of vital iron ores. He saw how we were polluting our waters. And he could not understand how a proud people—such as we are and always have been—could do this to our land . . . nor how we could leave such a spoiled legacy to our children.

And so, he told us the error of our ways—but more importantly, he did something about it. As much as any man in our history, he devoted his life to saving our country. He has not saved it at the expense of progress, for he has remained in the forefront in moving our nation forward. Countless towns and cities across the length and breadth of our land have new or improved water and sanitation facilities because of him. They have better recreational facilities, transportation systems, lighting and other utilities.

He has saved our country from the greed, the carelessness, the outright stupidity of the human tendency to take today what we need . . . and to let tomorrow take care of itself.

Largely because of John Blatnik, our nation today has the world's finest highway system, the world's best system of flood control and water usage, and some of the world's finest ports and harbors. I could go on and on, enumerating his outstanding contributions to our daily lives.

But perhaps his most important achievement is his teaching us . . . and his showing us . . . what real ecology is all about. He has taught us an enlightened approach to the use of our natural resources—an approach that keeps one steady eye on today and the other on tomorrow.

John Blatnik has devoted his life to a tomorrow in which our streams will flow clearly, our lakes will be safe for recreation as well as for commerce, the air will be sweet and uplifting, and the land will smile back at us through green pastures and spreading forests.

This has been—and is—the John Blatnik dream. This is what he wants for you and for me, and for generations yet unborn. And, largely because of his leadership and personal efforts—this is already becoming the John Blatnik reality.

And so, on this most joyous occasion, it is my deepest honor and personal pleasure to present to you the dean of Minnesota's congressional delegation, the Honorable John A. Blatnik.

UKRAINIAN INDEPENDENCE DAY

Mr. SAXBE. Mr. President, today marks the celebration of Ukrainian Independence Day, and it is appropriate that we pay honor to the Ukrainian people and their constant struggle for freedom and justice. The Ukrainian people have suffered, as few people have suffered in the 20th century, under the domination of first, one form of autocratic rule, and then another, and another. These brave people should take comfort in knowing that many relatives and friends in Ohio and throughout the Nation understand their plight and share their struggle, and that none shall rest until ultimately their freedom and independence are secured.

ARMS CONTROL

Mr. MUSKIE. Mr. President, for the last several weeks, I have been deeply concerned about the commitment of the second Nixon administration to curtail further the arms race. A few days ago I made a statement on the floor of the Senate describing in detail the sources of my concern. Some of these same points were made most forcefully this morning by Marquis Childs in his column in the Washington Post. I ask unanimous consent that Mr. Childs' column be printed in the RECORD.

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

[From the Washington Post, Jan. 23, 1973]

UNSETTLING SIGNS FOR ARMS CONTROL: WILL MOMENTUM BE LOST?

(By Marquis Childs)

To return to this capital from even a brief absence is to feel like Rip Van Winkle confronting a world utterly changed. Questioning those who have lived through the Nixon upheaval is of little help.

Why has so much of the government been turned upside down? We don't know. Only the secretive man in the White House now entered on his second four year term knows the answer. And, in a voice dropped to a whisper, we're not sure he knows.

The most dismaying change, in many ways the most mysterious, is the dismantling of the disarmament and arms control apparatus. Inaugural rhetoric cannot conceal the damage done to the effort that for a decade has made increasing progress toward controlling and to some degreee scaling back the vast mountain of nuclear armaments with the judgment of life and death over all mankind.

What makes this more mysterious is that one of the great achievements of the Nixon first term was the nuclear arms agreement culminating in the President's mission to Moscow. With a limit on defensive missiles and a five year agreement to restrain further building of offensive weapons, it was a small beginning hailed around the world.

A dedicated public servant, Garard C. Smith, with 20 years experience in the nuclear jungle, worked tirelessly for four years as chief American negotiator in the SALT talks at Vienna and Helsinki. When he went back at the start of SALT II he was without any clear and finally arrived at position approved by the White House. On returning from Geneva, the new site of the talks, Smith resigned.

In his place the President appointed U. Alexis Johnson, under secretary of state for political affairs. Johnson is a career diplomat with no experience in nuclear matters. Grievously overworked, suffering from ill health, he is within a year of retirement age. The private word is that his will be a temporary appointment.

But this can mean that the momentum growing out of the modest success of last year will be lost. It can also mean that the Joint Chiefs of Staff who have reluctantly gone along with arms limitation will have the dominant voice. Arms control specialists with long knowledge of the tortuous process of arriving at agreement with the Soviet Union are dismayed by the Johnson appointment, they say that he has been in the lap of the JCS for 10 years.

A further handicap is that Johnson will not be head, as was Smith, of the Arms Control and Disarmament Agency (ACDA). The semi-autonomous agency created in 1961 has played an important part in developing programs and conducting research on the techniques of control and the verification of limitation agreements. A recent agency study showed that in 120 countries surveyed $207 billion was spent in 1970 for military purposes as against only $168 billion for education and $80 billion for health care.

The Arms control agency now seems in the

process of being dismantled. A budget slash of 30 per cent will cut the agency back to $6.7 million. Division heads with long experience in disarmament were asked to submit their resignations. They have thus far had no response. Happening throughout government, this is a sure fire prescription for demoralization.

Members of the General Advisory Commission on disarmament also were asked to submit their resignations. The commission includes distinguished men concerned over the years with the growing nuclear burden one of them being William C. Foster who for seven years was head of the arms control agency. Chairman of the commission is John J. McCloy, a Republican with long time credentials in public life. McCloy has been trying in vain for several weeks to see the President and present the commission's view.

The President has made plain his intention of paring down one domestic program after another—education, poverty, welfare. But these parings will not bring the budget into balance. The only real economy can come out of defense with a total somewhere above $80 billion including all the costly new toys for the three services. The only way is a verifiable agreement with the Soviet Union to scale back this appalling burden.

CORPORATE ENVIRONMENTAL CONCERN

Mr. WILLIAMS. Mr. President, in the struggle to protect and preserve our environment, it often seems that ecological concerns are at odds with the policies and objectives of large corporations. However, it is encouraging to see that more and more frequently, our corporate community is involving itself with truly important undertakings to promote environmental quality; in an increasing number of instances, big business is altering not only the image, but also the substance, of its policies, to conform with good environmental practice.

One of the most dramatic displays of corporate environmental concern came just last week when the Union Camp Corp. announced plans to preserve permanently nearly 50,000 acres of the Great Dismal Swamp in Virginia. This land, valued at $12.6 million, is in a wild state, and its ecology is unique on the eastern seaboard of the United States. Union Camp will deed the land over to a private, conservation group, the Nature Conservancy, which in turn will deed it to the Interior Department for preservation as a national wildlife refuge. In announcing the gift, Union Camp President Samuel M. Kinney, Jr. said a wildlife refuge is "the only right thing" to use the land for.

Mr. President, I am proud to note that Union Camp Corp. is headquartered in Wayne, N.J., and I want to add my personal accolades to the many which this company is receiving for its progressive and public-spirited action. The Washington Post of Monday, January 22, carried an editorial explaining the importance of the Great Dismal Swamp, and praising Union Camp. Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

"THE RIGHT THING" FOR GREAT DISMAL SWAMP

The Union Camp Corporation has set a superb example for other land-owning companies by donating its vast holdings in Great Dismal Swamp to the Interior Department, through the Nature Conservancy, for preservation as a national wildlife refuge. This remarkable corporate gift, encompassing some 49,000 acres valued at $12.6 million, should ensure the survival of one of the greatest and most intriguing reaches of wilderness in the eastern United States.

The Dismal Swamp has been a place of mystery and fascination since colonial times. Col. William Byrd II, who surveyed the Virginia-North Carolina boundary through the swamp in 1728, saw only its dank, melancholy side: He called it a "vast body of dirt and nastiness" where "the foul damps ascend without ceasing, corrupt the air, and render it unfit for respiration." Another early surveyor, George Washington, found the marshes more appealing. He pronounced it a "glorious paradise" for wildfowl and game, and in 1763 acquired some 40,000 acres of "the finest cypress, juniper and other lofty wood" under the aegis of a company styled as "Adventurers for Draining the Great Dismal Swamp." Since then, generations of entrepreneurs have gradually reduced the peat bog by draining its edges for logging and farming, and by diverting the wine-colored waters of Lake Drummond to the Dismal Swamp Canal which links Norfolk and Albemarle Sound. What remains today is a unique wild area, diminished in size but enhanced by a rich body of legend about early canallers, fugitive slaves, moonshiners and ghostly lights.

Union Camp's significant donation—embracing both Lake Drummond and the acreage once owned by Washington's band of adventurers—puts the future of the swamp squarely in the hands of the federal government. The deeds in fact contain a key reverter clause which would void the transfer if the government should fail to protect and preserve the area. New, perceptive federal policies will be required to carry out this trust, for the Corps of Engineers has controlled water rights to Lake Drummond for years without doing enough to curb drainage and maintain the necessary levels of ground water to sustain the lake. This may also be time to close the Dismal Swamp Canal, or at least severely restrict its use. An alternate intercoastal route is provided by the nearby Chesapeake & Albemarle Canal, and every opening of a lock on the swamp channel for a single pleasure boat drains 3 million gallons of water from Lake Drummond, which can ill afford the loss.

"A refuge is the right thing for this land, the only right thing," Union Camp President Samuel M. Kinney Jr. said recently. He is absolutely right. His firm is not the first to use provisions of the federal tax code which encourage such corporate donations, nor the first to employ the services of the Nature Conservancy. But this is by far the largest single tract ever received by that non-profit organization. The transaction deserves close study by the many other private firms which own properties of singular natural worth.

PRETRIAL DIVERSION

Mr. BURDICK. Mr. President, I am pleased to call to the attention of my colleagues the growing interest and support for pretrial diversion as an added weapon in the war against crime. Good diversion programs can reduce crime and make streets safer. At the same time they can cut the burden the taxpayers must carry to support our criminal justice system.

Diversion of alleged offenders away from the full criminal process is not a new concept to the law, but new legislation is needed to do a better job. The prosecutor always has discretion not to prosecute when the ends of justice can be better met through some other means. The type of crime, and the type of offender, influence this discretion.

At the present, without formal diversion programs available to Federal prosecutors, U.S. attorneys are faced with the dilemma of either dismissing charges against someone who has a real need for supervision and community services, or prosecuting an individual whose chances for rehabilitation would be damaged by conviction. These are the people for whom the opportunities to get jobs, education, or training would be diminished by a record of criminal conviction. They might get their education in a jail or prison side by side with hardened and dangerous men.

Society would not be well served by returning an individual in need of supervision to the streets. On the other hand, the public is also poorly served by increasing the chances that the individual will become a recidivistic criminal.

I am pleased to note that the working papers for the National Conference on Criminal Justice, which convenes this week to discuss standards and goals for criminal justice systems, speaks of diversion as a procedure which "should be preferred over traditional punitive measures for those who do not present a serious threat to others." In the sections of this report dealing with the courts and corrections, standards and goals are established for responsible and responsive diversion programs.

The essence of a good diversion program, according to the standards, requires involvement of the community in planning and establishing practices, and it requires the commitment of community resources to helping these individuals in the community. In addition, the use of diversion requires a high caliber of supervision for the individual who has such a need.

If I may, I would also like to call the attention of my colleagues to others concerned with the problems of recidivistic crime that have spoken to the need to organize resources for the diversion of offenders. In the "Standards Relating to the Prosecution Function and the Defense Function" adopted by the American Bar Association are these criteria:

The prosecutor should explore the availability of non-criminal disposition including programs of rehabilitation . . . especially in the case of a first offender . . ." In the same ABA standards, the defense attorney "should explore the possibility of an early diversion of the case from the criminal process through the use of other community agencies . . . whenever the nature and circumstances of the case permit."

The advantages of pretrial diversion to the agencies of our criminal justice system is obvious. And that is why a group with national stature such as the Chamber of Commerce of the United States has evaluated pretrial diversion as one of several correctional programs "that have demonstrated value in rehabilitating the offender and reducing the social costs of recidivism." It is described as a "low-cost, high-yield" program which offers aid in breaking up the backlog of court cases as well as giving

the rehabilitated individual the opportunity to avoid the stigma of a crime record.

The chamber cites the record of experimental pretrial projects which have been conducted showing substantial reduction in the rate of recidivism for adult participants, as well as the potential cost saving to the people.

BOMBING INDOCHINA: LESSONS TO BE LEARNED?

Mr. KENNEDY. Mr. President, no single aspect of the Indochina war has troubled America more, has caused more death and destruction for as yet unclear purposes, than has the bombing of Indochina.

Since 1965, our Nation has dropped, by Pentagon count, approximatley 7,400,000 tons of aerial bombs. This is roughly 3½ times the total tonnage dropped during all of World War II, and over 10 times the amount dropped in the Korean war. Moreover, this does not include artillery fire or offshore shelling.

But disturbing as is the staggering tonnage of bombs dropped, are the elusive goals for which so many were dropped. As we rained 7.4 million tons of bombs on the people of Indochina, the reasons for doing so—the policy ends and military purposes—changed repeatedly over the years.

First we were told the bombing would reduce infiltration from the north. Next we were told bombing would break the will of the North Vietnamese, or at least make them pay a high price for their involvement in the south. It was said that bombing would increase the morale of the south, presumbly happy that their fellow Vietnamese in the north were suffering, too. Finally, we were assured that bombing would encourage negotiations. But if one carefully reads the Pentagon papers, or the so-called Kissinger memo of 1969, as well as other military analyses, it appears each stated rationale for bombing has, in time, been declared unimportant, ineffective, or of marginal effect.

Yet we continued to bomb—almost because it was easy. Nothing has ever seemed so clean and sterile in war as bombing. With phrases like "precision bombing," "smart bombs," "electronic warfare," among others, even a B–52 raid at 36,000 feet dropping 30 tons of bombs each, almost seems clean and neat. Bombing has become a remote way for us to fight a war for which we are unwilling to die.

But the bombing has never been remote to the peoples of Indochina—as the statistics on refugees and civilian war victims tell us. So as we look back and attempt in the future to learn some of the tragic lessons of Vietnam, we must never let bombing become remote.

In an outstanding series recently published by the Washington Post, bombing is all too real. In a thoroughly researched series of articles, Michael Getler, of the Post, considers several important aspects of America's decision to bomb, and to keep bombing, in Indochina. I commend these articles for the consideration of all Senators.

Mr. President, I ask unanimous consent that the five-part series by Mr. Getler and a statistical review of the bombing, written last week by Thomas Oliphant of the Boston Globe, be printed in the RECORD.

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

[From the Washington Post, Dec. 10, 1972]

DISPUTED DECISION: USE BOMBS, NOT TROOPS—I

(By Michael Getler)

XOMSUOI, SOUTH VIETNAM.—All that is left of Duong Van Sua's house are corner posts and a kitchen table seared by napalm.

At the back of his lot, an unexploded 500-pound bomb lies in the tall, singed grass. About a half-mile away in Sua's small ricefield are two bomb craters, 20 feet wide and 10 feet deep. Mosquitoes swarm around the stagnant water in the craters. Scattered through the ricefield are small pieces of shrapnel that cut the feet of Sua's water buffalo as it worked the fields in October.

October was the month in which Washington proclaimed that "peace is at hand." But it was a bad month for Duong Van Sua and several hundred residents in this small hamlet 40 miles north of Saigon.

Twice during the month, bands of Vietcong (40 or so each time) slipped into the hamlet. Twice South Vietnamese troops failed to dislodge the VC with small arms and mortar fire. Twice the South Vietnamese air force was called in to pound the village with bombs and napalm. All the homes in Xomsuoi were destroyed or damaged in the attacks. None of the villagers died because, as is usually the case in these incidents, government forces made an honest effort to clear Xomsuoi of its civilians before the bombing began. And, after 20 years of war, Vietnamese villagers have developed an uncanny knack for fleeing at the right time.

Nevertheless, the people here and in thousands of other hamlets across this joyless land are the victims of one of warfare's most difficult and most cruel decisions—the decision to use air power, rather than infantry, to fight guerrilla troops.

It is a decision that has been made thousands of times in this unending war, a decision that almost always has the same results and is one of the root causes of despair and dislocation among the Vietnamese people.

How severe is this dislocation? How many have died under the rain of bombs? How badly is the earth and the Vietnamese economy hurt because of the air war? How effective has the air war been?

The purpose of this series of articles is to lay out whatever evidence exists to answer the questions both Americans and Vietnamese have raised about the use of air power in Southeast Asia. Some of the evidence is impressionistic, some of it is "official." Some of it comes from Americans and some from Vietnamese. Some of it is simply opinion.

"Your army is just like ours," says Sen. Tran Quang Thuan, a Buddhist and one of South Vietnam's more independent and outspoken public men. "There is too much reliance on air support. Recently in the province of Binh-duong there were only seven Communist soldiers in the town of Bung. Some other hamlets had only 10 or 12. I think we could have sent in our troops to clear them out quite easily, but we didn't do that. We called for air support and destroyed the whole village.

"You can change things only if you have well trained troops with enough daring . . . and good leadership . . . to do the job. But if their leaders can't instill that, why should the soldiers risk their lives?"

Americans, Thuan says, "value their soldiers' lives very much and you have a lot of materials available like airplanes and bombs. So why not use them? Why engage your troops and be killed? Better to destroy the whole thing and rush in afterward. We have followed the same example.

PEOPLE TOLD TO LEAVE

"So if you consider human life the *most* invaluable thing, then there is justification for it. Usually when we bomb we always tell the people to leave the place. Sometimes the people are not able to move out in those few areas where the Vietcong have a relatively permanent occupation. So when we bomb the Communists there, naturally we bomb our own people."

But bombing in Vietnam, Thuan observes, "is not like bombing Washington. Construction materials are very light and the time between destruction and reconstruction can be very short," though the government lags in its rebuilding because so much of the countryside is insecure.

This philosophical acceptance of the most intensive bombing in the history of warfare is sometimes encountered elsewhere in Vietnam.

In Trangbang District, about 30 miles from Xomsuoi, a group of former soldiers now living in a bombed-out hamlet have their own rationalizations for the bombing. One man, half a leg blown away in a 1968 battle, leads a reporter around to show how deep the VC dig their bunkers. He says it would cost many casualties if infantry were used to drive away these small VC suicide squads.

But many villagers can't understand why their homes, their possessions and in some cases the tombs of their ancestors must be destroyed. They exhibit no love for the Vietcong, nor any desire to see South Vietnamese soldiers die. Still, they see the rooting out of VC soldiers as a job for the army, not for airplanes.

This agrarian society has absorbed in the past few years nearly 5 million tons of bombs—more than the tonnage dropped by U.S. planes in World War II and Korea combined.

There has been great destruction in a country we have been trying to "save." There has been enormous loss of life. But one of the remarkable impressions from motor trips and flights over the country is that so much has survived.

Looking down on the land from the air is like looking at the stars in the night sky: the longer and harder you look, the more bomb craters you see. But Vietnam is much larger than the maps on TV screens suggest, and the craters appear more as pockmarks on a face that still has much clear and fertile area. The jungles, mountains and delta plains seem to absorb the punishment from the sky.

The most devastating, anger-evoking and long-lasting scar on the Vietnamese landscape comes from the five-year U.S. effort (ended in 1971) to defoliate the jungles and kill crops that could help feed the Vietcong. This effort shocked the sensibilities of both Vietnamese and Americans, and today top U.S. commanders admit it wasn't worth the cost. Some 5 millions acres of forests, jungle and mangrove swamps were sprayed.

EASIEST THING TO DO

"It was just like the air bombing," said Sen. Thuan. "We just take the easiest thing to do. It's unavoidable, because when you have the means you tend to use them."

The Vietnamese, perhaps because they are numb from war or because they are afraid to speak out publicly, with an uncertain cease-fire ahead, seem less exercised over the bombing than some American politicans and scientists. The prevailing view seems to be that the bombing was excessive, that much of it in the jungles and along the Ho Chi Minh Trail was useless, but that in several

major battles—especially since the big Communist offensive was launched in April—it turned the tide.

This view is most common in Saigon, which is as isolated from the rest of the countryside as Manhattan is isolated from upstate New York. It is also isolated from much of the devastation caused by this war. Nevertheless, specialists both in and out of the government tend to concur in the Saigon view that the bombing has not dealt an irreversible blow to their country's future.

"Everything that has been written about the bombing," says South Vietnam's Economics Minister, Pham Kim Ngoc, "makes it seem evil and senseless. But if this war had been prosecuted by any country but the United States . . . with its air resources . . . we would not have survived."

"I don't say that we are better off for having the war," says Ngoc, "but the war was fought on an agricultural country and that can't be damaged like an industrialized country. I am not being cynical. A dead tree is a dead tree, but there are still vast expanses of live trees.

"For the postwar period, I don't think on balance we have lost. When the peace comes, we will start with something, not with nothing . . . a network of roads, harbors and airfields."

The jungles and rubber plantations were the most heavily bombed, primarily because they are traditional hiding places for Communist troops.

Giant lawnmower swaths across some forests mark where American planes dumped some 20 million gallons of defoliants. Yet enormous expanses of forests and jungles are unmarked by the war; the total forest area in Vietnam is estimated at 6 million hectares or about 15 million acres.

How badly the forests have been hurt, how many metal fragments in timber will break the teeth off mill saws, is unknown. Many of the producing forests are in the no-man's-land of the Central Highlands; inspection teams are unable to enter.

Considerable devastation can be seen as you fly over the rubber plantations near Anloc and over the huge Michelin plantations north of Saigon. But this is not a source of great concern to many Vietnamese; they associate the plantations with French colonialism.

Economics Minister Ngoc says that Vietnam has about 70,000 hectares of exploitable rubber-growing forests, that the Communist offensive this year has cut production by two-thirds, but that only about 10,000 hectares have been damaged by the bombing. Other economists think that damage figure is too low.

Only a rice exporter, Vietnam now is an importer. But the principal reason appears to be the general insecurity in the rice-rich Mekong Delta, where a third of Vietnam's population lives.

Flights over the delta still reveal large areas of neatly laid out paddy dikes and working farms, but there are also vast areas unattended and flooded because they are contested, insecure and abandoned.

RESTRICTION ON FISHING

Similarly, Vietnam's fishing industry, which figures prominently in the postwar plans to help feed Japan in return for Japanese investment, appears to suffer most from wartime restriction on fishing areas and times.

Fruit production has actually increased, and some is being grown in areas once defoliated.

Much of what can be seen here is deceptive. Monsoon rains that sweep through Vietnam twice a year quickly turn bombed areas, even many of the defoliated areas, green again. But the green is ground cover and not trees, and there is still no reliable estimate on how the ecological balance of the country has been affected—whether flood control, for example, will be a new problem.

"The economic potential of Vietnam is still very great," says American anthropologist Gerald C. Hickey, who has been here for 10 years, first with Michigan State University and then with the Rand Corp.

"This is not an overpopulated country; the people are eager for education, hard working, have a rich coastline, good soil and a potential for tourism with excellent beaches all along the coast."

So, despite the lack of precise numbers, it seems that the air war's millions of tons of bombs have not "destroyed" the land and the basic economic resources of South Vietnam.

The effects of the air war on the people are less clear. It has not been genocidal, in the sense that a people has been systematically and deliberately wiped out. There were 14 million people in South Vietnam in 1964; today there are 19 million.

Nevertheless, casualties from the air war have been significant by virtually every standard of judgment. In Washington, Sen. Edward Kennedy and his Judiciary Subcommittee on Refugees have estimated that civilian war casualties in South Vietnam since 1965 from all causes have exceeded 1.25 million, including almost 400,000 deaths.

Here in Vietnam, Kennedy's estimates are thought to be high, but there is a notable lack of specific information.

"I don't think anybody knows how many civilians have been killed here," says Dr. Edward P. Irons, public health director for the U.S. aid mission. "There are no death certificates here. It's a cultural thing. The families claim the body and that's all. Whatever death records (exist) are kept at local, not national, levels. And if the VC take over (a village) no one knows how many civilians were there and how many were killed. You just can't get back in."

Many people have undoubtedly been killed in those areas of the South that have remained under Communist control, in the sparsely populated no-man's-land near the DMZ and in the once peaceful Montagnard villages of the Central Highlands.

Also, the fact that the South Vietnamese army does less long-range reconnaissance and night time patrolling than did the U.S. Army results in less accurate bombing intelligence.

In Laos, where bombing began secretly, and in Cambodia, where less reconnaissance is done after an attack to see what was hit, the air war has also been carried on with less precision.

There are other complicating factors in calculating the loss of life from the air war, and no reliable way to separate these casualties from those of the ground war.

Irons, for example, cites hospital records showing that most civilian casualties sustained in the South between 1967 and mid-1972 came from mines, mortars and booby traps, rather than bombs or napalm.

His report is based on 350,000 recorded cases. But it is far from complete. It included the heavy tolls of battles around Anloc and Quangtri. Also, some 48 medical facilities, ranging from provincial hospitals to hamlet dispensaries, have been overrun since April, losing their records.

Whatever the real numbers, Irons believes most of the deaths have been from shelling and bombing.

Of the two, he attributes more fatalities to the use of 130-mm artillery by the North Vietnamese, while others here link it to very heavy and less accurate use of artillery by the South Vietnamese. Many officials believe that the heaviest civilian losses around Quangtri were caused by a vicious artillery cross-fire.

One forward air controller, who says he came to Vietnam in February harboring cynical feelings about U.S. participation in the war, flew over Anloc virtually every day during its long siege, and the experience changed him completely:

"When I saw those tanks rolling in from Cambodia, and when I saw those 130's open up on the refugees running down Route 13 at the first bend in the road, it just turned me all around."

The civilian toll was limited also because unlike World War II, bombing population centers has not been a U.S. tactic.

'We have never gone in to hit a village where it is not absolutely necessary to do it; never when it was known to have civilians in it," says Gen. John W. Vogt, the Air Force commander in Southeast Asia.

'We have very strict rules against hitting occupied areas. In fact, we don't do it. Even in some areas where we are asked to put in air because the enemy is in there, if my FAC (forward air control) planes look in there and report back that there are civilians in it, that air does not go in. We will not deliberately put civilians in jeopardy."

OFFERS REFUSED

(Flying with FAC pilots, this reporter twice heard U.S. ground advisers refuse the offer of air strikes against enemy positions in hamlets. In another incident, a FAC pilot refused to allow a strike because people remained inside a hamlet).

Many American pilots think the South Vietnamese air force operates under fewer restrictions than the Americans in striking at hamlets. The South Vietnamese deny this but acknowledge that their approval procedure for hamlet strikes—all of which must originate with ground commanders—is often faster than that of the Americans.

Some South Vietnamese critics also maintain that the Saigon government worries less about accidental bombings by its own forces because there is less likelihood that such accidents will be reported in the American press.

In the case of North Vietnam, Sen. Kennedy has urged the Pentagon to provide photographic evidence to refute claims by visitors to North Vietnam that U.S. bombs are causing extensive civilian damage. He has been unable to obtain the photographs, although Gen. Vogt. reports that "every mission the Air Force flies in the North has both pre- and post-flight photos. I have made it a policy that every bomb that is dropped is photographed. Every single Linebacker mission (the bombing campaign in the North) results in a photo which shows where every bomb went. The pilot must report every place where he dropped and we take pictures and if it isn't where he said, he has some explaining to do . . ."

The system is far from foolproof, as will be shown in a subsequent article, and it is easy to see how accidents happen. But there is no doubt that restraints exist.

For all that, the physical and human toll from the air war has been extensive, and the capacity for still further devastation will be left behind even after American missions are ended. A large and expanding South Vietnamese air force has been created. It will be described in the next article in this series.

[From the Washington Post, Dec. 11, 1972]

AIR FORCE WITHOUT GLORY—II

(By Michael Getler)

BINHTHUY, SOUTH VIETNAM.—Maj. Le Mong Hoan pressed forward on the controls of his A-37 light-attack jet and sent the tiny warplane into a steep dive toward a patch of tall trees amid the water-soaked flatness of the Mekong Delta.

A tree line that looked green and tranquil from a mile above now came rushing into view as a charred and twisted bit of jungle where many bombs had fallen.

Two 250-pound bombs dropped from the wings as Hoan snapped the plane out of its

dive and rolled it sharply to the left, a maneuver now widely used to evade the Soviet-built Strela missiles which, just days before had shot down an American helicopter, killing all 23 men aboard.

Gray-black bomb smoke rose from the area where just moments earlier a Vietnamese spotter plane had radioed that two companies of Vietcong troops were hiding.

But, as with so many other "targets" in Vietnam, it was impossible to see anything underneath the trees from the fast-moving fighter-bombers.

Twice more Hoan and his wingman in another A–37 would swoop down and deliver their small load of bombs on the designated target with great precision.

The accuracy is understandable. Major Hoan, 35 years old, has been flying since he was 20. He has 4,300 hours of combat flight time, probably three or four times as much as the average American fighter pilot.

If he lived in North Vietnam, where he and many of his squadron mates were born and where pilots of Mig fighters are revered for trying to defend their homeland against constant air attack, or in Israel where airmen are venerated for keeping the war in someone else's back yard, Hoan would no doubt be a source of national pride.

But Major Hoan is a South Vietnamese air force pilot, and for most of the past 15 years he has been bombing his own country, not that of the enemy.

There is no great love in the bombed-out hamlets and villages for the South Vietnamese air force, or VNAF as it is called, and the pilots at this Mekong Delta air base know that.

"We cannot share the pride of our people, our civilian population, like the Israelis do," says Col. Ong Loi Hong, deputy commander of the Fourth Air Division here, "We are robbed of this because we are forced sometimes to hit civilian areas."

"The VC (Viet Cong) always get in with the people to make our job more difficult. "They shoot from the pagodas and the villages so we have to attack them. Our psychological warfare aircraft fly over the villages and drop leaflets and tell the people to go away from the village. But we must do it. We are military men. We follow orders, and if we bomb a village where there are VC and kill a few people we must do it.

"With this kind of a war in Indochina, if you think too much you cannot do your job."

This clash between what VNAF pilots view as their duty and what many villagers view as needless destruction is characteristic of the long and brutal air war which has hammered South Vietnam with almost 5 million tons of bombs—primarily from American planes.

It is also somewhat ironic, because the evidence strongly suggests that if South Vietnam's own air force had been equipped to take over the air war in the South from the United States years ago, the destruction wrought upon this land might have been vastly reduced.

For one thing the VNAF aircraft are smaller, carry fewer bombs, are slower but far more accurate than the U.S. B-52 heavy bombers, which carry 20 to 30 tons of bombs each, or the high-performance F-4 Phantom fighter bombers. VNAF flies the A-37, the lightweight F-5, the old propeller-driven A-1 attack plane and a few squadrons of ancient AC-119 prop-driven gunships.

Also, VNAF has several hundred of the world's most combat-experienced airmen. They are, as one American forward air controller (FAC) asserted, "the best and most accurate bombers in the war."

The attack pilots are also regarded as extremely courageous, to the point of being fatalistic about death and perhaps a trifle reckless as a result.

There has been no official survey of the impact of the U.S. air effort in Vietnam. But virtually all specialists on the subject here and in Washington say the heaviest destruction inflicted on Communist troops and equipment has been from close air support in such pitched battles as Anloc and Quangtri.

And it is precisely in those close-in battles that the smaller and more accurate planes have been most decisive. Far less effective has been the more massive bombing in the jungles here and along the supply trails and base areas in Laos and Cambodia.

"The B-52s got credit for breaking the siege at Anloc," says one American FAC pilot who flew over that battle area for months.

"But it was really our A-37 squadron from Beinhoa plus the VNAF that turned things around. They dropped all their stuff right on the money every time."

U.S. A–7 and A–4 tactical jets are also credited by these FACs, who have a closer view of the air war than anyone else, with high accuracy against troops, tanks and artillery.

To be sure, the B-52s and F-4s also took a toll of the Communist forces in the South. But there is a clear issue of cost-effectiveness in using millions of tons of bombs and big expensive bombers as opposed to the smaller and more precise aircraft flown by the VNAF.

The further irony in all this is that the South Vietnamese air force, like other air forces throughout the underdeveloped world, wants the bigger, faster American planes, such as the F-4 rather than the planes it has. (South Vietnam will have the third or fourth largest air armada in the world by next year, in numbers though not in striking power. It will grow to about 62,000 men, 60 squadrons and 2,000 planes—half of them helicopters—with the more than 400 new planes that arrived in recent weeks.)

Former Premier Nguyen Cao Ky, who commanded VNAF, reportedly described the new shipments of A37s and F-5s to South Vietnam as "planes for women." Ky and other top South Vietnamese pilots perhaps look back wistfully to the days in 1964 and 1965, when they flew A–raids 200 miles into the North. It is difficult to find Vietnamese pilots who do not want to strike back at the North again—this time with their own F-4s.

"Our policy is not to attack the North," says Col. Nguyen Huu Tan, commander of the air division here. "But we can never win by just being on the defensive. The best defense is the capability to attack the North. But we cannot go there without the F-4."

Col. Tan is not optimistic about a lasting ceasefire. He wants the F-4s not only as a bombing deterrent but as a fighter to deal with the Soviet-built MiG-21s, which he fears will come South eventually. The United States is slated late next year to begin delivering advanced models of the F-5E to cope with the MiGs, but the South Vietnamese are skeptical of U.S. assurances that the F-5 is a match for the Soviet-built fighter. They also want the A-7 for close air support and the smaller A-4 as an aerial refueling tanker.

Mostly, they want an open supply line. "If we have good supply from the U.S.," says Col. Hong, "we can fight this war forever. Even without B-52s, we can do everything, and with precision, if we get enough equipment. Instead of one B-52, we can use 10 or 20 A-37s. It will take more time, but we will get the same results."

At the moment, high-ranking military officials insist there are no plans to give the South Vietnamese these more powerful jets. "It was never contemplated that we were trying to build the kind of air force that could operate around Hanoi," the Air Force Pacific chief Gen. Lucius D. Clay Jr., said in an interview.

It is also possible that a U.S.-Soviet agreement on trying to end the war may have included some tacit limitations on supplying offensive weapons to both sides so that neither could start up the war on a major scale again.

Furthermore, American advisers maintain that the South Vietnamese already have their hands full learning how to operate and maintain what they have now. The *rush of new* planes has also created a pilot shortage. The F-4, requiring two pilots and carrying complex electronic and missile equipment, would cause the logistical maintenance base of VNAF to cave in.

In the American advisory view the smaller, lighter planes, with their low maintenance requirements and quick takeoff capability, are what is needed here.

Few commanders here believe that VNAF, even in its beefed-up state, could stop another 15-division assault without U.S. help. But these commanders say it would be another 1½ or 2 years before the North could regroup and replace the estimated 120,000 men it lost in the current offensive.

The United States is also certain to keep some of its B-52 and F-4 squadrons in Thailand and on carriers off the coast, within minutes of targets in North and South Vietnam. And intelligence sources here have hinted that the United States has made clear its threat to resume heavy bombing of the North if faced with a new Communist attack.

If there should be a lasting ceasefire in Vietnam, VNAF could institute limited tours of duty instead of the present policy of "fly until you die." Its thousands of technologically trained and English-speaking pilots and mechanics would form a substantial pool of industrial skills in a postwar South Vietnam. Some VNAF-trained technicians are already employed by Air Vietnam and international air carriers that serve Saigon.

VNAF has come a long way from 1951's single squadron of left-over French liaison planes. It is now a 48,000-man force, with 50 squadrons.

Although Saigon's ground armies have been given a mixed rating by most American observers, *the consensus* is that the VNAF attack pilots flew well and aggressively in battle.

The VNAF suffered heavy losses during the opening rounds of the Communist offensive last spring. "It worried us," said a top U.S. Air Force officer. "But it would have worried us a not more if they had hung back and not stayed with the ground troops."

Some American FAC pilots told of VNAF helicopter and transport pilots who appeared to hold back over Anloc and let U.S. pilots weather the rain of anti-aircraft fire. "There were a helluva lot of guys who seemed to develop engine trouble halfway there," said one U.S. pilot.

But there is also the testimony of a former U.S. Special Forces major who operated with small American teams dropped by helicopter into Laos. He said his group preferred to operate with the VNAF.

"They'd just kind of free-fall from 3,000 feet to get us in, which was a wild ride, but great because you didn't take much ground fire that way. You can't belittle American pilots, but when the VNAF came to get us we were usually under fire. We always knew they'd get us out. They never seemed to show fear."

Saigon's air force has lost 150 pilots and 214 planes, including 100 helicopters, since the spring offensive was launched.

In October the South Vietnamese pilots were flying about 55 per cent of the 5,700 individual combat sorties made by both air forces in South Vietnam. Nearly three quarters of all military cargo *now moving* inside the South travels in VNAF transports.

But maintenance is the bugaboo. Ten per cent of VNAF's helicopters are grounded at any one time, awaiting the right spare

part or the right technician, engine repairmen for transports are scarce.

The Pentagon is now paying 23 civilian contracting firms $150 million a year to help keep VNAF running and to help close the maintenance gap. About 5,000 American civilian technicians are here, and more pour in daily.

The estimate from top American advisers is that it will take at least two more years before VNAF will be even 90 per cent self-sufficient.

The VNAF accident record is roughly the same as the USAF's here, which is good considering the age of many of the Vietnamese planes.

Despite VNAF's problems of rapid expansion, a shooting war and instructors who speak a different language, Americans who have worked closest with VNAF believe its development marks one of the most successful operations undertaken in Vietnam. But some express concern that the flood of material still pouring in may just increase the tendency to rely on the U.S. rather than to do better maintenance work.

There is one lesson VNAF has not picked up from its mentors in the Pentagon. It has only two generals running a force of 50,000 men. The U.S. Air Force has about 30 generals for every 50,000 men.

[From the Washington Post, Dec. 12, 1972]

COMPUTER CALLS THE SHOTS FOR BOMBERS

(By Michael Getler)

TANSONNHUT AIR BASE, SOUTH VIETNAM.—In the basement of this sprawling U.S. military headquarters just outside Saigon, a dozen U.S. Air Force officers seated behind consoles preside over the world's first computerized air war.

The officers "preside" because it's the computers located a few miles from here, that really run much of this bombing campaign, the most intensive in history.

What has been happening at this control center and in the skies over North Vietnam for the past eight months is vastly different from the air war carried out against the North between 1964 and 1968.

In those earlier years, waves of American F–105 "Thud" fighter-bombers would take off from bases in Thailand and weave in and around the valleys of what came to be known as "Thud Ridge," a long stretch of small mountain peaks that seemed to point "like a long bony finger" right into what ex-pilot Jack Broughton has described as "the modern fighter pilot's private corner of hell—the fierce defenses and the targets of downtown Hanoi."

Much of the time over the North, the F–105 pilots were on their own, living by their wits. Many did not come back.

Though the numbers are in dispute, Air Force officers say 40 to 50 U.S. fighter-bombers were lost trying to knock down a single target, the Thanhoa Bridge 85 miles south of Hanoi. The bridge was never knocked out until the new laser-guided "smart bombs" were used against it in 1972—with no losses.

Those earlier raids, says one officer, were a testimonial not to Air Force determination, "but to our appalling target planning. That bridge just wasn't worth it militarily. There was a place where they (the North Vietnamese) could have forded the river anyway just a few miles away."

Since the North Vietnamese offensive last April reopened heavy U.S. bombing of the North, the American fondness for technology and for every conceivable type of support aircraft to protect the bombers has brought the air war up to date.

"It's all computer-run now," explains the 7th Air Force chief, Gen. John W. Vogt Jr. "To get all those planes, all this support, in the right place at precisely the right time you need a better brain than man's."

An Air Force F–4 pilot from Takhli airbase in Thailand puts it more simply: "We just got our s— together."

A typical Air Force mission against four bridges and marshaling yards along the vital northeast railroad from China involves as many as 130 planes from all seven bases in Thailand. Only about 40 of the planes carry bombs.

Sixteen F–4 Phantom fighter-bombers, flying in groups of four and each carrying two 2,000-pound laser-guided smart bombs, would hit the bridges. The computer tells each flight what time and from what direction to hit each bridge. Another six flights of four fighter-bombers each would hit the rail yards using conventional 500-pound bombs.

Each four-plane group is escorted in and out by other F–4 protective fighters, and high above the bombers and their escorts fly still more F–4s to provide both groups with a second defensive screen against enemy Mig fighters.

Just before the attack planes go in, EB-66 electronic warfare planes—also on cue from the computer—try to jam the radars of SAM missile sites.

Cruising nearby are F-105 "Wild Weasel" planes carrying radar-seeking missiles, and still more F-4s carrying hundreds of small cluster bombs designed to wipe out the actual SAM site and the people running it.

Most of this entire force needs to be refueled on the way in and out. Some 90 tankers a day take off from the base at Utapao in Thailand, and even from Bangkok's commercial airfield, with the computer telling them where to go, at what time and with how much fuel. There are extra tankers in the air in case a Mig dogfight runs the escorts low on fuel.

Just before the raids, high-flying SR-71 reconnaissance planes from Okinawa take pictures of the areas to be hit, or, if the weather is bad, low flying pilotless photo drones are dropped from the wings of C-130 aircraft based at Danang in South Vietnam to try to fly in below the clouds.

Other four-engine EC-135 jets from Thailand do airborne electronic eaves-dropping in search of the hard-to-spot radars that guide North Vietnamese Migs into the U.S. formations.

"It's all timed to get the fighter-bombers through with minimum losses," says Gen. Vogt.

At the same time, Navy bombers and support planes from four or five carriers off the coast are hitting other targets in both North and South. As many as 100 B-52s a day from Guam and Utapao are also unloading hundreds of tons of bombs north and south of the demilitarized zone. Some of the heavy bombers, flying 5,200-mile round trips from Guam, are met by additional refueling tankers from Okinawa and Thailand.

From Nakhom Phanom airbase in Thailand along the Laotian border, helicopters and fighter escorts are in the air to try to rescue downed airmen.

Since April, some 600 American warplanes have been bombing or flying in support of attack planes throughout Vietnam every day, with the number of sorties divided roughly evenly between North and South.

From a purely tactical standpoint, the electronic and computer air war against the North appears to have scored some successes.

The development of the laser-guided "smart bomb," in the view of virtually all military and civilian specialists, puts it among the technical "heroes" of the war, permitting much more precise bombing in the North of bridges and power stations with fewer bombs and fewer attack aircraft.

Some 5 per cent of the bombs used by the Air Force in the North since this spring are laser types. Senior officers claim that they are always used near populated areas, and that about 85 per cent land within 15 feet of their target. The North Vietnamese have attempted to "fool these bombs by using smoke pots to obscure the target, mirrors to bend the laser light beam, and even hanging ribbons on bridges to alter the contrast. These measures have not worked, the military claims.

(The U.S. and South Vietnamese air forces both use metal-fragmenting cluster bombs as anti-personnel weapons, other kinds of rockets which fire thousands of tiny metal darts or flechettes, and a new exploding-gas cluster bomb designed to knock out troops in deep bunkers through creation of very high pressures, but Gen. Vogt, in an interview, categorically denied any use of so-called plastic pellet bombs against the North and said no such weapon is in the inventory.

In May both Radio Hanoi and a British physician working in Hanoi had claimed evidence of the use of such plastic devices, which don't show up on X-rays of wounds and thus can be even more lethal than other weapons.)

The electronic battle against North Vietnam's thousands of radar-controlled anti-aircraft guns and some 50 batteries of SAM missiles also appears to have paid off.

In 1967, flying about 300 planes a day over the North, the Air Force says 250 planes of all services were shot down. The planes had less protection but the defenses were not as thick as those of recent months.

Since April, flying roughly 260 planes daily over the North, 125 have been shot down cutting the loss rate almost in half.

More than 2,000 SAM missiles have been fired since April, with about 30 Air Force and 19 Navy planes downed as a result. Migs accounted for 24 U.S. plane losses (while 66 Migs were knocked down), with the remainder hit by antiaircraft fire.

Some military men remark that in 1967 virtually all the planes carried bombs, while perhaps only 30 to 50 per cent of the planes on current missions do. Thus, these officers suggest, the low loss rates look good in comparison to the number of planes flown, but less good when compared to the number of targets actually struck.

On the minus side of the air war's technical balance sheet are some costly projects that have not worked well.

Many Air Force officials now concede that hundreds of millions of dollars spent on what was called Task Force Alpha—a secrecy-shrouded, computer-controlled effort to drop hundreds of electronic sensors along the Ho Chi Minh Trail in Laos to detect the movement of men or trucks—was not worth the money.

The project produced more information than could be absorbed and used properly, was foiled on numerous occasions by North Vietnamese tricks and by-pass roads, and required continual reseeding with new sensors.

Asked about the project, Gen. Vogt said he would not quarrel with the assessment that it "was not cost-effective. It was very expensive to operate, complex, and took a lot of resources."

Similarly, reconnaissance planes such as the Navy's RA–5C and the Air Force RF–4 are loaded down with very costly "side-looking" radar which operators in Southeast Asia find virtually useless.

"It's okay if you want to map resources in Brazil or fly straight and level," says one Navy RA–5C flight officer about the radar, "but over here you can't do that. The radar is useless if you have to maneuver."

Similar complaints, though less severe, are voiced about the plane's expensive infrared tracking systems. The radars in these planes cost more than half a million dollars each. The RA–5C itself, the biggest plane to operate from carriers, may also be a maintenance headache.

The Air Force F-111 continues to be plagued with problems. As of this writing, four of the $15 million planes have been lost since late September, when they returned to combat for the first time in four years.

While pilots speak highly of the plane, other Air Force officers here say it should not have been sent to Southeast Asia. "It's designed for nuclear attack. It just isn't accurate enough to hit anything here. About all it does is fly at night and in bad weather, so it keeps the bombs falling when no one else is flying."

The helicopter could turn out to be another technological casualty of the war. Almost 4,900 of these craft, not including Vietnamese choppers, have been lost since 1966, slightly less than half in enemy action and the rest in accidents.

The chopper's current nemeis is the Russian-built Strela heat-seeking missle. Metal exhaust deflectors are being fitted on all engines to try to spoil the Strela's aim.

High-ranking administration officials say the very high 'copter losses might diminish the role these craft can play in future defense strategies.

[From the Washington Post, Dec. 13, 1972]

DISCIPLINE, PRIDE KEEP THEM FLYING

(By Michael Getler)

SAIGON.—On Oct. 28, U.S. fighter-bombers swooped down on the hamlets at Datdo, a village 60 miles east of here occupied three days earlier by 150 Vietcong troops.

Gray-white puffs of small caliber anti aircraft fire greeted the U.S. jets.

The strike at Datdo was not unusual, except that two days earlier presidential aide Henry A. Kissinger had told a war-weary public that the fighting would soon be over.

The American pilots were flying in support of South Vietnamese troops that had not been able to retake the hamlets. They had been asked to hit the village by a South Vietnamese army commander.

But the only voices these pilots heard over their cockpit radios were American—an Army ground adviser with the South Vietnamese unit, and an Air Force forward air controller in his tiny spotter plane.

"Those voices on the radio do help keep us motivated," one of the pilots said later. "It still gives you the feeling that there's a company of GIs down there and you've got to help when called. We all know that it's only one guy, but then you know that he may be more dependent on air than ever before, because the troops he's with are an uncertain commodity. That keeps us trying hard."

So, though most of the GIs are gone, American voices in the air still dominate the ground war between the rival Vietnamese. And American pilots and crewmen still brave the enemy's fierce defenses in the North to drop bombs in support of someone else's army.

In one sense, the situation is a testimonial to a well-disciplined air corps (though morale has lately been affected by talk of an early peace). In a larger sense, it demonstrates the ability of the U.S. government to fight a war from the air with public support or at least acquiescence, long after both the public and the government have rejected a continued land war with its higher costs and casualties.

This could be the most significant, result of America's eight-year involvement in this war.

When the Communist invasion came in April, air power was about all the United States had available to strike back with. It was applied massively, to try to preserve South Vietnam, American prestige, political reputations and the sacrifices of 46,000 Americans from being swept away in a quick defeat.

The thrust of the Communist assault was blunted by early summer, yet the air war has continued unabated, and the ability to do this grows out of a unique set of circumstances.

Unlike the half-million GIs thrown into the daily horror of a ground war that to many seemed senseless and unending, professional military men are waging the air war. They are careerists, not given to protest, responsive to orders, and they love to fly.

For both airmen and the public, air warfare is the most remote way to do battle.

Bombing is hard to televise. From fighter-bombers speeding past a target at 400 miles a hour, observation is difficult, and from B-52s seven miles above the battlefield it is all but impossible.

The massive use of B-52 bombers brought a special kind of remoteness to the air war, as did other things. Many of the target decisions are made in Washington, 10,000 miles away. Halfway between Washington and the war is Honolulu, home of the U.S. Pacific Command, which is really the first place in the entire military chain of command that there is a single commander for all U.S. air forces in South east Asia. There is no more unlikely place to think about the consequences of bombing in Vietnam than the plush greenery of Hawaii.

The political support to conduct the air war without a ground war was provided by the North Vietnamese with their April offensive.

As White House informants tell it, the President was under heavy pressure from the military to resume heavy air raids over the North as early as mid-1971, when it was apparent that roads were being built across the DMZ. By December, when a buildup of arms and troops north of the buffer zone was apparent, there was still more pressure.

But roads and alleged troop buildups are imperfect persuaders for a suspicious public. The invasion, much more understandable, provided all that was needed.

As opposed to the darkest days of May, 1968, when 560 Americans a week were being killed on the ground, the 5 or 6 or 10 a week lost in the air war seemed to be tolerable.

As of September, 1972, eight years of air warfare had taken the lives of 2,985 pilots, aircrewmen and non-aircrew personnel lost in flight. Most of the more than 430 prisoners of war in North Vietnam are airmen, as are many of the more than 1,240 listed as missing.

As of Nov. 28, 1,056 American planes have been shot down over North Vietnam since 1965, according to Pentagon figures. Another 464 were lost to hostile action over South Vietnam and 94 went down in Laos. Another 238 crashed or were otherwise lost due to non-combat reasons in the south, with 50 more lost in Laos.

In addition, 4,847 helicopters have been lost, slightly more than half of them in non-hostile action.

Pilot morale these last few months has remained mostly high, though some slippage has occurred since Henry Kissinger's "peace is at hand" announcement of Oct. 26.

"Flying over the north has always been removed from the war elsewhere," one F-4 pilot explained. "It's still three hours in the cockpit and 20 minutes of stark terror. Morale is pretty good, because we know we're hurting them and they're asking us for peace" (a remarkable comment made one week before the White House announcement). "Our losses are pretty low, too. North Vietnam is just totally outclassed.

"I'm no bloodthirsty killer, though," he added. "I want to go home"—a point made almost automatically by scores of pilots in interviews here who felt that criticism of U.S. war policy at home and in the press has scarred their personal integrity.

If there is a touch of "the war lover" here, it is simply impossible to prove.

Pilots said the urge to "get a Mig" also continued to motivate fighter pilots flying over the north, and cited "professional pride" as a factor which kept bombing runs accurate against supply targets throughout Vietnam.

On Guam, where B52 crews fly 5,200-mile round trips to hit their targets, there is more diversity of opinion. Many believe their efforts have helped turn the tide, but for others the 12-hour ride to release 20 or 30 tons of bombs has carried them to the brink of boredom. Many have been in Southeast Asia for four or five six-month tours of duty.

"There is very little concern, from the morality point of view, about what we are doing here," a young major on a B-52 crew says, "I think you will find that many of us don't give a damn about the war any more. We'd all just like to go home. But anyone who finds it insufferable ought to get out of the Air Force."

Lt. Gen. Gerald Johnson, Eighth Air Force commander on Guam, thinks the B-52 airman probably does his job "without too much question about whether he is killing anybody on the ground. I don't think it enters his mind.

"It is an impersonal thing. Nothing like hand-to-hand combat. But I think air war has always been this way . . . an impersonal thing."

Gen. John W. Vogt Jr., who commands the Seventh Air Force from Saigon, said in an interview Nov. 7:

"We were asking these guys to fly more often and on tougher missions than ever before, against far tougher odds. They were not dropping bombs against VC in the jungles. They were going into heavily defended areas against all kinds of sophisticated weapons. There was no indication I could see of any let-up.

"People said to me," Vogt adds, "that when they start talking about peace, nobody will want to go out and fly. Why should I stick my neck out? But I've never seen one case of that. I'm very proud of them. If you tell them what has to be done, they do it. These guys are trained to do this. It's their life's work, by choice, and they want to do it well."

But, as the weeks dragged on after the October 26 "peace is at hand" statement, there were in fact instances, according to Air Force, Navy and Marine pilots, in which motivation slipped.

"A few guys were finding reasons to stay off the flight schedules," said one officer in mid-November, some were apt to find reasons to divert from a mission.

Many other pilots did in fact worry about being the last man to die in an unpopular war.

"But there is just no honorable way to get out of it," said one. "If you didn't take your turn, then someone else would have to. And that could wind up being hard to live with."

[From the Washington Post, Dec. 14, 1972]

WAS BOMBING WORTH IT? THE QUESTION IS CRITICAL, ITS ANSWER ELUSIVE

(By Michael Getler)

SAIGON.—The critical questions growing out of the air war in Southeast Asia remain to be answered: What did the bombing accomplish? How instrumental was it in moving Hanoi toward a settlement? And, above all, was it worth the tremendous cost in Vietnamese and American lives, resources and money?

Whether those questions ever can be

answered accurately is doubtful. But there is a great deal at stake in trying to deal with them objectively.

At this point, no one but the North Vietnamese leadership knows precisely how bad the country, its people, its economy and military forces were hurt by the bombing. Only they know precisely how important that factor was in leading them toward a settlement in comparison to other diplomatic, political and military factors.

Unlike World War II, there will be no teams of Americans going into the North to interview the people, inspect the damage and to produce a post-war strategic bombing survey (the findings of the World War II survey of Germany are still being debated).

Because Hanoi appeared most anxious to negotiate on the heels of an extensive eight-month bombing campaign against its heartland, *and* after virtually all the half-million U.S. ground troops had gone home, there will be a temptation in some quarters to say that air power won the war.

Yet, if a case-fire comes, a political map of South Vietnam will look much the same as it did five years ago in terms of areas truly under Saigon's control. So others will argue that dropping so many bombs didn't change things enough to warrant the price.

The truth probably lies somewhere in between.

It is hard to find anyone in South Vietnam—American or South Vietnamese—who believes that Hanoi's 15-division assault against Saigon's forces in April could have been stopped without heavy use of American airpower.

But it is easy to find many civilian officials here who believe that much of the bombing throughout Indochina has always been excessive, principally that aimed at halting the flow of supplies—which accounts for most of the bombs—as distinct from that done over the battlefield.

"Certainly this war has not been one of intelligence," says one top South Vietnamese government official. "It was run by the generals, and any war run by the generals will be excessive in military terms. But certainly it has helped to eliminate our enemies. When too many bombs drop, some extra (enemy) soldiers will be killed and that helps."

The problem in trying to assess the bombing campaign, as many observers see it, is that the whole subject is vulnerable to sloganeering by hawks and doves alike.

Accepting the contention that air power won the war, when other factors may have been more important, could lead to higher defense budgets based on overblown strategies, or to acquiescence in the idea that there is a "clean" way to fight from the air without fighting on the ground.

On the other hand, the air war—at least in some areas—was carried out more effectively in recent months than many critics thought possible, its role should not be dismissed.

It may be, as one congressional aide says: "There are enough statistics around to prove anything you want about this war. It will be hard for Congress to come to grips with it . . . to have any effect on the future course of things."

A U.S. embassy official with long experience in Vietnam cautions, however, that "before you even try and answer the question of why it ended . . . and where the bombing fits in . . . you have got to ask: Did it end? It is one thing to explain a change in tactics (by North Vietnam) and another to explain a change in objectives, and I'm not sure I know what it is that Hanoi expects to do in the future."

A senior U.S. Army commander here expands upon that same point: "You could argue that Gen Giap (the North Vietnamese commander) can still look down on this country (South Vietnam) right now and, in spite of the fact that his armies are defeated and his units demoralized and he can't even communicate with some of them, he still sees the seeds of corruption and self-defeat here and can convince himself that this is far from a lost cause."

Three kinds of air war have been carried out agaist North Vietnam: one against the North itself—its military and supply facilities, transportation, power and fuel systems, and whatever supporting industry it had; a second agaist North Vietnamese and Vietcong troops and supplies in South Vietnam; and a third that spilled over heavily at times into Laos and Cambodia against supply trails, base camps and storage areas.

With Hanoi's frame of mind left to guesswork, interviews with dozens of U.S. and Vietnamese military and civilian specialists both in and out of government over the past two months lead to these assessments:

Since the Communists' April offensive began, almost a half-million tons of bombs have been dropped on North Vietnam.

The bombing represented a convenient marriage of objectives between the military, who believed an intensive air effort and mining campaign could choke off virtually all of Hanoi's military supplies, and the White House, which wanted to send Hanoi an unmistakable political signal that the North would not remain a sanctuary while the South was under attack.

The mining of North Vietnam's harbors on May 8, just weeks before the scheduled U.S.-Soviet summit meeting, was another part of the signal.

In interviews during September, before any breakthrough had come in the peace talks, White House officials at high levels explained privately "the resumption of the bombing and the mining prior to the summit meeting were major political factors in trying to achieve a process that has been under way for some time . . . to try and isolate Hanoi from its rear areas in Russia and China."

Officials indicated that President Nixon personally did not believe the bombing and mining would be militarily decisive, nor was he getting that kind of advice from the CIA, the civilians in the Office of the Secretary of Defense or from Henry A. Kissinger.

The idea was to parlay growing Soviet-Chinese military fears of each other, China's unwillingness to see a North Vietnam backed by the Soviet Union as the predominant force in Southeast Asia, and Russia's shifting interests in a better relationship with the United States into a clear signal to Hanoi that it could not succeed.

By mid-summer and into the fall, the bombing and mining had apparently carried other political signals to Hanoi. For one thing, the summit had been held despite the entrapment of Soviet ships in North Vietnamese harbors, and the Soviets had apparently decided they were either unwilling or unable to break the mine blockade.

The bombing had not caused any major protest movement, in the United States, which may have indicated to Hanoi that the last traces of the hesitancy and pauses which marked U.S. bombing policy in the 1965–1968 period were gone and that the renewed bombing could easily go on for a long time.

Early in September, a Harris Survey indicated that the President enjoyed substantial support among the voters for his bombing and mining policy, a finding which probably wiped away any thoughts in Hanoi that the administration was politically vulnerable because of its war policy.

That survey also seemed to show that as long as the GIs were out and the casualties were near zero, the air war against the North might well continue for years with the public either supporting it or not caring enough to repudiate it.

"The political factor has always been the big imponderable in the bombing," says one top military official. "The question was how much longer were we going to use our air to discourage the North as distinct from how long we use our air as necessary to defend South Vietnam."

In Saigon, civilian officials tend to rate the U.S. diplomacy with Russia and China as the squeeze play which was the single most decisive factor in bringing a settlement to a head.

South Vietnam's Sen. Tran Quang Thuan, a former chairman of the Senate Foreign Relations Committee and frequent critic of some government policies, puts it this way, "We had bombing in the past, and it didn't produce this kind of results. The North Vietnamese leaders didn't want to negotiate. So in this case now, I would say that high politics—talks between Nixon and the Chinese and Russians—were more important than the bombing.

"But you know," Thuan adds, "that only talking without any action will be useless. So I would say all these factors—the talks, the bombing and the strengthening of the South Vietnamese army—produced these results."

To these factors, other Vietnamese add the lack of any popular uprising in support of the Vietcong.

The military effectiveness of the bombing in the North is debatable, but there is no evidence that it brought Hanoi to its knees.

Many analysts, both military and civilian, mention the mining of the harbors as a maneuver of great shock value and perhaps as much military significance as the bombing in terms of making things difficult, and it did not cost any lives. The mining had been proposed and rejected in the dark days of the mid-1960s; there was no indication then that U.S.-Soviet relations would be able to take such an act in stride.

The bombing in recent months, largely through the use of laser-guided "smart bombs," was more effective than in the past. The authorized target list was also expanded, though some critical targets such as huge truck parks and railyards inside a 25-mile buffer zone near the Chinese border remained off limits to avoid an incident with Peking. Military commanders on the scene were given more flexibility in hitting approved targets on their own time schedule, though the White House dictated specific times for some raids regardless of bad weather—additional evidence that air power was being used in large part for political effect.

Bombing knocked out about 70 per cent of North Vietnam's power-generating capability; all 11 major bridges on the northeast rail line from China; all seven major ones on the northwest line, and many others farther south. To be sure, several of these were rebuilt, some were knocked down two and three times, and the North Vietnamese made excellent use of hard-to-hit pontoon bridge replacements, ferries, and as many as 500 trucks a day shuttling over by-pass routes.

Transportation to the south was disrupted, but supplies continued to get through. High military commanders say that the amount of supplies coming across the Chinese border was "not a trifle"—between 25 and 50 per cent of the pre-blockade level—and with three new and small pipelines providing all the petroleum necessary.

The principal effect on the North, many civilian analysts believe, was economic, with fertilizers, chemicals and raw materials being sacrificed to push military supplies across the border. Eventually, they say, this would have taken a toll on the North. Also, though Soviet and Chinese military and economic aid continues, officials say it is the North Vietnamese who must do the rebuilding and that the constant bombardment may well have become a national depressant.

There was also great family separation, with children evacuated from the cities and parents split by repaid details.

After World War II, and after the inconclusive bombing campaigns in Vietnam in the late 1960s, it was widely held that bombing actually improved the morale of those being attacked. Many officials here still believe this, but that view is also being challenged in the case of the current campaign by a growing number of civilians in intelligence and economic aid here.

Summing up, many intelligence officials here and in Washington say that the Air Force and Navy probably did as good a job against the North as could have beeen done, under the imposed restriction on targets, but that the military is always more optimistic about what can be done from the air.

"You just can't beat 100,000 ants with 300 airplanes, especially when those ants are probably the world's toughest and most resourceful people," observes a Pentagon civilian official.

"Even with 300 planes a day over the North," another official adds, "the total time over target amounts to half an hour, and you can fix and move a lot of things during the rest of the time."

To many analysts the campaign against the North suffered from the same problems as the interdiction campaign—known as Operation Strangle—against North Korea.

Basically North Vietnam is viewed as simply too big a place to seal off. Too many roads, too many bypasses, too many trucks and bikes. No one ever really knew how many supplies were really needed and how many were already stored in the South.

"Whenever the going got tough, they could simply hold their fire for a while and store up. Or if not enough tons are getting through, you simply put more in at the top of the funnel."

Similar assessments are made about the efforts to check supplies moving down the Ho Chi Minh trail in Laos where, during the dry seasons, an estimated one million tons of bombs have been dropped over the past several years.

"Laos looked like a very attractive target," said one senior Pentagon analyst, "especially the mountain passes" leading from the North.

"We thought we could really cream them. But the trail is a network. There are some choke points, but he got around them and wherever he couldn't he put in lots of air defense. Time was always on his side. If we closed the passes for two weeks, it wasn't good enough to win a battle that might have been decided in three weeks. You just can't keep that trail closed indefinitely. You can't cut off supplies over a long enough period to really be decisive."

Gen. John W. Vogt, the Seventh Air Force commander in Saigon, concedes that "probably more enemy supplies got down there than we anticipated. That's another way of saying it was probably less effective than we thought."

But Vogt and his boss, Gen. Lucius D. Clay Jr., the Pacific Air Force commander, claim that the interdiction campaign really has to be measured against how much the enemy actually expends in ammunition and supplies.

When the enemy is quiet for two years and then explodes in an offensive, interdiction looks like a flop. "But when the enemy has high expenditures," says Clay, in a continuing major offensive like the one started in April, "plus interdiction, then you're creating a problem for him. I don't think anyone in his wildest dreams imagined we could achieve a goal like zero through-put" of enemy supplies.

"One of the great problems," says Clay, "is that people always try and separate air power, and I don't think you can. I'll quite baldly state that if it hadn't been for air power in its broadest sense—Air Force, Army, Navy, even troop-carrying air power—there wouldn't be a South Vietnam today. I think it has been the controlling element to enable the South Vietnamese army to stabilize and start putting together a meaningful counter-offensive."

Clay's views are shared by many civilian and military officials here when it comes to the close air support campaign in South Vietnam.

"When I first came out here" in April, says Gen. Vogt, "the South Vietnamese had had some pretty serious setbacks" around Quangtri, near Anloc and along the Cambodian border.

"People asked me what was the matter with air power. Why isn't it able to prevent all this loss of territory and why can't it prevent them from routing these forces?

"My reply at the time was that it was going to take a little time. If the enemy continued to mass his forces and attempted to take major geographic objectives like provincial capitals . . . at Hue, Kontum and Anloc . . . he would almost certainly pay a price that he couldn't afford to maintain. This is exactly what happened. He massed his forces, brought in the heavy artillery and tanks, and air destroyed "virtually all of them. He suffered tremendous casualties in a short time. The B–52s and tactical air that went in there blasted big holes in his ranks."

"But air by itself," says Vogt, "and I'm the first to admit it, can't do the job. You cannot hold a position on the ground from 5,000 feet in the air. You've got to have the guys on the ground willing to stand and fight."

In Vogt's view, "the President's decision to carry the war at the same time to the North . . . the disruptive effect on the economy and the normal processes of government in the North, was as important as the campaign in the South."

Vogt says he is out of his field discussing where the diplomatic pressure fits in, but "this business of talking to the Soviets and the Chinese at the same time, obviously cooling their ardor to support the North, played a very decisive part in this. It was all part of the same package. All the factors that bore on this man's willingness to sit down and discuss the war on a reasonable basis were applied very skillfully."

The most controversial aspect of the air war in the South is the massive use of American B–52s, each carrying between 20 and 30 tons of bombs.

Since 1965, B–52s alone have dropped more than 2 million tons of bombs in some 100,000 individual flights, the vast majority of them over South Vietnam.

While the use of tactical fighter-bombers is often watched by ground commanders nearby in battle, the bulk of the B–52 bombing is done in places which are not accessible. Post-flight assessments are available on only perhaps 6 or 7 per cent of the missions.

Many Vietnamese believe the Communist troops have somehow been getting warning of the B–52 strikes and have learned to build their bunkers with holes to relieve blast pressure and thus help them survive the crushing raids.

Gerald Hickey, an American anthropologist with long experience here, doubts that military intelligence was very good in planning the B–52 raids. "You just have to look at all the craters in rice paddies to see it. I can't imagine the Vietcong standing around in rice paddies."

Military officials here, however, are virtually unanimous in their belief that the B–52s were a decisive part of the air campaign. They say that bombing of supply areas around the DMZ in recent months was among the most effective work of the war, and that bombing in close support of ground troops either took many enemy casualties or forced enemy troops into closer contact with friendly forces where more accurate gunships could get a shot at them.

These officials say that if the B–52s *only* killed one soldier per sortie, over the years that would mean 100,000 killed.

Through October 1972, 6.9 million tons of bombs had been dropped on Southeast Asia, according to official Pentagon figures. The November and December figures will push the total above 7 million.

But the Pentagon has never made public figures on how much is dropped over individual countries, leaving that to unofficial estimates by congressmen, newsmen and various private groups that have tried to come to grips with the air war.

The unofficial estimate is that more than 4.5 million tons has been dropped on our ally, South Vietnam; about 1 million tons on North Vietnam; slightly more than 1 million tons along the Ho Chi Minh Trail in southern Laos and another 400,000 tons in Northern Laos; some 200,000 tons in Cambodia.

The bombing began in Laos in 1964, and was carried on secretly for several years with no public discussion.

According to Air Force spokesmen, the bombing of Cambodia began with the U.S.-South Vietnamese cross-border invasion of May 1970, though newspaper clippings indicate that both tactical air strikes and raids by B–52s in sparsely populated areas of Cambodia had begun as early as mid-1969.

The unwillingness of the government to disclose where, when and how much it was bombing in each of the four countries of Southeast Asia raises as many questions as the bombing itself about control over military power in a democracy.

Similarly, the lack of public interest in these figures over the years ought to provide an interesting subject for American sociologists.

[From the Boston Globe, Jan. 17, 1973]

TOTAL U.S. BOMB TONNAGE IN INDOCHINA: 7.4 MILLION

(By Thomas Oliphant)

WASHINGTON.—Since the bombing of Indochina began in earnest eight years ago, the United States has dropped more than 7.4 million tons of bombs on the war-ravaged region.

This huge total is roughly 3½ times the total tonnage of bombs dropped during all of World War II.

It is more than 10 times the tonnage dropped during the entire Korean War and more than 10 times the bomb tonnage dropped on all the Pacific battlefields, including the Japanese islands, during World War II.

The 7.4 million ton figure is also nearly 50 times the tonnage dropped on all the Japanese islands during World War II, including the two atomic bombs dropped on the cities of Hiroshima and Nagasaki.

Last year, according to figures available at the Defense Department, approximately 1,-084,000 tons of bombs were dropped on Indochina.

This is the third highest figure of the entire war and is not far below the two peak years, 1968 and 1969 when 1.4 million and 1.3 million tons, respectively, were dropped.

Had the bombing for the first three months of this year been at the levels that prevailed for the rest of the year, the 1972 total might have equalled the 1969 figure.

What is most interesting about the 1972 bomb tonnage figures is the relatively stable nature of the monthly totals after April, despite periodic partial bombing halts over

North Vietnam and varying levels of battlefield activity throughout Indochina. The figurges strongly suggest that lulls in one area were marked by bombing stepups in others.

Thus, the Indochina total actually increased during October and November when there was a ban on raids north of the 20th Parallel in North Vietnam, and it decreased last month (from 100,700 tons in November to 95,490 tons) despite the massive 12-day blitz against the Hanoi-Haiphong region.

Although the Pentagon has always refused to break the Indochina total down by country, daily summaries of the air action last month indicate a marked dropoff in raids elsewhere over Indochina during the pounding of the North.

The tonnage dropped on North Vietnam alone in December could easily have been the highest of the entire war.

The various bomb tonnage statistics, although often inadequate, graphically illustrate the extent to which the United States, especially since the beginning of 1968 has fought the Indochina war from the air.

By contrast, during the 10 years or so that the British were stamping out a Communist insurgency in Malaya, only 33,000 tons of bombs were dropped.

THE SEC'S 80–20 RULE

Mr. WILLIAMS. Mr. President, the question of whether and on what terms institutional investors should be permitted to join stock exchanges has plagued the securities industry for over 5 years. Both the Congress and the Securities and Exchange Commission have conducted studies and hearings on the problem. Although there are difficult issues of public policy involved, one point emerges clearly from all of the studies: Institutions want to join stock exchanges in order to avoid unreasonable fixed brokerage rates. If these fixed changes are eliminated and price competition becomes the norm for the securities industry, the "problem" of institutional membership will largely disappear.

In light of this situation, I was extremely disappointed that the SEC chose to adopt its so-called 80–20 Rule. This rule will essentially reinforce the present anticompetitive commission rate structure, rather than providing the incentive that is needed for its elimination. According, together with Senators BENNETT and TOWER, I have introduced legislation which deals with the separation of brokerage and money management in such a way that the stock exchanges will be encouraged to reduce the level at which rates are subject to competition.

The Wall Street Journal in its lead editorial this past Thursday stated that the legislative approach Senators BENNETT and TOWER and I have recommended "makes more sense than the SEC's ruling." The Journal points out:

The 80–20 rule, if left undisturbed, could too easily become an unhappy compromise that would not be in the long-term interest of exchange members, the institutions or the public.

Because this editorial in our leading financial newspaper expresses so well some of the reasons which have led me to oppose the SEC's 80–20 rule and propose an alternative solution, I ask unanimous consent that it be printed in the RECORD.

There being no objections, the editorial was ordered to be printed in the RECORD, as follows:

THE 80–20 RULE

Suffice it to say, the SEC's new uniform stock exchange membership rule will not be the last word on the puzzling question of how securities markets should deal with institutions that control huge securities holdings. That is just as well.

Congress, it would appear, will become the next arena for the controversy and the dominant issue will be fixed brokerage fees rather than rules covering exchange membership, although the membership question will continue to be closely related. That is as it should be, too, since rates are really what the struggle is mainly about.

Specifically, Sen. Williams (D., N.J.) today will reintroduce a bill that he brought forth last session that would require exchanges to allow unlimited membership until the minimum transaction exempt from fixed commission is lowered to $100,000. Rep. Moss' House subcommittee on commerce and finance is readying a similar bill for introduction in the House, probably within two weeks.

Sen. Tower (R., Tex.) has agreed to cosponsor the Williams bill this time around, which gives it bi-partisan backing. Sponsors think there is a good chance of passage.

In essence, the bills are aimed at forcing the New York Stock Exchange, in particular, to continue moving away from fixed brokerage rates. Yesterday, the NYSE set a board meeting for Jan. 29 to vote on its plan to comply with the 80–20 rule; negotiated rates will be on the agenda as well.

The exchange, under SEC prodding, has trimmed the minimum transaction $300,000 from $500,000. Messrs. Williams and Moss want the minimum down to $100,000 by early 1974, at which time their bill would put restrictions on institutional membership on exchanges.

The restrictions would be contradictory to the 80–20 rule. The Williams bill would require that an exchange member could do no trading for an affiliated fund. The 80–20 rule allows members to do 20% of their business with an affiliate, provided they do 80% with the general public.

While effects on the general public of securities trading rules changes are not easy to predict, it would seem that the legislative approach makes more sense than the SEC ruling. The 80–20 rule, if left undisturbed, could too easily become an unhappy compromise that would not be in the long-term interest of exchange members, the institutions or the public.

One principal effect of the SEC rule most likely will be to encourage insurance companies, mutual funds and other big institutional investors to buy up brokerage houses. And to get that 80% public business they need they may aim for the big ones.

Rep. Moss' subcommittee, which studied this issue last year, doesn't think this kind of acquisition would be healthy for the securities industry and the public. It could lead, the subcommittee felt, to neglect of the broad public interest in favor of the interests of the institutions.

Interestingly, there may well be less disagreement about the future shape of the securities business than would at first seem to be the case. It would appear that the 80–20 rule has done little to encourage movement towards that future.

New York Stock Exchange President James J. Needham wants uniform sets of rules for stock exchange and over-the-counter trading that would work towards a central market system and make a "fish bowl" out of all trading activity. He wants a display tape that would show information about all transactions taking place anywhere in the country. And, he suggested in a speech to the Bond Club of New York last week, that he would "not exclude the possibility of completely competitive rates" as the price of such a system. Further, he would be willing for membership on an exchange to "open to any qualified broker-dealer."

Mr. Needham is mainly concerned about the so-called "third market" trading that goes on privately or on small exchanges by the big institutions. And it would seem that, in principle at least, the price he would be willing to pay for bringing this kind of trading into his envisioned "fish bowl" would be a fair one if it would include competitive rates and relatively free access to the market.

That doesn't seem to be so many miles apart from the competitive-rates thrust of Messrs. Williams and Moss. The issue may be narrowable to the question of who would qualify as a broker-dealer. If that definition excluded the institutions, it is unlikely that they would be so unhappy, provided they were allowed to negotiate on rates.

In other words, what would appear to be desirable would be further movement towards national public trading by broker dealers who are competing on price. If that can happen, perhaps such compromise formulas as the 80–20 rule can somehow get lost along the way.

UKRAINIAN INDEPENDENCE DAY

Mr. BURDICK. Mr. President, I want to join with the 25,000 North Dakotans of Ukrainian descent and with other Ukrainian Americans in celebrating Ukrainian Independence Day, January 22, 1973.

This day marks the 55th anniversary of the proclamation of the independence of the Ukraine, an event which took place in Kiev on January 22, 1918. January 22 not only marks the short-lived independence of the Ukraine, but it should also serve as a grim reminder to all Americans of political and cultural repression still practiced against minority groups in various parts of the world. As a Nation which bases its most fundamental laws on the freedom of the individual, our Government has condemned the persecution of minorities in the Ukraine as well as in other parts of the globe. In commemorating the independence of the Ukraine, I would hope that we would also rededicate ourselves to achieving full recognition of the human rights of all those who seek expression of their cultural heritage.

The Honorable Arthur A. Link, Governor of North Dakota, signed a proclamation declaring January 22 as Ukrainian Independence Day in North Dakota. At this time, I would like to include his proclamation in the RECORD.

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

PROCLAMATION

Whereas, on January 22, 1973 Ukrainians in North Dakota and throughout the free world will solemnly observe the 55th An-

niversary of the proclamation of a free Ukrainian state, and

Whereas, after a defensive war lasting 4 years, the Ukrainian state was destroyed in 1920 and a puppet regime of the Ukrainian Soviet Socialist Republic was installed, later becoming a member state of the Soviet Union, and

Whereas, the United States Congress and the President of the United States of America have recognized the legitimate right of the Ukrainian people to freedom and national independence by respectively enacting and signing the Captive Nations Week Resolutions in July, 1959, and

Whereas, some 25,000 Americans of Ukrainian descent now living in North Dakota have made significant contributions to both state and nation.

Now, therefore, I, Arthur A. Link, Governor of the State of North Dakota, do hereby proclaim Monday, January 22, 1973, as "Ukrainian Independence Day" in North Dakota and urge all citizens to demonstrate their sympathy with an understanding of the aspirations of the Ukrainian nation to again achieve its rightful inheritance of freedom and independence.

CHEMICAL-BIOLOGICAL WARFARE

Mr. GRAVEL. Mr. President, since 1968, when more than 6,000 sheep died at the Dugway Proving Grounds as the result of an errant aerial nerve gas test, securing meaningful and accurate information on the military chemical and biological warfare—CBW—program has been a problem of concern to Congress. In the face of vociferous public and congressional criticism of some aspects of the secret CBW program, President Nixon ordered an Executive review of U.S. programs and policies in this sphere. The resulting decisions, announced by Mr. Nixon November 25, 1969, included the following:

Renunciation of the first use of lethal chemical weapons;

A promise to submit to the Senate for ratification the Geneva Protocol of 1925, which prohibits first use of chemical and biological agents;

Renunciation of the first use of all methods of biological warfare; and

A pledge to destroy existing stocks of biological weapons and to confine biological warfare research to defensive measures such as immunization and safety measures.

In February 1970 the White House announced that the provisions on biological warfare included toxins, the disease-producing byproducts of living pathogens.

Although the CBW program has changed in significant respects since 1968, the problem of monitoring this program continues to challenge us. I have been closely concerned with this problem since 1970, when details concerning secret CBW test operations in my home State of Alaska were made public for the first time. Many Senators may recall that the Army drained a small lake in Alaska in 1969 to remove more than 200 rounds of deadly rockets and artillery shells, filled with nerve gas poison, that had been misplaced on the ice-covered lake in midwinter several years before. Apparently forgotten, these weapons sank to the bottom when the ice thawed several months later.

The entire incident was handled in secrecy; it took months of careful research by Dr. Richard A. Fineberg, then a University of Alaska political scientist, to bring the facts surrounding this bizarre boondoggle to light.[1] The Army's sorry record of belated disclosures and misinformation in this affair comes as no surprise to those who are familiar with the 1969 hearing before the House Government Operations Committee, Subcommittee on Conservation and Natural Resources, entitled "Environmental Dangers of Open-Air Testing of Lethal Chemicals," and the 1970 hearings before the House Committee on Merchant Marine and Fisheries, Subcommittee on Oceanography, entitled, "Ocean Disposal of Unserviceable Chemical Munitions." The former untangles the web of deception surrounding the sheep kill at Dugway; the latter deals with the mismanagement of leaking chemical rockets that were encased in concrete and finally had to be dumped in the Atlantic Ocean.

In section 409 of Public Law 91–121—the Military Appropriations Authorization Act for fiscal year 1970, November 19, 1969—Congress sought to insure effective oversight of the CBW program by requiring, among other things, that the Secretary of Defense provide Congress with semiannual reports on the CBW program. Although such reports have been provided, I do not believe they effectively fulfill the intended function of the law. This document is actually nothing more than a group of status reports in loose-leaf form. Aggregate figures, summary and explanatory materials are not provided. From this report it is difficult to make an informed evaluation of the CBW program. Moreover, the report is classified "Secret," so that no portion is available to the public.

The Senate Armed Services Committee, however, has been helpful in making some of this information available to Members of Congress on a declassified basis. The following budget breakdown of CBW expenditures for fiscal years 1971 through 1973 was prepared for the committee's use and was in turn forwarded to me by the committee when I requested more detailed information on CBW expenditures.

I ask unanimous consent that the budget data entitled "Programed Funds for Selected Systems" be printed at the end of my remarks as exhibit 1.

The PRESIDING OFFICER. There being no objection it is so ordered.

Mr. GRAVEL. Information on the programs listed in exhibit 1 is scattered through the hearings before the Senate Committee on Appropriations, Subcommittee on Defense, entitled "Department of Defense Appropriations for fiscal year 1973." The bulk of this information is found in part 2 between pages 708 and 952.[2] Subsequent to action on the bill, I examined these hearings in detail to learn more about the CBW program we had funded. I was surprised to note that there were significant discrepancies between the information presented to Congress at those hearings and other information available on the CBW program.

For example, one of the projects discussed under "atmospheric investigations" at pages 766–69 of the hearings is concerned with "improved prediction of transport, diffusion, trajectory and fallout pattern of atmospheric aerosols and particulates for chemical, biological and nuclear defense activities, field test design, personnel safety applications, demilitarization and detoxification of munitions, protection against toxic rocket fuels and atmospheric pollution problems on and near Army installations." Although Robert L. Johnson, Assistant Secretary of the Army for Research and Development, told the subcommittee that this project is part of the chemical and biological defense program, the project—1T062111A128—does not appear on the list of CBW projects the Defense Department provided the Senate Armed Services Committee. Moreover, although I understand that this project is performed by the Meteorology Division of the Dugway-Deseret complex, this fact is not indicated in the hearings.

There may be valid reasons for conducting meteorological tests with application to the CBW program at Dugway. However, given the past record of secrecy and misinformation surrounding CBW, I am disturbed that the Defense Department in this instance did not include this CBW-related project within the budget on CBW prepared for the Senate Armed Services Committee and failed to inform the Senate Apropriations Subcommittee that this project was based at Dugway. As Dr. Fineberg has documented, phrases such as "meteorological testing" have been used in Alaska to disguise the real nature of CBW test projects in Alaska.[3] Consequently, I believe that descriptive phrases such as "atmospheric investigations" and "meteorological testing" deserve our careful attention.

In view of President Nixon's pronouncements that Fort Detrick, Md.—for years the hub of the secret biological warfare research program—has been converted to cancer research, I was surprised to learn that Fort Detrick still maintains an expanding program for "medical defense against biological agents." Although the President's CBW policy statement included a loophole for continued "defensive research," most ex-

[1] *Washington Post*, Jan. 6, 1971, p. 1, also my remarks in CONGRESSIONAL RECORD, vol. 118, pt. 5, pp. 5439–5441.

[2] References to CBW at the following pages: 708, 709, 712, 713, 714, 715, 716, 720, 721, 736, 737, 738, 752, 753, 754, 755, 765, 766, 767, 768, 769, 774, 775, 776, 865, 866, 873, 874, 888, 889, 903, 904, 905, 906, 907, 912, 913, 929, 930, 947, 948, 957, 958, 959.

[3] Dr. Fineberg's letter of January 15, 1972 (included with my remarks in CONGRESSIONAL RECORD, vol. 118, pt. 5, pp. 5439–5441), describes some of his difficulties in obtaining information about the CBW test program in Alaska.

perts agree that at the research level the line between offense and defense is blurred at best. For this reason, I was troubled to note the Appropriations Committee hearing references to work with potential offensive application, including "laboratory identification of potential biological warfare agents." [4] When I looked into this program more closely, I was further surprised to discover that the funding level, reported to the Appropriations Subcommittee as $4.2 million for fiscal 1973, had increased to $7.5 million by November. In keeping with current procedures, which allow DOD to alter line item entries by $5 million without congressional approval, this 75 percent budget hike in a controversial program was not reported to Congress; I am told, however, that this increase will be reflected in the information we receive on the 1974 budget.[5]

Given the legacy of secrecy that surrounded the biological warfare program at Fort Detrick, and the difficulties one encounters securing information on CBW, I believe that Senators will be interested in an interpretive analysis of the programs at Fort Detrick and Edgewood Arsenal. This review was prepared for the Scientists Committee on Chemical and Biological Warfare by Dr. Richard Novick, M.D., who is a research microbiologist from New York City.

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

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

INTERPRETIVE ANALYSIS OF PROGRAMS AT FORT DETRICK AND EDGEWOOD ARSENAL

(By Richard Novick, M.D.)

This evaluation is basically the result of two major briefing sessions, one held at Fort Detrick (FD) on Nov. 28 and the other at Edgewood Arsenal (EA) on Nov. 29, at the request of Richard A. Fineberg, a Washington-based reporter. Present at the briefings were Fineberg, myself and several other newsmen.

Hosts at the briefings were Col. Dan Crozier, C.O. of USARIID * at FD and Col. John K. Stoner, Jr., C.O. of EA.

The general impression throughout the two days was that both installations made a concerted effort to present themselves as openly as possible. For those of us who have experienced consistent frustration in past efforts to secure information on CBW, this was a welcome change. In their presentations, of course, both installations made a vigorous effort to show that the current CBW programs are in full conformity with the Presidential directives of November, 1969 and February, 1970. USAMRIID at FD is ostensibly entirely open, carrying out *no* classified work. Edgewood is still engaged in classified work.

The CBW programs of the two installations are summarized in the two accompanying tables.

By way of explanation, USAMRIID is the only unit left at Detrick, we were told, that is in any way connected with BW. We were also told that consonant with current U.S. policy, including the Russian draft treaty on BW (which has been signed by the U.S. and has been submitted to the Senate for ratification), the USAMRIID program is *entirely* defensive. More specifically, according to Robert L. Johnson, Assistant Secretary of the Army for Research and Development, USAMRIID's program "emphasizes exotic diseases that are not normal public health problems but which may be potential biological warfare agents that could be used against us." According to the written justification submitted to Congress by the DOD, "The objective of the project is to develop an effective medical defense against biological agents. Improved techniques are sought for mass production of vaccines against known and potential biological weapons. A continuing evaluation of the vulnerability of man to potential biological agents is conducted." The project also includes work on "laboratory identification of potential biological warfare agents." There is, it is claimed, no research that can be construed as overtly offensive in nature, either at USAMRIID or elsewhere in the country.

A glance at Table I, however, will reveal that the USAMRIID program is hopelessly inadequate with respect to its major objective, namely "to develop an adequate medical defense against biological agents." This is not surprising since a biological attack is not perceived as a significant threat to the U.S. by either civilian or military authorities; moreover, the appropriation for the BW defense program officially listed at $10.8 million including $7.5 million for USAMRIID, would not begin to cover even the exploratory costs of a full-scale BW defense program.

One may legitimately ask, then, what is USAMRIID actually doing? Can one regard the BW defense program as a cover for something else?

Let us consider three possibilities:

(1) USAMRIID is merely a residuum of the former offensive BW project, serving out its time, if you will, engaged in various projects that have a greater or lesser relationship to BW, so as to justify its appropriation.

(2) USAMRIID is actually engaged in a large-scale clandestine offensive BW project.

(3) USAMRIID, in cooperation with other (unidentified) installations, is actually engaged in the development of offensive BW on a very small scale for projected use in counterinsurgency operations.

The first possibility is consistent with the overt situation. We were provided with an elaborate brochure detailing the types of projects in progress and they read as more or less typical of what one might find in any research institute of infectious diseases. (See Xerox copy of USAMRIID projects.) It will be noted that two phrases, "for BW defense" and "of military medical importance" have been sprinkled like so much sand among the titles. As a result, some sound quite absurd. We were told that this was done to conform with a Congressional directive that all DOD research projects must state their military relevance in their titles. Among the projects, pathogenesis, immunization, and diagnosis stand out as major concerns of the installation. We were informed that diagnosis projects related primarily to possible BW attack but that pathogenesis and immunization studies were related more toward the protection of U.S. troops in exotic places and for the improvement of general public health than toward the development of BW defense.

Noteworthy, in our view, were studies on hemorrhagic fever viruses such as the agents of machupo and cochabamba fever, which are highly infective, highly lethal diseases occurring in South America. With regard to USAMRIID investigations into these diseases, for example, we were told that it was important to be prepared to protect U.S. troops against possible health hazards indigenous to any locale in the world because "you never can tell when we might have troops stationed there." Also among the "pathogenesis" studies was aerobiology research, an old BW standby. At this time, however, the listed projects appeared to be more in line with possible health problems involving troops than with overt offensive BW applications.

The second possibility struck us as unlikely for two reasons. First, in an officially open installation, it would be foolish to carry out a large-scale clandestine project—the risk of exposure is too great. Therefore, if large-scale offensive BW development is going on, it is probably not at Detrick. Second, my view is that the U.S. has never really been interested in BW as a major strategic weapons system; I agree that they have finally realized that BW is absurd both as a deterrent and, militarily, as a strategic weapon. Moreover, it has been the source of much bad public relations, which the military would prefer to avoid, granting that it could do so without significant cost to the military "posture" of the U.S.

The third possibility is one for which we found no direct evidence but one for which a circumstantial case can nevertheless be made. In my view, it is important to make this case because a small-scale offensive BW capacity for counterinsurgency situations could easily be developed and employed almost anywhere without overt manifestations; for such a program there might never be direct evidence such as the indications of the existence of a major offensive BW program prior to 1969. At the briefings we learned of

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[4] Pp. 754, 765–6.

[5] In a listing included in hearings before the House Committee on Appropriations, Subcommittee on Defense entitled "Department of Defense Appropriations for 1973" (pt. 4, p. 75), "Medical Research on Infectious Diseases, Fort Detrick," was erroneously listed at $14.667 million. Although this figure represents more than three times the amount actually requested and is nearly $4 million greater than the entire sum currently earmarked for BW defense (which includes protective equipment, detection and warning devices, as well as the medical defense project), there is no indication that Congress questioned this error until I called its attention to the Senate Armed Services Committee in December. The Armed Services Committee informs me that the error traces back to the justifications book, which was submitted to Congress in January 1972.

* USAMRIID, United States Army Medical Research Institute of Infectious Diseases, has continuing responsibility for *medical defense* against BW. The U.S. Army Biological Laboratories (known in its final years as the Biological Defense Research Center), conducted the offensive BW program prior to the President's directive and was finally deactivated June 30, 1972.

EA reports that a total of 76 people were transferred from FD to the EA organization, where they are working on biological detection and protection equipment. This figure includes 13 persons under the Chemical Laboratories and 63 under the Development and Engineering Directorate at EA. 12 persons within the latter group are stationed at the Dugway Proving Grounds and are said to be studying data on "vulnerability" of the U.S. to BW attack.

USAMRIID has hired some researchers from the offensive BW program and integrated them into its expanding defensive program, but we were informed that no other installation outside of Edgewood has received any specific group of individuals for continued BW work, offensive or defensive. The remainder of the nearly 2000 persons working in the offensive BW program have taken other government positions or left government employ.

the following research projects that would have clear relevance to such a program:

(a) Research (currently at USAMRIID) on pathogenesis of the newer, highly lethal viral diseases, which could be used as BW agents.

(b) Development of vaccines (at USAMRIID) for these diseases (an obvious necessity for the users of a BW agent).

(c) Development (at EA) of aerosol detection and collection devices (useful to monitor backflow of an aerosol released by U.S. troops).

(d) Diagnostic program (at USAMRIID) involving detection of the incipient disease state *before* the appearance of symptoms (this would be useful knowledge in case of accidental exposure of U.S. troops during an attack, but would be of little or no use in general BW defense).

(e) In this connection, the *lack* of research on a method for rapid identification of organisms trapped by the aerosol collectors is noteworthy. Despite the rather obvious technology that one might employ here, we were informed that there is no research on a rapid identification system (which would be critical if the U.S. were attacked, but would be unnecessary if it were the attacker).

In conclusion, one might add that USAMRIID officials emphasized their view that openness and publication of results constituted a guarantee against offensive BW. While this is possibly true for *strategic* uses of BW (i.e., large-scale attacks against a country with a relatively well-developed public health system), it should be recognized that publication is no guarantee against local, *tactical* BW in a counterinsurgency situation where the local population would be unlikely to have either the available information or the public health machinery required to make effective use of that information.

At Edgewood Arsenal we were briefed extensively on the U.S. chemical weapons program (Table II). In this case there was no attempt to minimize the fact that full-scale development of offensive CW technology was very much in progress. In our view, there were several salient features of the program:

(1) We were informed that at present there was no ongoing procurement of lethal chemical munitions because all military units are presently fully equipped with what is considered to be an adequate supply of nerve gas shells. Additional supplies will not be furnished until the development of an operational "binary" weapon has been completed (binary weapons are nerve gas delivery systems—usually artillery shells or rockets, etc.—in which the lethal agent is produced within the projectile by the mixing of two non-toxic precursors after firing). Binary weapons development is a public relations program designed to detoxify the domestic nerve gas production-storage issue. Meselson has estimated that replacement of existing nerve gas munitions with binaries, would cost about $1 billion exclusive of development costs.

(2) As presented to us, nerve gas shells have a small nose charge that explodes on impact. On raising the question that this seemed a poor way of dispersing a liquid, we were told that there was in fact a serious problem with dispersal. They would not give information on the development of better dispersal systems and when queried directly about dispersal from low-flying supersonic planes, they replied that all information relevant to that question was classified. (Incidentally, such dispersal systems of which the one that misfired at Dugway in 1969 is a prototype, would be useful for binary chemicals as well as for herbicides and BW agents.)

(3) In view of attempts to develop better, longer-acting tear gas type agents and shorter-acting more reliable "incapacitating" agents (anticholinergics), we suggested that perhaps the line between the two was blurred. "Oh, no," we were told, "the two are entirely different: tear gases act on external mucous membranes as irritants, while 'incaps' act systemically and must be absorbed by the system. And besides," they said, "one must *never* confuse chemical warfare agents such as incaps with common ordinary chemicals (such as tear gas and herbicides) which are in widespread every day use by civilians." We did not discuss the fact that there is no essential distinction between nerve gases and common, every day organophosphate insecticides.

(4) New anti-plant agents are being developed that either inhibit plant growth or defoliate but "do not kill"—more public relations to pacify the ecologists. But when queried closely about the way the latter might be used, Edgewood officials admitted that monthly applications would be required to control foliage and that reported defoliation would eventually kill plants. Although these "non-herbicidal" defoliants do not affect monocotyledenous plants, the plant growth inhibitors do and could be used to control grain crops. No information is yet available on toxicity to animals or man or alteration of soil ecology.

(5) *Nerve gases and deterrence.* The military seem finally to have realized that BW is not a deterrent against biological attack. They still maintain, however, that chemical weapons deter chemical attacks and use this argument as justification for continuing offensive weapons development despite the Presidential ban on "first use." (Nb: One can never tell when the President may rescind the ban.) Further, Edgewood officials assert, it is necessary to continue development so as to keep up with the "state of the art," to prevent "technological surprise," and to have "an alternative to total nuclear war."

A very strong argument can be made against the validity of the deterrent based on two factors: It is possible, in contrast to nuclear weapons, to protect a population adequately against nerve gases both by conventional means (protective clothing, air filters, etc.) and now by vaccines (under development and very promising). Protection would be facilitated by the instability of nerve gases in water—a good rainstorm would presumably detoxify the environment. Nerve gases would only be useful in a surprise situation; the potential attacker would surely institute adequate protective measures before launching an attack; this would negate the deterrent. Since the U.S. has foresworn first use and even the theoretical deterrent is rapidly vanishing, why continue?

It struck me that the advent of anti-nerve gas vaccines could trigger an escalatory spiral in the development of lethal chemicals and that now would be a very good time to call the whole thing to a halt internationally. Edgewood officials were either unwilling or unable to deal with the situation at this level, stating that their job was to protect *U.S. troops* by all available means, period. Moreover, they freely admitted having an extensive screening program for newer and better lethal chemicals.

(6) *Other programs.* Edgewood officials showed us in detail and with great pride their programs on ecological monitoring and on biomedical spin-off developments. One had the impression that considerable energy was being devoted to these projects.

(7) *Defense.* In addition to development of protective clothing, etc. Edgewood has developed rather highly sophisticated technology for detecting airborne chemicals at distances up to a kilometer—one instrument measures infrared absorption spectra, another measures raman spectra of back-scattered laser light. Edgewood officials pointed enthusiastically to the possible use of such equipment in monitoring pollution of the air by chemical substances other than nerve gases.

In summary, the salient features of the briefing with respect to U.S. CBW policy were, in our opinion, three:

(1) Offensive programs under development seem very much more suitable for counter-insurgency than for global warfare. In particular, the U.S. has every intention of continuing the use of herbicides and "harrassing" agents in warfare in defiance of the Geneva Protocol, the United Nations, and general world opinion. In keeping with this view is the highly secret program for development of dispersal systems using low-flying supersonic aircraft. Biological weapons development, if any, would also be for counterinsurgency.

(2) Consistent with this view is the fact that defensive measures under development are almost exclusively for military use in the field rather than for civilians.

(3) Because of the development of vaccines and other protective measures against nerve gases, now would be a good time to push for an international ban on further R & D of lethal chemicals, as well as for U.S. accession to the unmodified Geneva Protocol.

TABLE I.—*BW defense program*

PROBLEMS	CURRENT PROGRAMS
A. Medical	
Prophylaxis (immunization)	None in progress or planned (vaccine development in progress for other purposes—FD*)
Diagnosis	(a) early diagnosis both *before* and *after* appearance of symptoms (FD) (b) study of aerosol infections to understand clinical picture (FD) (c) study of pathogenesis with possible BW agents including hemorrhagic fever, plague, etc. (FD)
Treatment	up to local medical profession
Antibiotics	No research, development or procurement in progress or planned
Antisera	
Antiviral agents	
B. Biophysical	
Detection	a) air sampling devices under development (EA)

PROBLEMS—Continued *B. Biophysical*—Continued	CURRENT PROGRAMS—Continued
Identification	b) hematin-based *chemiluminescense*: B&V**
Protection of population	c) particle staining & microscopy: B only nothing in progress or planned—no ideas nothing in progress or planned
Public information on dangers & means of protection, etc	Nothing available or planned

*FD=For Detrick (USAMRIID); EA=Edgewood Arsenal
**B=bacteria; V=viruses

TABLE II.—*Chemical warfare*

OFFENSE	PROGRAM
Herbicides (use option—open)	"Less toxic" chemicals under development (EA—Edgewood Arsenal)
Harassing agents (use option—open)	Volatile, long-acting tear gas under development
Incapacitating agents (no first use)	(Anticholinergics)—shorter-acting, more predictable agents under development (BZ no longer under study)
Lethal (no first use)	(Anticholinesterase—"nerve gas") binary weapons under development: public relations campaign to detoxify the issue
DEFENSE	
Herbicides	None
Harassing agents	Nothing new
Incapacitating agents	Do.
Lethal—"nerve gas"	Vaccines—Vaccines using organophosphate nerve agents as haptenic antigens are a new departure in CW defense Detection systems, protective clothing, antidotes, etc. under development for protection of military personnel. No civilian programs

Mr. GRAVEL. Mr. President, I would like to add this footnote to the facts and analysis presented by Dr. Novick. How can one reconcile USAMRIID's description of its research program—a broad-based study of infectious diseases—with the references to "potential biological warfare agents" in the justification to Congress? In an interview with Dr. Fineberg, Col. Dan Crozier, M.D., USAMRIID's commanding officer, explained that the term "potential biological warfare agent" is only "a phrase that is used in Congress." [6] The rubric biological warfare defense is apparently a ploy for funding, rather than an accurate description of USAMRIID's program. Colonel Crozier told Dr. Fineberg that some years back, when Congress dictated that the relevance of military research projects should be stated explicitly in their titles, he and his secretary sat down one day and went through their list of project titles, adding to each a phrase such as "of military importance" or "for BW defense." These phrases still appear in the titles of most USAMRIID projects today. Lamentably, as any administrator can tell you, there is nothing unusual about fudging research titles in order to secure funding. But this particular case of administrative license raises a troubling question: If Congress has been told that biological warfare agent identification work is being performed, when actually it is not, could the converse be true at other installations within the military's farflung panoply of research facilities?

While I am on the subject of congressional oversight, I might mention the projects described at pages 754–755 in the hearings as "Aerobiological Investigations" and "General Biological Investigations." At my request, the Senate Armed Services Committee inquired last month and learned that both projects were part of the old biological warfare program, which was terminated June 30, 1972. Although this action was effected before the March hearings were published, no reference to the phase-out appears in the hearings, nor was this information available through the Senate Armed Services Committee when I queried the committee concerning these points, and they in turn contacted the Pentagon.

In the heyday of the cold war, the need for the offensive biological warfare program was presented to the public on the basis of deterrence theory.[7] As late as April 5, 1969, Dr. John S. Foster, Jr., then DOD Director of Research and Engineering, told then-Representative Richard D. McCarthy—

> It is the policy of the United States to develop and maintain . . . a limited offensive capability in order to deter all use of chemical and biological weapons by threat of retaliation in kind.

But was there in fact an enemy threat requiring the development of biological weapons? This is an important question, for if there was no enemy threat, U.S. activities in this sphere might have engendered one under the inexorable reciprocal principles governing cold war relations among distrustful nations. In the face of U.S. development of biological weapons agents and delivery systems, if Soviet military planners shared the Defense Department's retaliation-in-kind analysis, they would have been remiss in not developing their own offensive biological warfare capabilities.

If an offensive biological warfare capability was necessary to deter the enemy from initiating biological warfare in 1969, how could the United States afford to give up this weapons system 7 months later? Although DOD spokesmen avoid this question because, they say, it involves classified information, there are indications that the U.S. biological warfare program may have been undertaken in the absence of any substantive indications of an enemy biological warfare program. Colonel Crozier, who has headed the biological warfare medical defense program at Fort Detrick for more than a decade, told Drs. Fineberg and Novick that he has no idea whether other countries have developed biological warfare weapons such as those the United States stockpiled at Pine Bluff during the 1960's?

Colonel Crozier notes:

> A number of foreign powers are interested in this method of warfare, and they certainly have the potential for developing a weapons systems. Whether they are developing a weapons system, I simply don't know.

If U.S. intelligence sources came up with information that the Russians or Chinese possessed an offensive system using certain organisms, would USAMRIID be asked to work on a vaccine for possible defense? Colonel Crozier believes so, but he says this has never occurred during his tenure at Fort Detrick:

> They have never come to us and said, "Look, the Russians are developing a rhubarb bacillus," which is very lethal, it's a dangerous organism. They never have. But if they did, I assure you, gentlemen, we'd start working on a vaccine.

Although USAMRIID has never worked on antidotes for agents an enemy might possess, the institute has worked on vaccines for agents the United States developed and stockpiled for possible biological warfare use.

The picture of biological warfare that is now emerging runs directly counter to the impressions that were allowed to filter through the national security curtain that surrounded the biological warfare program. Throughout the 1950's and most of the 1960's, as the soon-to-be-published second volume of the Stockholm International Peace Research Institute study, "The Problem of Chemical and Biological Warfare," indicated, official statements on biological warfare were heavily sprinkled with vague and veiled references to the Soviet Union's germ warfare capabilities. Whether or not there was in fact substantive intelligence information behind the grim reference to the Soviet biological warfare threat has not been revealed; the answers to such questions lie within the arcane realm of classified information.

[6] Tape-recorded interview, Nov. 30, 1972. I am grateful to Dr. Fineberg and Ronald E. Talcott for sharing their unpublished manuscript on biological warfare, including this revealing interview with Colonel Crozier, with me.

[7] The following review of the strategic implications of the U.S. biological warfare program is taken from the Fineberg-Talcott manuscript and is used with the authors' permission.

At the present time, developments on international agreements to restrict CBW seem to be at a standstill. Because of the complexity of this subject, I believe it will be useful to review briefly U.S. actions of the past few years insofar as international relations are concerned.[8]

Although the President did submit the Geneva Protocol of 1925 to the Senate for ratification, his inclusion of an informal understanding that excludes riot-control agents and herbicides from the ban has stalled ratification for over 2 years. More than 90 nations—including the Soviet Union and every other major power except the United States—have ratified the 1925 prohibition against first use in combat of "asphyxiating, poisonous or other gases and all analogous devices."

After holding hearings on the Protocol in March 1971, the Senate Foreign Relations Committee Chairman J. W. FULBRIGHT wrote the President that many committee members felt that the administration's unique interpretation "cannot help but weaken the effect of the Protocol." On behalf of the committee Senator FULBRIGHT asked the President to consider "whether the need to hold open the option to use tear gas and herbicides is needed so great that it outweighs the long-term advantages to the United States of strengthening existing barriers against chemical warfare by means of ratification without restrictive interpretations." After waiting 18 months for a reply from the White House, the committee published the inconclusive hearings last October.

In the interim, the United Nations Conference Committee on Disarmament negotiated a biological weapons ban which the administration signed last April and sent to the Senate for ratification—the new biological ban is limited to "development, production, and stockpiling" of germ warfare weapons; the Geneva Protocol restricts only usage. I understand that negotiations on a similar ban for chemical weapons were stalled this summer while the conference committee waited for the promised U.S. response to the Soviet-initiated draft chemical treaty.

I hope the material I have presented here will assist Senators in monitoring more effectively the CBW program, for I believe that in view of the unique status of CBW in international relations and the legacy of secrecy and mismanagement that has surrounded the U.S. CBW program, it is vital that Congress keep itself fully informed about recent developments in this field. With congressional initiative, the United States can play a constructive role in establishing meaningful and effective international restraints on these much-abjured weapons. On the other hand, if Congress abdicates its responsibilities in this field, further developments in CBW technology—as Dr. Novick's report indicates—are liable to usher in another escalatory chapter in the history of the arms race.

[8] Again I am indebted to Dr. Fineberg for the following analysis, which appeared in *The New Republic*, December 2, 1972, pp. 17–19.

APPENDIX 1

PROGRAMED FUNDS FOR SELECTED SYSTEMS (CHEMICAL, BIOLOGICAL, FLAME, INCENDIARY, SMOKE, HERBICIDES, AND RIOT CONTROL)

[Funds in millions]

Description of effort	Fiscal year 1971					Fiscal year 1972					Fiscal year 1973				
	Army	Navy	Marine	Air Force	Total	Army	Navy	Marine	Air Force	Total	Army	Navy	Marine	Air Force	Total
CHEMICAL PROGRAM															
1. Research, development and test and evaluation	31.4	2.1		0.5	34.0	31.2	2.0	0	0.5	33.7	30.2	2.2	0	0.5	32.9
(a) Chemical research	7.8				7.8	8.1				8.1	7.0				7.0
(1) Basic research (6.11.02A)	1.2				1.2	1.5				1.5	1.2				1.2
(2) Gen. chem. investigations (6.21.16A)	6.6				6.6	6.6				6.6	5.8				5.8
(b) Lethal chemicals	4.5				4.5	6.9				6.9	8.0				8.0
(1) Weapons concepts (6.26.07A)	1.5				1.5	.9				.9	1.0				1.0
(2) Agent investigations (6.26.07A)	.6				.6	.6				.6	.7				.7
(3) Agent pilot plant inves. (6.36.14A)	.2				.2	.4				.4	.3				.3
(4) Tactical weapons systems (6.36.14A)	.6				.6	1.0				1.0	2.6				2.6
(5) Ground munition systems (6.46.10A)						1.3				1.3	1.1				1.1
(6) Rocket and missile warheads (6.46.10A)	.4				.4										
(7) Materiel tests (6.57.04A)	1.2				1.2	2.7				2.7	2.3				2.3
(8) Air munition systems (6.46.04N)															
(9) Binary munition systems (6.36.04N)															
(c) Incapacitating chemicals	2.2				2.2	2.7				2.7	1.5				1.5
(1) Weapons Concepts (6.26.07A)	.5				.5	.3				.3	.2				.2
(2) Agent investigations (6.26.07A)	1.0				1.0	.4				.4	.5				.5
(3) Agent pilot plant inves. (6.36.14A)	.3				.3	.5				.5	.3				.3
(4) Weapons systems (6.36.14A)	.2				.2	1.5				1.5	.5				.5
(5) Materiel tests (6.57.04A)	.2				.2										
(d) Defensive equipment	14.9	2.1		.5	17.5	12.4	2.0		.5	14.9	11.4	2.2		.5	14.1
(1) Physical protective investigations (6.27.10A)	2.3				2.3	1.8				1.8	1.4				1.4
(2) Def. equip. concepts (6.27.10A) (6.27.55N)	4.1	1.0			5.1	3.3	1.0			4.3	3.4	.9			4.3
(3) Med. def. against chem. agt. (6.27.10A)	2.4				2.4	2.2				2.2	2.2				2.2
(4) Med. equip. concepts (6.27.10A)	.8				.8	.5				.5	.2				.2
(5) Adv. devel. of def. syst. (6.37.20A, 6.37.81N)	2.4	.7			3.1	2.1	.6			2.7	1.3	.5			1.8
(6) Coll. protec. for shelters (6.47.24A)	.4				.4	.2				.2					
(7) Coll. protec. for vehicles (6.47.24A)	1.6				1.6	1.0				1.0	1.2				1.2
(8) Individual protection (6.47.24A)															
(9) Decon, det, sampl, and warn (6.47.24A) (6.47.81N), (6.46.01F)	.1	.4		.5	1.0										
(10) Materiel tests (6.57.04A)	.8				.8	.5	.4		.5	1.4	1.2	.8		.5	2.5
(e) Simulant test support (6.57.04A)	2.0				2.0	1.1				1.1	2.3				2.3
BIOLOGICAL RESEARCH PROGRAM															
1. Research, development, test and evaluation	18.2				18.2	16.0				16.0	11.8				11.8
(a) Biological research	7.5				7.5	7.4				7.4	4.2				4.2
(1) Basic research (6.11.02A)	1.6				1.6	.5				.5	.6				.6
(2) General biological invest. (6.21.10A)	5.9				5.9	6.9				6.9	3.6				3.6
(b) Lethal biologicals															
(1) Weapons concepts															
(2) Munitions systems															
(c) Incapacitating biologicals															
(1) Weapons concepts															
(2) Agent pilot plant invest.															
(d) Vegetation control biologicals															
(1) Agent investigations															
(e) Defensive equipment	10.2				10.2	7.6				7.6	7.6				7.6
(1) Physical protective invest. (6.27.10A)	.4				.4	1.4				1.4	1.5				1.5
(2) Def. equip. concepts (6.27.10A)	2.9				2.9	0				0	0				0
(3) Med. def. against bio. (6.21.10A)	3.3				3.3	4.0				4.0	4.2				4.2
(4) Adv. devel. of def. syst. (6.37.20A)	3.1				3.1	2.1				2.1	1.8				1.8
(5) Det. and warn. syst. (6.47.24A)						0				0	0				0
(6) Materiel tests (6.57.04A)	.5				.5	.1				.1	.1				.1
(f) Simulant test support (6.57.04A)	.5				.5	1.0				1.0					

Description of effort	Fiscal year 1971					Fiscal year 1972					Fiscal year 1973				
	Army	Navy	Marine	Air Force	Total	Army	Navy	Marine	Air Force	Total	Army	Navy	Marine	Air Force	Total
ORDNANCE PROGRAM															
1. Research, development, test and evaluation	11.5			0.4	11.9	10.0			0.7	10.7	7.7		0.2	0.6	8.5
(a) Flame and incendiary program (6.27.08A, 6,36.60M, 6.37.02A, 6.47.25A, 6.26.02F)	.7			.4	1.1	1.2			.7	1.9	1.0		.2	.6	1.8
(b) Smoke program															
(c) Riot control program (6.27.08A, 6.47.25A,6.57.04A)	3.2				3.2	2.7				2.7	1.6				1.6
(d) Herbicide program (6.27.08A)	.5				.5	1.5				1.5	.9				.9
(e) Other support equipment (6.57.04A, 6.27.08A, 6.47.25A)	.9				.9	.5				.5	.3				.3
(f) Test support (range instrumentation and safety) (6.57.04A)	6.2				6.2	4.1				4.1	3.9				3.9

GAO MAKES INITIAL REPORT ON MILITARY PERSONAL AIDES FOR OFFICERS

Mr. PROXMIRE. Mr. President, on November 20, 1972, I wrote to the General Accounting Office asking for an investigation of the use of enlisted military personnel as servants to high ranking officers.

My request came as a result of letters sent me stating that certain high ranking officers have exploited the enlisted men assigned to them to assist in carrying out their military duties. This is not a new situation. It has been going on for years. It has been common knowledge.

The question is why have we all accepted this state of affairs so blithely? Simply because it is traditional, that it is the inevitable relationship that develops between officers and enlisted men? Perhaps.

Regardless of why it has been accepted, now is the time for change. We are no longer living in a 19th-century military environment. The Army is undergoing a painful conversion to a volunteer status. Pay has increased dramatically. Now we must erase one of the last trappings of aristocratic privilege that remain—the use of personal servants.

ABUSES IN THE USE OF MILITARY AIDES

Since I made the request for an investigation, my office has received a large number of letters from individuals involved in the military aide program. Some came from officers who confirm that abuses do take place. Some came from aides who feel that they are being forced to perform illegal services. Some come from the wives of the officers with their rationale for the need for personal servants. I have had phone calls from Filipino enlisted men who state their case in broken English. They say that they must do anything an officer demands or else face retaliation and harassment.

Mr. President, the list of alleged abuses is quite long. I would like to cite a few, however, in order to indicate the type of problems that exist. When an enlisted man volunteers for one of the enlisted aide programs he is not told that he will be called upon to perform duties such as the following:

Take care of the officer's personal car;

Take care of the cars of the officer's family members;

Do the gardening;

Pick up the clothes of dependent sons and daughters;

Cook meals for all members of the family even when the officer is not present;

Be the bartender for private, unofficial parties;

Run errands for wives;

Serve food and drinks for parties for other members of the family when the general or admiral is not present;

Babysitting;

Dog walking; and

Maintain swimming pools.

The list could go on and on but there is no point in it. This is not a healthy situation. Who will say that maintaining a swimming pool is in the national interest? Who will say that walking a dog strengthens national security?

FINDINGS OF THE INITIAL GAO STUDY

I have asked the General Accounting Office to begin their investigation by collecting data from the four services about the numbers of aides, costs to the taxpayer, and regulations concerning how aides are used. In the preliminary report, the GAO makes no assessment as to any illegal or improper activity in the aide program. They simply collected data.

The interim reply contains some startling facts. The report reveals that there are 1,722 soldiers officially designated as personal aides to generals and admirals in the U.S. Armed Forces at a cost to the taxpayer of over $13 million a year for pay and allowances alone. The 1,722 figure does not include any personnel on bases assigned to aide-type duties by commanding officers, a practice that is widespread. It is only the official categories of Army enlisted aides, Navy public quarters stewards, Air Force airman aides and Marine cook specialists and food service technicians. I will refer to all of these as enlisted aides.

The $13 million is for pay and allowances only. The Army spends $3.6 million, Navy $4.4 million, Air Force $4.3 million, and Marine Corps $837,000. Obviously the full costs of the aide program will be much higher when indirect expenditures are added such as for training facilities.

GEOGRAPHIC DISTRIBUTION

Of the 1,722 enlisted aides reported by the services, about one-fifth serve in the Washington, D.C., area; 467 are in posts overseas. The aide per officer ratio is highest in the Washington, D.C., area with 2.6 aides per qualified officer as opposed to 1.7 for the rest of the continental United States and 1.5 for overseas. This reflects the predominance of high ranking officers in the Washington area and their insistence on using personal aides.

WHO GETS PERSONAL AIDES?

Enlisted aides, or servants as many call them, are assigned to 860 of the 1,317 U.S. admirals and generals, not on the basis of need but by rank: one aide per star. The 860 admirals and generals who receive aides are supposed to be in command positions. Besides generals and admirals, 110 Navy captains get aides. Even promotable colonels can be given aides but none have them at present.

There are certain interesting exceptions to this rule. The highest ranking officers are released from the "one aide per star" restriction. The Chairman and Chiefs of the Joint Chiefs of Staff and certain Vice Chiefs receive six to eight aides each. The Chief of Staff for the Army and the Chief of Naval Operations, for example, have eight aides assigned to them or one more than the Chairman of the Joint Chiefs of Staff.

RACIAL IMPLICATIONS

The GAO data also show that there are distinct racial overtones in the military personal aide programs. The report notes that 98 percent of the aides in the Navy are Filipinos. Blacks dominate the proportion in the Marine Corps at 65 percent. In the Air Force, 36 percent are black; and 17 percent are black in the Army.

The Navy has stated that they are trying to recruit Caucasians and blacks for their aide program which has long been dominated by a preference for Filipinos. There is no evidence in this initial report as to the plans and goals of the Marine Corps, Army, or Air Force in this regard.

PROMOTIONS

The GAO study shows that promotions come more slowly for enlisted aides than for the average enlisted man. The Navy, in particular, due to its traditional preference for Filipino servants and their high reenlistment rate, promotes these men very slowly. Past the rating E–5, in every rank and all services, aides are promoted slower than the average for enlisted men. To take one obvious inequity, it takes a Navy enlisted man on

the average 9 years at the E–6 rank for promotion. It takes an enlisted aide exactly twice as long, or 18 years.

LENGTH OF SERVICE AND PAY

The average length of service for an enlisted aide varies from 8.3 years in the Army to 16 years in the Air Force. Contrary to the general military practice of rotation, enlisted aides often are transferred with the general or admiral to whom they are attached. This perpetuates the domestic servant relationship.

The average pay for enlisted aides fluctuates from $7,131 in the Army to $8,878 in the Marine Corps. The comparable figures for the Navy and Air Force are $7,788 and $7,921 respectively.

REGULATIONS INADEQUATE

Regulations concerning the use of enlisted aides are inadequate. The Air Force and Army state that no officer may use an enlisted aide as a servant, but no definition of servant is offered or examples of outlawed activity cited. The Navy only provides two examples, care of pets and care of infants, as being illegal. This is an open invitation for serious abuse and this is exactly what has taken place.

According to a Department of Defense directive of February 2, 1960, enlisted aides are authorized only for relieving officers of duties which, if performed by the officer himself, would be at the expense of his primary military and official duties. It further states that the duties of these enlisted personnel shall be concerned with tasks relating to the military and official responsibilities of the officer and must accomplish a necessary military purpose.

If this regulation is taken at face value, many of the tasks aides are called upon to do are illegal. The problem is how can an enlisted aide find protection under the regulations when he is given an order by his superior officer that distinctly violates the official policy?

OTHER AIDES FOR GENERALS AND ADMIRALS

The GAO interim reply also reported that in addition to enlisted aides, generals and admirals are allowed between one and three officers to serve them as aides-de-camp. A general, for example, could have three aides-de-camp serving him—one lieutenant colonel, one major, one captain—and four enlisted men. This may in part be the cause of the U.S. top heavy command structure.

Mr. President, I ask unanimous consent that the interim report and appendices of the GAO be placed in the RECORD at this point along with certain letters about the military servant situation and my correspondence with the Honorable Elmer Staats, Comptroller General of the United States. I regret that some of the letters must be left unsigned in order to protect those who wrote.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., January 16, 1973.

DEAR SENATOR PROXMIRE: As requested in your letter of December 1, 1972, this is an interim reply to your letter of November 20, 1972, which asked us to obtain information about the use of enlisted men as servants for high ranking officers. Because of the limited time involved, we have not validated the information received from the military services. Our final reply to your request will include our evaluation. On the basis of our work so far, we have insufficient data on which to make an assessment as to illegal or improper activity in the aide and steward programs. The data we have obtained follows.

The statutory justification for the enlisted aide program is contained in 10 USC 3639, 7579, and 8639. (See Appendix I for copies of applicable codes.) The budgetary authority for enlisted aides is the Military Personnel Appropriation. No separate line item is set up for enlisted aides. A copy of the agreement between the United States and the Republic of the Philippines which authorizes the recruitment of Filipinos into the armed forces of the United States is presented as Appendix II.

The enlisted men who work as personal aides to high ranking officers are designated as enlisted aides by the Army, public quarters stewards by the Navy, airman aides by the Air Force and cooks specialist or food service technicians, specialist by the Marine Corps. We will refer to all of these servicemen as enlisted aides in this letter.

Copies of Department of Defense Directive 1315.9, Army Regulation 614–16, Secretary of the Navy Instruction 1306.2A, Air Force Regulation 39–5, and Marine Corps Order 5300.8C are enclosed with this letter. These documents provide the official position of the Department of Defense and the military services. We will obtain official statements of the justification for the enlisted aide program at a later date.

The regulations state that enlisted aides are authorized for the purpose of relieving the officer of those minor details which, if performed by the officer himself, would be done at the expense of his primary military and official duties. The regulations also state that the propriety of the duties of enlisted aides is governed by the purpose the duties serve rather than nature of the duties and that they must further the accomplishment of a necessary military purpose.

A copy of the military occupational specialty description for Army enlisted aides is presented as Appendix III.

Examples of acceptable utilization for enlisted aides as given in Secretary of the Navy Instruction 1306.2A are:

Driving the official vehicle of senior officers who are engaged in military functions;

Preparation and serving of food and beverages including cooking, baking, meat cutting, and scullery duties;

Care for the cleanliness, order, and protective maintenance of the officer's quarters and the furniture, fixtures, and appliances therein; and

Preparation for and duties during official entertaining in the officer's quarters including receiving guests, checking articles of outer clothing, and serving food and beverages.

Examples of unacceptable duties for enlisted aides are:

Care and exercising of pets;

Caring for infants or children; and

Personal services for dependents which do not meet the criteria of furthering the accomplishment of a necessary military purpose by the officer.

In all of the military services, the assignment as an enlisted aide is supposed to be made strictly on a voluntary basis. An enlisted aide is also supposed to be able to transfer out of the program at any time.

The following table shows by service and geographic area the number of enlisted aides and the number of high ranking officers assigned these aides.

GEOGRAPHIC DISTRIBUTION OF OFFICERS AND AIDES, AS OF DEC. 1972

Service location	Army		Navy		Air Force		Marine Corps		Total	
	Officers	Aides	Officers	Aides	Officers	Aides	Officers	Aides	Officers	Aides
Washington, D.C. area	54	132	37	100	30	75	5	19	126	326
Continental United States less Washington	134	220	176	315	196	329	32	65	538	929
Overseas	133	158	82	162	88	141	3	6	306	467
Total	321	510	[1] 295	[2] 577	314	545	40	90	[1] 970	[2] 1,722

[1] Includes 110 Navy captains.

[2] Includes 110 enlisted aides assigned to Navy captains.

The following table shows the top military officers in the armed forces and the number of aides assigned to each.

	Number of Aides
Chairman, Joint Chiefs of Staff	7
Chief of Staff, Army	8
Chief of Naval Operations	8
Chief of Staff, Air Force	7
Commandant of the Marine Corps	7
Vice Chief of Staff, Army	6
Vice Chief of Naval Operations	6
Vice Chief of Staff, Air Force	4
Assistant Commandant of the Marine Corps	3

Under current military policies, other admirals and generals in command positions are authorized enlisted aides. The aides are usually assigned to these officers on the basis of one aide for each star. Since all admirals and generals are not in command positions, only 860 of the 1317 generals and admirals in the United States Armed Forces are assigned aides. In addition 110 Navy Captains are assigned enlisted aides (see footnote to chart on page 3). Promotable Colonels in the Army can also be authorized aides, but none are presently assigned.

We do not know at this time how many, if any, of the aides perform exclusively or in part the functions of a domestic servant. Enlisted aides are normally recruited and assigned by one of three methods:

1. The officer or a member of his staff screens and selects an enlisted man for an aide. If the enlisted man volunteers for the aide program, he is assigned to duty in the officers quarters as an on-the-job trainee. In the Army or Marine Corps, after selection and volunteering, the enlisted man can be immediately sent to enlisted aide school or

can be sent there after on-the-job training. Following successful completion of school or sufficient on-the-job training, the enlisted man is designated as an aide.

2. Qualified graduates of cooks schools are recruited into enlisted aide school or as on-the-job trainees if they volunteer to enter the enlisted aide program.

3. Enlisted men who have not been selected by an officer or recruited into enlisted aide school can volunteer to enter the aide program.

The pay and allowances (direct cost) of enlisted aides are:

Army	$3,636,612
Navy	4,439,950
Air Force	4,316,945
Marine Corps	837,752
Total	13,231,259

The indirect cost of the program will be provided later.

The racial composition of enlisted aides is presented in the following table.

RACIAL COMPOSITION OF ENLISTED AIDES

Service/race	Army		Navy		Air Force		Marine Corps	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Caucasian	[1] 422	[1] 83	4	1	338	62	31	34
Black	88	17	5	1	196	36	58	65
Malaysian			568	98			1	1
Other					11	2		
Total	510	100	577	100	545	100	90	100

[1] May include some non-Caucasians who are not black.

The Navy has an ongoing program to increase the number of Caucasians and Blacks in the enlisted aide program. Enlisted aides in the Navy are chosen out of the steward ratings. While 10 percent of the stewards in training to become enlisted aides are now Caucasians, most have insufficient experience to qualify as enlisted aides and thus do not effect the racial statistics according to the Navy. Currently, about 80 percent of the new personnel assigned to the steward ratings are Caucasians and the Navy says that effort will be made to recruit enlisted aides from Caucasian stewards. The Navy expects an increased percentage of Caucasians in its enlisted aide program.

Prior to 1970, Philippine nationals comprised about 95 percent of the input to steward rating. About 10 Filipino volunteers applied for each available enlistment vacancy and this large pool of volunteers resulted in annually filling anticipated steward requirements. Since 1970, however, Filipino input to the steward rating has nearly ceased, according to the Navy. The Navy stated that since 1968 opportunity to convert from steward to other ratings has been enhanced significantly with Filipinos now serving in 63 ratings.

You also asked about the term "Malaysian" as an accounting designator. It is a racial designator for natives of the Malay Peninsula and certain islands, including the Philippines. Almost all of the personnel identified by the designator are Filipinos.

The following tables present the average length of service, average pay, and average rate of promotion of all aides and the types of quarters used by aides in the Washington, D.C. area.

	Army	Navy	Air Force	Marine Corps
Average length of service (years)	8.3	13.6	16.0	13.2
Average pay	$7,131	$7,788	[1] $7,921	$8,878

[1] Based on Air Force-wide budgeting figure for enlisted pay.

PROMOTION RATES OF ENLISTED AIDES VERSUS SERVICE-WIDE AVERAGES

[Years in service to promotion]

Service/rank	Army		Navy		Air Force		Marine Corps	
	All enlisted men	Aides	All enlisted men	Aides	All enlisted men	Aides	All enlisted men	Aides
E-9					21.8	21.5	20.7	24.1
E-8	18.7	18.8			19.3	19.4	17.7	19.5
E-7	14.5	15.1	18.0	22.0	18.5	20.1	14.6	16.3
E-6	7.1	9.0	9.0	18.0	15.7	17.3	6.9	12.8
E-5	2.4	2.1	5.0	11.0	3.7	4.5	3.2	2.7
E-4	[1]	[1]	2.0	6.0	[1]	[1]	2.0	1.9
E-3	[1]	[1]	1.2	1.2	[1]	[1]	[1]	[1]

[1] Automatically promoted when basic eligibility criteria are attained unless there are compelling reasons to deny promotion for cause.

Navy officials indicated that the slower promotion of enlisted aides resulted from the reenlistment of 94.6 percent of stewards as opposed to 54.1 percent Navy-wide. Since very few people leave and therefore openings in the higher grades are few, this high retention rate reduced advancement opportunity within the rating.

WASHINGTON, D.C., AREA HOUSING OF ENLISTED AIDES

Service/Type of housing	Army	Navy	Air Force	Marine Corps	Total
Public officer quarters	1		0		18
Government-owned enlisted housing	36	46	23	2	107
Private economy housing	81	51	52	17	201
Private officer housing	0	0	0	0	0

We trust that the information presented in this letter satisfies your immediate requirements.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

APPENDIX I

STATUTORY AUTHORITY FOR ENLISTED AIDES

10 USC 3639. Enlisted members: officers not to use as servants.

No officer of the Army may use an enlisted member of the Army as a servant. (Aug. 10, 1956, ch. 1041, 70A Stat. 208.)

10 USC 7579. Officers' messes and quarters: limitations on employment of enlisted members.

(a) Under such regulations as the Secretary of the Navy prescribes, enlisted members of the naval service and enlisted members of the Coast Guard when it is operating as a service in the Navy may be assigned to duty in a service capacity in officers' messes and public quarters where the Secretary finds that this use of the members is desirable for military reasons.

(b) Notwithstanding any other provision of law, retired enlisted members of the naval service and members of the Fleet Reserve and the Fleet Marine Corps Reserve may, when not on active duty, be voluntarily employed in any service capacity in officers' messes and public quarters without additional expense to the United States.

(c) The Secretary, to the extent he considers proper, may delegate the authority conferred by this section, except the authority to prescribe regulations, to any person in the Department of the Navy, with or without the authority to make successive redelegations. (Aug. 10, 1956, ch. 1041, 70A Stat. 470.)

10 USC 8639. Enlisted members: officers not to use as servants.

No officers of the Air Force may use an enlisted member of the Air Force as a servant. (Aug. 10, 1956, ch. 1041, 70A Stat. 553.)

APPENDIX II

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES CONCERNING MILITARY BASES

Signed at Manila March 14, 1947; entered into force March 26, 1947

ARTICLE XXVII VOLUNTARY ENLISTMENT OF PHILIPPINE CITIZENS

It is mutually agreed that the United States shall have the right to recruit citizens of the Philippines for voluntary enlistment into the United States armed forces for a fixed term of years, and to train them and to exercise the same degree of control and discipline over them as is exercised in the case of other members of the United States armed forces. The number of such enlistments to be accepted by the armed forces of the United States may from time to time be limited by agreement between the two Governments.

DEPARTMENT OF DEFENSE DIRECTIVE

Subject: Utilization of Enlisted Personnel on Personal Staffs.

References: (a) 10 USC 3639, (b) 10 USC 7579, (c) 10 USC 8639, (d) United States v. Robinson, 6 USCMA 347, 20 CMR 63, 68.

I. PURPOSE

This Directive prescribes the policies governing the use of enlisted personnel on the personal staff of officers.

II. APPLICABILITY

This directive is applicable to all military departments on a continuing basis, and to the Coast Guard when operating as a service in the Navy.

III. POLICY

A. Enlisted personnel on the personal staff of an officer are authorized for the purpose of relieving the officer of those minor tasks and details which, if performed by the officer himself, would be at the expense of his primary military and official duties. The duties of these enlisted personnel shall be concerned with tasks relating to the military and official responsibilities of the officer. The propriety of such duties is governed by the purpose which they serve rather than the nature of the duties. Such duties must also further the accomplishment of a necessary military purpose.

B. Under such regulations as the Secretaries of the military departments prescribe, enlisted personnel on the personal staffs of general and flag officers, and certain other senior officers who are in command positions, may be utilized for:

1. Providing essential services to such officers in the field and aboard ship.

2. Duty in their quarters to assist these officers in the discharge of their official responsibilities to include assistance in the care of the quarters.

C. The assignment of enlisted personnel to duties which contribute only to the personal benefit of officers and which have no reasonable connection with the officers' official responsibilities is prohibited.

D. Nothing contained in this directive precludes the employment of enlisted personnel by officers on a voluntary paid off-duty basis.

IV. ADMINISTRATION

The Secretary of each military department is responsible for the administration of the policies announced herein. Implementing regulations of the military departments will be forwarded to the Assistant Secretary of Defense (MP&R) within ninety days.

V. EFFECTIVE DATE

This Directive is effective immediately.

———— ————,
Secretary of Defense.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C.

SECNAV INSTRUCTION 1306.2A

From: Secretary of the Navy.
To: All Ships and Stations.
Subj: Guidelines for Utilization of Enlisted Personnel on Personal Staffs.
Ref. (a) DOD Directive 1315.9 of 2 February, 1960 (NOTAL).

1. Purpose. To prescribe the policies governing the use of enlisted personnel on the personal staff of officers of the Navy and Marine Corps, in order to:

a. Provide general guidance for the efficient utilization of enlisted personnel on personal staffs.

b. Preclude improper utilization of enlisted personnel by assignment to duties which:

(1) Have no reasonable connection with the efficient employment of the Navy and Marine Corps as fighting forces.

(2) Contribute only to the personal benefit of individual officers or their families.

2. Cancellation. SECNAV Instruction 1306.2 is canceled and superseded.

3. Applicability. This directive is applicable to the Department of the Navy on a continuing basis, and to the Coast Guard when operating as a service in the Department of the Navy.

4. Background. Reference (a) cites pertinent legal references and delineates the Secretary of Defense's policy in the premises, to the effect that:

a. Enlisted personnel on the personal staff of an officer are authorized for the purpose of relieving the officer of those minor tasks and details which, if performed by the officer himself, would be at the expense of his primary and official duties.

b. The duties of these enlisted personnel shall be concerned with tasks relating to the military and official responsibility of the officer, to further the accomplishment of a necessary military purpose.

c. The propriety of such duties is governed by the purpose which they serve rather than the nature of the duties.

5. Definitions

a. "Efficient utilization" is defined as proper, appropriate, and gainful employment or use of men, money or facilities. For purposes of this instruction it encompasses the use of personnel for any type of duty that can be construed as personal in nature, regardless of occupational specialty, billet title, or organizational location of the individual performing that duty.

b. "Personal staff" is defined as those personnel who are authorized to the person of an officer by the Chief of Naval Personnel or the Commandant of the Marine Corps for other than command duties and who report directly to the officer concerned. For purposes of this instruction and in addition to its specific meaning, the term will further include any personnel who might be construed by the Service or the public as members of a personal staff because of the duties assigned. This specifically includes personnel assigned to duty in the public quarters of an officer.

c. "Official duty" is defined as those actions and activities which are required by the officer's billet, position, office, or rank. It includes functions of military and military-civilian activities, both temporary and continuing. It encompasses actions initiated by and accomplished through either oral or written media, whether during or after normal working hours.

G. Guidelines for Utilization of Enlisted Personnel on Personal Staffs.

a. Enlisted personnel on the personal staffs of general and flag officers, and certain other senior officers who are in command positions, may be utilized for:

(1) Providing essential services to such officers in the field and aboard ship. The purpose of such services is to assist the senior officer by relieving him of a multitude of details of an administrative and personal nature associated with his position or office in order that he may devote the maximum of time and effort to more important matters relating to military planning, policy, operations, training, exercises or maneuvers.

(2) Duty in their quarters to assist these officers in the discharge of their official responsibilities, to include assistance in the care of the quarters. The purpose of these services is to assist the senior officer in public quarters by relieving him of a multitude of administrative and personal details directly related to his official duties, to assist in the security, upkeep, and police of the public quarters assigned him, and to assist in official military and military-civilian functions therein.

b. The assignment of enlisted personnel to duties contributing solely to the personal benefit of officers and which have no reasonable connection with the officer's official responsibilities is prohibited. The purpose served, not the nature of such duties, determines the propriety. An exhaustive listing of specific duties authorized or prohibited is therefore infeasible; however, the following are clear-cut examples:

(1) Acceptable utilization

(a) Enlisted men driving the official vehicle of senior officers who are engaged in military functions.

(b) Utilization of stewards for the following duties is consistent with the policies of the Secretary of Defense and this instruction:

1. Preparation and serving of food and beverages, including cooking, baking, meat cutting, and scullery duties.

2. Care for the cleanliness, order, and protective maintenance of the officer's quarters and the furniture, fixtures, and appliances therein.

3. Preparation for and duties during official entertaining in the officer's quarters, including receiving guests, checking articles of outer clothing, and serving food and beverages.

4. Services of stewards other than those outlined in (1) through (3) above may be consistent with the Secretary of Defense's policies and this instruction when viewed from the standpoint of the purpose served; however, the official concerned must make a determination in each instance.

(2) Unacceptable utilization

(a) Care and exercising of pets.

(b) Caring for infants or children.

(c) Personal services for dependents which do not fall within the intent of subparagraph 5a above.

c. This instruction does not preclude officers from the employment of enlisted personnel on a voluntary, paid outside-working hours basis. Inasmuch as personnel on active duty are in a 24-hour daily duty status, voluntary employment by officers shall be exercised with care to insure that the time, talents, and attention of enlisted personnel in the performance of their regular duties continue to receive precedence during that entire period.

d. Responsibility for the supervision, direction, and performance of duty of enlisted personnel assigned to duty on the personal staff or in the public quarters of an officer lies solely with this officer.

e. Specific duties of members of a personal staff, and of any enlisted personnel assigned to perform duties which may be construed as being of a personal nature, while generally following the customs of the Services, should be specifically prescribed by the senior officer concerned in each case.

f. Since enlisted personnel assigned to personal staffs may be required to assist the senior officer during normal off-duty hours, compensatory time off should be provided.

7. Action. Implementation of the requirements of this instruction demands discriminating judgment upon the part of all officers of the Navy and Marine Corps. Addresses will insure full compliance with both the letter and the spirit of the guidelines delineated herein.

JOHN W. WARNER,
Under Secretary of the Navy.

DEPARTMENT OF THE AIR FORCE,
Washington, 2 October 1967.

AIR FORCE REGULATION NO. 39–5

ENLISTED PERSONNEL AIR FORCE AIRMAN AIDE POLICY

This regulation states policies and tells how airman aides may be authorized, assigned, and used on the personal staffs of general officers. It implements DOD Directive 1315.9, 2 February 1960.

(See summary of revised material following the signature element)

1. Policy on Assigning Enlisted Personnel to Personal Staffs: Enlisted personnel may be assigned to a general officer's personal staff to perform minor duties and details that the officer could not perform himself except at the expense of his primary military or other official duties. The propriety of assigning a duty to an enlisted aide will be determined by the purpose the duty will serve rather than by its nature. All duties assigned to an aide should be related to the military or other official duties of the officer and must further the accomplishment of a necessary military purpose. Airman aides may not be assigned duties that contribute only to the personal benefit of an officer and have no reasonable connection with the officer's official responsibility.

2. Restrictions on Assignment of Aides:

a. Table 1 shows the maximum number of airman aides that may be assigned to an officer.

b. Airmen assigned as aides must not have grades higher than E–7 and authorizations must come from over-all command bulk allotment.

c. Within authorized allowances, airman aides may be assigned duty in public quarters to help an officer discharge his official responsibilities, including help in caring for quarters. Airman aides may also be assigned duties in private quarters of the following officers who do not have access to adequate public quarters:

Table 1. Number of Airman Aides Authorized.

OFFICER GRADE
General of the Air Force (or Chief of Staff, USAF, maximum number of aides authorized, 5. General, maximum number of aides authorized, 4. Lieutenant General, maximum number of aides authorized, 3. Major General, maximum number of aides authorized, 2. Brigadier General, maximum number of aides authorized, 1.

This regulation supersedes AFR 39–5, 17 October 1961. OPR: AFPDP, Distribution: B.

(1) A general or lieutenant general assigned within Continental US.

(2) Any general officer serving outside Continental US.

d. Nothing in this directive precludes an officer from employing enlisted personnel on a voluntary, paid, off-duty basis.

3. Selection and Reassignment of Aides:

a. To the maximum extent possible, airmen assigned to authorized positions on personal staffs must be selected from volunteers from available command personnel sources and preferably from among airmen assigned at the base where the aides will be used.

b. Any reassignment or retention of airmen for duty on personal staffs under the following conditions must have USAFMPC approval:

(1) Curtailment or extension of an oversea tour prescribed by chapter 7, AFM 39–11, 1 May 1967.

(2) Oversea Assignment.

(3) Intercommand Assignment.

(4) Assignment of airmen in grades E–8 and E–9.

c. When submitting requests for reassignment or retention under one of the conditions in b above, include the following information:

(1) *Information About the Officer.* Grade and name of officer for whom the airman will perform duty.

(2) *Information About the Airman.* Grade, name, AFSN, CAFSC, DOS, ODSD, specific duty to be performed (eg, administrative aide, cook, secretary, driver, etc), normal DEROS (if applicable), desired port date (if applicable), oversea volunteer status (if applicable), unit designation, location to which airman will be assigned, and desired reporting date at new station.

(3) *Other Pertinent Information.* Justification, if curtailment or extension of oversea tour is involved; statement that a qualified airman is not available from gaining major command resources and that losing major command concurs in reassignment, if an intercommand assignment is requested.

d. Airmen assigned to duties under this regulation will be:

(1) Given the same opportunity for oversea service under established selection criteria as other airmen.

(2) CAFSC and DAFSC will be changed to reflect reporting code 99121.

e. An airman who becomes surplus as a result of a previous assignment on a personal staff will be absorbed by normal attrition.

BY ORDER OF THE SECRETARY OF THE AIR FORCE
OFFICIAL.

J. P. MCCONNELL, *General, USAF,*
Chief of Staff.

R. J. PUGH, *Colonel, USAF,*
Director of Administrative Services.

Summary of Revised Material: This revision updates references in paragraph 3b and substitutes "ODSD" for "FSSD" in paragraph 3c(2).

CHAPTER 1: AIDES-DE-CAMP

1–1. Assignment. *a.* General officers occupying table of organization and equipment positions may be assigned aides-de-camp as prescribed by that table of organization and equipment.

b. General officers occupying table of distribution positions when in command of troops may be assigned aides-de-camp in the numbers and grades prescribed in table 1–1. A general officer who is a deputy or assistant commander and who directs a headquarters at a different location from that of the commander is considered as "in command of troops."

c. General officers occupying table of distribution positions who are not commanding troops are not entitled to aides-de-camp except the Vice Chief of Staff of the Army and those assigned as deputy commanders or Chiefs of MAAGs, JUSMAGs and military missions who may be assigned one aide-de-camp per general officer, not to exceed the maximum grade appropriate for the rank of the general officer as prescribed in table 1–1.

1–2. Selection. Any general officer authorized aides-de-camp may select, from his own command, officers of appropriate grades and may assign such officers to duty as aides-de-camp within the limitations prescribed in paragraph 1–1.

1–3. Reassignment. When a general officer is ordered to perform duty beyond the limits of his command, he may order his aides-de-camp to accompany him. When ordered to change station within, from, or to continental United States, the command from which the general officer is being reassigned is authorized, upon his request, to reassign his aides-de-camp not to exceed the numbers and grades shown in paragraph 1, providing he is authorized aides-de-camp in his new assignment. Any question concerning the authorization for aides-de-camp in the new assignment will be resolved by the commander of the command to which the general officer is to be assigned, prior to issuance of change of station orders for the aides-de-camp. Change of station orders for aides-de-camp will cite the same procurement authority for travel expenses as that under which the general officer travels and will cite this regulation as authority for issuance of the orders. Two copies of orders will be furnished The Adjutant General (HQDA (DAAG–ASL), Washington, D.C. 20310). Change of station between oversea theaters for aides-de-camp will be processed in accordance with AR 614–30.

1–4. Limitation on length of tour. No prescribed tour length is established for officers serving as aides-de-camp. However, due consideration should be given to the impact which unusually long and repetitive tours will have on the career development of the officers concerned.

1–5. Component. Officers selected for assignment as aides-de-camp, within the grade limitations specified in paragraph 1–1, may be assigned irrespective of component.

TABLE 1–1

General officers	Col.	Lt. Col.	Maj.	Capt.	Lt.	Total
General of the Army (or Chief of Staff, USA)	1	1	1			3
General		1	1	1		3
Lieutenant general			1	1		2
Major general				1	1	2
Brigadier general					1	1

November 20, 1972.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
Washington, D.C.

DEAR ELMER: I understand that certain flag and general rank officers of the United States Armed Forces are routinely assigned enlisted military personnel, including foreign nationals, to serve in the capacity of domestic servants.

These men, I am told, in some cases Philippine nationals, act as cooks, butlers, houseboys, drivers, bartenders at official and unofficial occasions, and perform a variety of other household duties, though they are not quartered with the officers they serve.

Would you please undertake an investigation to determine the following facts:

1. How many officers based in the U.S. are assigned stewards or military aides that perform, exclusively or in part, the functions mentioned above?

2. How many stewards or aides are so employed; how are they recruited and assigned; what are their official duties and job descriptions; and what are the full direct and indirect costs of these activities by budget authority?

3. What statutory justification is there for providing U.S. military officers with de facto personal servants?

4. What is the ethnic and racial composition of Navy stewards?

5. What is the agreement between the U.S. and the Philippines regarding the enlistment in the U.S. Armed Forces of Philippine nationals?

6. Please compute the additional compensation these services represent as an add on to existing flag and general rank salaries.

7. What is meant by the term "Malaysian" as an accounting designation? Of the 10,347 "Malaysians" in the grade of Steward as of June 30, 1972: (a) How many are assigned to jobs in the United States, (b) in the Washington, D.C. area, (c) what is the breakdown by local base, (d) how many Stewards are assigned to individual members of the Joint Chiefs of Staff, the Chief of Naval Operations and his deputies, and other high ranking officers (07–010) in the Washington, D.C. area, (e) what is the average length of service for Stewards, (f) average pay, (g) average rate of promotion, (h) where are they quartered in the Washington, D.C. area?

Your assistance in clarifying the statutory and budgetary justification of these activities would be appreciated. I would hope that this study could be completed in time for Congressional consideration during FY 1974 Military Appropriations Hearings.

Sincerely,

WILLIAM PROXMIRE,
United States Senator.

Hon. SENATOR WILLIAM PROXMIRE,
U.S. CONGRESS,
Washington, D.C.

DEAR SIR: This is in response to the UPI story which I enclosed. Your sources must be very reliable, for everything said in the article is true.

I am a Navy wife and my husband is a steward (E–4). He is a Philippine national who is now an American citizen. He has been

serving in the Admiral's house in Norfolk for the past three years. When I learned of what their "duties" are, I was amazed that this is being tolerated by the United States Navy. He said that this is the way things have been in the Navy, and it cannot be changed anymore. I am very glad to know that you are interested in this practice and I hope that you can initiate a change.

For starter, you can investigate the Admiral's row in Norfolk, Virginia. Here, you will find that a vice-admiral has four stewards, and a rear admiral has three. These enlisted personnel are usually E–3 to E–6. I do not dispute the claim that admirals should have sailors as aides and valets for security reasons. But, why should their wives have sailors for their own "maids"? I believe that two enlisted men are sufficient to take care of an admiral's personal needs and comfort. Right now, the stewards serve not only the admiral, but also his family.

I know for a fact that the stewards clean the house, cook all meals for the admiral's family (and houseguests), do the laundry (not only the officer's uniforms, but also their wives clothes), act as butlers, drive wives on errands (or run errands for them), work as bartenders (which my husband has become proficient) at official and unofficial parties (family gatherings as during the Thanksgiving and Christmas holidays), and serve at the bridge games and picnics of the officers wives. The stewards do not go home until after the evening meal is served, the kitchen cleaned, and the Admiral and the "missus" ready for bed. You may like to know also that to call a steward, an intercom is not used, but a bell (just like calling a servant).

As the article mentioned, most stewards are Filipinos. You are probably wondering why these men (high school graduates and some with college education) would request or stay as stewards at the admiral's house. First, because this is a sure way to stay on shore duty and be close to their families. Second, most of them cannot pass the advancement examinations, because they have no time for study, and because their activities are purely non-military. Another reason is that most Filipinos value the American dollars they earn. The money they can send to the Philippines is a big help to their families and relatives left behind. Also, due to their lack of qualification, (some have been stewards for ten or twelve years) they are afraid to get out and look for jobs as civilians.

I suggest that before assigning stwards to admirals and other high-ranking officers, they and their families be given a handbook as guide to what the duties of the stewards are. I am not exaggerating if I tell you that Navy stewards have been used as baby-sitters for officer's grandchildren, and as chauffeurs for the wives' shopping and partying (without the admiral).

I hope that you will pursue the investigation of this matter. I am supporting you fully.

NOVEMBER 23, 1972.

DEAR SENATOR: I read in this morning's Washington Post that you were asking the G.A.O. to investigate the role of enlisted personnel as stewards for the General Officer Corps of the Military Establishment.

I served 7½ years in the Marine Corps with about 4 years serving as a steward in one capacity or another.

While I was in Vietnam I served as one of the stewards of the Commanding General's Mess of the First Marine Division at Danang. Our duties included serving the general staff their meals and keeping the mess clean, the silver polished, setting the table and cleaning up after the meals.

There was a Vietnamese who washed the breakfast and lunch dishes and one of us would wash the evening dishes. After the evening meal either I or a staff sgt. would show a film for entertainment. I enjoyed the tour in Vietnam as being a good experience and we ate the same food the general's staff ate which was better than what was served down in the mess hall.

I re-enlisted in Vietnam for 3 more years after serving 4½ years because I believed what the military was telling us about how we were defending freedom and democracy and allowing the South Vietnamese to choose their own future. After Vietnam I went to Okinawa as a steward for the Commanding General's Mess F.M.F. PAC. (FWD) whose main base was in Hawaii at Camp Smith where I was a cook in the mess hall before I went to Vietnam.

After my tour in Okinawa I went to Quantico, Virginia. My first few months there were as a cook in the officer's barracks.

One of the generals that served in Okinawa was transferred to Quantico and was looking for a steward to serve in his quarters with his family, so I volunteered.

Much to my surprise serving in a general's quarters in the states is much different than serving in his mess overseas.

Some of the phoniest people in America are general's wives who try to get their husbands promoted and this wife was no exception.

She gave parties and tried to butter up to the wife of the Senior General of the base and the wives of the other General's as her husband was the "low man on the totem pole."

The chores we had to do in their quarters were something else. The two other stewards who were black and senior to me said this wife was the worst one they had ever worked for. She couldn't stand to see dust anyhere, and she just loved to run her fingers along furniture or venetian blinds to pick up dust and show it to us. She had 2 children, a 14 year old daughter and a 19 year old son.

Half the time after her daughter went to school and her mother was too busy to make her daughters bed, she asked us to and to straighten up her room. We would wash their car once a week or just before they were scheduled to go to a party or official function. We would wash their son's car while he was at college just so he could have a clean car when he came home on weekends.

When their washing machine broke down in October I had to take their wash into Quantico and wash it in a coin Laundromat. They didn't buy a new washer until after Christmas. The senior Steward took care of the General's uniform and layed out the proper one for the nert day. I shined the shoes and whenever she could she had me shinning her shoes and her daughters too.

When the General and his wife went out, one of us would have to come back in the evening just to cook their daughter her dinner, like a hamburger.

When their son was home for the summer he had a job at the construction site of the new FBI building at Quantico. We would fix his breakfast before he went to work as well as his fathers and make him a sandwich for his lunch, and sometimes he would complain because the lettuce was gritty or the sandwich wasn't made right or something.

At Christmas when the family was together we had to cook and serve them their Christmas Dinner on Christmas Day while the other Generals ate their Dinner a day earlier or later so their stewards could be off on Christmas.

The Generals' wife said after their Dinner at 6 p.m. that we still had time to have a nice dinner with our families.

Fortunately, the Marine Corps had enough sense to not promote the General after his first star and they are retired in Florida.

Her prejudices showed through and working with the other stewards was a good experience because I was able to recognize the families prejudices and it went in one ear and out the other.

I got out of the Marine Corps in Dec. '70. I enjoyed the experience of having served in the military to be able to really see the fat that is being wasted away in the military, and to know that my generation is going to change the inequities in this country because someone touched my generation and gave us spirit which we carry in our hearts, and we are going to use that spirit to lead this country into its third century. His name was John F. Kennedy.

NOVEMBER 28, 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: I saw the November 22, 1972, UPI story regarding your feelings about the use of enlisted men as personal servants to "high ranking military officers." And, I support you in your condemnation of this practice.

It may be of interest to you, in your probe of this "servant question," to learn of my personal observations of one Air Force General and his use of enlisted men and women as personal cooks, servants and drivers.

My business associate resides in an upper income area of West Los Angeles. Living next door to him is a three star Air Force General and his wife. And, working for them each day is a black Staff Sgt., another enlisted man, rank unknown, and an Air Force enlisted lady.

These enlisted people cook, clean, build fences, garden and maintain the swimming pool as a part of, I would guess, their "military assignment." And, the enlisted lady even walks the General's poodle which I as a dog owner object to, since I walk my own dog and am not "fortunate enough" to have done at the taxpayers' expense.

Plus, the driver. The driver picks the General up each morning, returns him to his house each evening, and then is used on the weekends for a variety of driving assignments—some of which do not appear to be of a military nature. Unless you consider going out to a social events as a pressing part of our role in maintaining democracy through our military strength.

Senator, I feel that if a person wants to live in luxury—that is his right. But, he should earn that right through a participation in the free enterprise system. Build a business. Invent a product or service and then sell it. Thus, reaping the rewards of our great economic system.

I think that those people who enter government service must do so out of some personal belief that they are doing something to help their fellowman. Those of us who enter the private business world also are interested in our fellowman—whom we help by expanding business and employment opportunities through our creative efforts.

Senator, I say this, if the Generals and Government Officials of this country want servants, maids, valets and personal help—let them pay for it out of their own pocket!

Generals, for example, earn far above average in salary. They can afford to pay for their own help. Just as high government people can—and do.

Not that I am trying to give you a lesson in economics, or personal integrity, but I do have some strong feelings about your efforts to reduce the use of enlisted men by our high ranking military officers. Especially so because of my personal observations of this odious practice.

Best wishes to you in the coming year.

NOVEMBER 25, 1972.

Senator PROXMIRE: I regret this must be sent anonymously. My father would lose his career otherwise, and he values his upcoming promotion.

The newspapers tell of your questions about generals having servants. A point that

highlights the waste of this question is the servant situation of Lt General William Pitts, the commander of SAC's 15th Air Force.

General Pitts took his three servants (all master sergeants) and their families with him when he went from England to take command of a headquarters in Izmir, Turkey last summer.

Five months later he was assigned to 15th Air Force, and he had a special KC–135 pick him and his wife up from Izmir to fly directly to California along with the exact same servants and their families; he also took along his polar-bear size white dog: he left Turkey on November 21st and arrived in California the next day, dog, servants and their families. These are facts, and the costs of shipping his servants from England to Turkey and California within six months were paid for by taxpayers . . . us.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: After so many years someone of your position is investigating the assignment of aids in the armed forces. Be certain that the majority of the military people welcome your investigation. I wish to report to you an example here in Brussels of the very problem you are investigating. General Milton of the Air Force is the senior US officer in Belgium. He has four full time enlisted men in his house as aids. All four of these men are negro. They cook all the meals for the general and his wife. They clean his house and answer his phone and take his dogs to the shop to be groomed. They keep his dogs while the general and his wife are gone on vacation. All of these men worked a full day on christmas even though they have families. It is said that when the general needed a new aid last year he said that the new man had to be a negro. The assistant to General Milton is a navy admiral (rear admiral). Admiral Kane has aids at his house and they are all from the Philippine Islands.

Today I heard that General Milton will be extended by President Nixon so that he will not retire in 1973. I decided to write you because I cannot understand why the President would let this go on. Why are all the aids here in the military? These generals make more money in a year than most of us here will see in our whole life. They should be made to hire civilians as servants. And even if this is allowed why must these people almost always be other than white? I am white but I can even see the wrong being done to the people here who are aids. Everyone is afraid of the general and his aid de camp so they do not say anything. I am afraid and that is why I have not signed my name to this letter. I will soon be eligible to retire and I do not want to get in trouble. Please investigate the racial conditions in Brussels and the situation involving the aids. We have no one in authority to change the situation. Thank you senator.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: In a recent newspaper I read of your request to have the controller general investigate the use of enlisted men in the military as personal servants for high ranking officers. As a veteran I support you and I am writing to my senator asking him to support you in any way he can.

While in the Coast Guard I saw many incidents that dehumanized enlisted men and made the officers feel even more powerful over the enlisted men's lives than they normally were. Drivers had to drive officers anywhere they wanted while an enlisted man had to clear their destination with a duty officer. The driver for top Coast Guard officers was on standby at all times and drove the Admiral to various social functions along with the usual daily business.

At CG Group Baltimore the captain has a car at his disposal and the duty driver is instructed to take the Captain where ever he wants. And the duty officer at the group makes the enlisted duty section make his bed. It is unheard of for an officer to stand in a line, he gets meals served him by enlisted people, while enlisted people eat like cave people.

The enlisted are used as servants more on the sea than on land. Enlisted men cook, clean, make beds, run errands and any other thing they can think of. During inspections the officers have their enlisted men clean their rooms and then inspect. And of course the Captain won't even settle for an enlisted man who is used by other officers, he has to have one of his own.

So in all I support you and will write the Senator in my state and ask him to support you. I would like information on your request as the article in the paper was short. Thank You.

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25 Nov. 72.

SENATOR: On 22 Nov 72 I read comments you made about "military personnel being assigned as personal servants to some high ranking military officers."

I am retiring on 1 Dec 72. I am too old to giggle, or I would. You have many years on public service. When did you come to the astounding conclusion that personnel in the service in the grades of (yes) Colonel, Brigadier General, Major General, Lt General etc used and still use enlisted members of the service for duties as personal drivers, gardeners, bartenders, cooks, butlers, yeah—drive generals wives on errands, and any other thing that general they are assigned to wants them to do?

Why don't you check out the Air Force Regulation which outlines how many such "servants" each Air Force General can have?

By the time you receive this letter I should be "safely" in retirement, and this is the only reason that I send it to you.

I retire with over 26 years service. During this time (you will have to take my word for this) I have encountered the following: (just some):

1. A base where a Brig. Gen used enlisted personnel to build the NCO club, and "stand guard" and police, while sports car races were held. (Chanute AFB, Ill 1953)

2. A base where a CMSGT had the only duty of assigning enlisted aides to Generals in the Pentagon (Bolling AFB, D.C.)

3. A base where enlisted personnel were used to build a miniature golf course. (Korea).

4. Throughout the Air Force for years it has been the practice of "advertising" for enlisted personnel who might want to be a general's aide. The phrase "cooking experience necessary" is always present.

The only thing I am surprised at is that you indicate that you do not know about this long standing military system. Or did you just want to get the unknowing general public's attention as a political thing? Request you not use my name, but if you chose to do so I won't cry about it.

P.S. Add to the above, a base where a Brigadier General was detailed as "project officer" to build a golf course. The General was detailed by the then Chief of Staff of the Air Force.

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24 NOVEMBER 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate and Office Buildings,
Washington, D.C.

DEAR SENATOR PROXMIRE: As an enlisted aide, I would like to present you with my personal opinion regarding your investigation into the practice of using enlisted men as personal servants for high-ranking officers (Generals and Admirals). No enlisted person, regardless of race, can be forced to serve as an aide to an officer. This is strictly a volunteer program. This is not an unauthorized program as your opinion states. I am a graduate of the U.S. Army Enlisted Aide School located at Fort Lee, Virginia. The training I received there is available nowhere else in the world. I feel very honored to be one of less than 300 school trained enlisted aides.

I hope the above will be of some assistance to you and I would appreciate your reply.

Respectfully,

WILLIAM J. HAYWARD,
Specialist 5, U.S. Army, Enlisted Aide,
Headquarters Company, U.S. Army Pacific, Ft. Shafter, Hawaii, APO San Francisco 96558.

ARRANGEMENT FOR FUNERAL SERVICES FOR FORMER PRESIDENT LYNDON BAINES JOHNSON

Mr. MANSFIELD. Mr. President, I have received some tentative information, which will have to be finalized, to the effect that those who intend to go to Texas for the final rites for former President Lyndon Baines Johnson will likely have to leave an hour and a half earlier than the time for the services to be held at the National City Christian Church in Washington. Further information will be announced as soon as it can be obtained, but so far we are operating in the dark.

ORDER FOR RECOGNITION OF SENATORS McCLELLAN, JACKSON, NUNN, STENNIS, AND ALLEN FRIDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, immediately following the recognition of the two leaders or their designees under the standing order, the following Senators be recognized each for not to exceed 15 minutes and in the order stated: Senators MCCLELLAN, JACKSON, NUNN, STENNIS, and ALLEN.

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

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON FRIDAY, JANUARY 26

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of the special orders for the recognition of Senators on Friday, there be a period for the transaction of routine morning business for not to exceed 45 minutes, with the statements made therein limited to 5 minutes.

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

ORDER FOR EXECUTIVE SESSION TO DEBATE THE NOMINATION OF MR. ELLIOT RICHARDSON TO BE SECRETARY OF THE DEPARTMENT OF DEFENSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of the period for the transac-

tion of routine morning business on Friday, the Senate go into executive session to debate the nomination of Mr. Elliot Richardson to hold the office of Secretary of Defense.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL FRIDAY

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business tomorrow, and moves in a body to the rotunda, it stand in adjournment until 12 o'clock meridian on Friday.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 o'clock meridian. Following the recognition of the two leaders or their designees under the standing order, there will be eulogies with respect to the late former President Lyndon B. Johnson. At the conclusion of those eulogies, Senators will gather to proceed in a body to the rotunda of the Capitol, at which time the Senate will stand in adjournment until 12 o'clock meridian on Friday.

On Friday, the Senate will convene at 12 o'clock meridian. After the two leaders have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. McCLELLAN, Mr. JACKSON, Mr. NUNN, Mr. STENNIS, and Mr. ALLEN.

At the conclusion of the aforesaid special orders, there will be a period for the transaction of routine morning business of not to exceed 45 minutes, with statements therein limited to 3 minutes, after which the Senate will go into executive session to consider the nomination of Mr. Elliot Richardson to be Secretary of Defense.

There will be no vote on the nomination on Friday. That vote will occur on Monday next at 2:30 p.m., and it will be a yea-and-nay vote.

On Monday, it is the present intention of the leadership also to proceed with debate on the confirmation of the nomination of James T. Lynn to be Secretary of Housing and Urban Development, following the vote on the confirmation of the nomination of Mr. Elliot L. Richardson of Massachusetts, to be Secretary of Defense.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I assume this will be the last quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock meridian tomorrow.

The motion was agreed to; and at 5:03 p.m. the Senate adjourned until tomorrow, Wednesday, January 24, 1973, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 23, 1973:

IN THE COAST GUARD

The following named officers of the Coast Guard for promotion to the grade of rear admiral:

Glen O. Thompson
Julian E. Johansen
Abe H. Siemens
John B. Hayes
Robert H. Scarborough

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general

Maj. Gen. Willis Dale Crittenberger, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack Carter Fuson, [redacted], Army of the United States, (brigadier general, U.S. Army).

Maj. Gen. William Edward Potts, [redacted] Army of the United States, (brigadier general, U.S. Army).

Maj. Gen. Frederic Ellis Davison, [redacted] Army of the United States (brigadier general, United States Army).

Maj. Gen. Arthur Hamilton Sweeney, Jr., [redacted] Army of the United States (brigadier general, United States Army).

Maj. Gen. Jack Alvin Albright, [redacted] Army of the United States, (brigadier general, United States Army).

Maj. Gen. Hugh Richard Higgins, [redacted] Army of the United States (brigadier general, United States Army).

Maj. Gen. Sidney Michael Marks, [redacted] Army of the United States, (brigadier general, United States Army).

Maj. Gen. Albert Ernest Milloy, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Reiley Guthrie, [redacted] Army of the United States (brigadier general, U.S. Army).

Lt. Gen. William Allen Knowlton, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Frank Ambler Camm, [redacted] Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Edward Michael Flanagan, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Bernard William Rogers, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Woodland Morris, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Allen Mitchell Burdett, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Howard Harrison Cooksey, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. C. J. LeVan, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Quint Henion, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Holloway Cushman, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. David Ewing Ott, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. George Samuel Blanchard, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Harold Ira Hayward, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Joseph Hennessey, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Frederick James Kroesen, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Gen. Alexander Meigs Haig, Jr., [redacted] Army of the United States (colonel, U.S. Army).

IN THE MARINE CORPS

Lt. Gen. Louis Metzger, U.S. Marine Corps, for appointment to the grade of lieutenant general on the retired list in accordance with the provisions of title 10, United States Code, section 5233 effective from the date of his retirement.

The following named officers of the Marine Corps for permanent appointment to the grade of colonel:

Lewis H. Abrams
Donald W. Anderson
Harry E. Atkinson
David B. Barker
David G. Bates
William R. Beeler
James L. Black
Vincente T. Blaz
Billy D. Bouldin
Bruce G. Brown
Carl E. Buchmann
Hugh R. Bumpas, Jr.
Duncan D. Chaplin III
Charles C. Chisholm, Jr.
Donald K. Cliff
Harlan C. Chase
James P. Connolly II
Alfred J. Croft, Jr.
William M. Cryan
Thomas J. Culkin
Jack E. Dausman
Francis L. Delaney
Frank Dicillo, Jr.
Haig Donabedian
William C. Drumright
John E. Fahey
Thomas C. Fields
Charles Fimian
Herbert G. Fischer
William E. Fitch III
George H. Gentry, Jr.
Walter F. Glowicki
Joseph P. Goodson
Edward Z. Grabowski
John J. Grace
Alfred M. Gray, Jr.
Robert E. Haebel
Elvyn E. Hagedorn
Richard S. Hartman
William H. Heintz
Emil W. Herich
Peter L. Hilgartner
Clarence E. Hogan
Harry H. Holmberg
Eugene R. Howard, Jr.
Robert W. Howland
William E. Hutchison
Gerald H. Hyndman
Raymond B. Ingrando
Richard P. Johnson
Thomas M. Kauffman
Charles J. Keever
Thomas R. Kelly
William R. Kephart
Lavern W. Larson
William A. Lawrence
Charles G. Little
Gordon M. Livingston
John R. Love
Frederick F. Mallard
Richard C. Marsh
Val R. McClure
Max McQuown
John G. Metz
Marc A. Moore
Samuel M. Morrow
Roy E. Moss
Frank J. Murray
Neil A. Nelson
Donald E. Newton
Stephen G. Olmstead
John J. Peeler
Edward F. Penico

Charles R. Poppe, Jr.
Francis X. Quinn
James R. Quisenberry
Stanly H. Rauh
Brooke F. Read, Jr.
John J. Reddy
Robert C. Rice
William H. Rice
William R. Rice
Charles D. Roberts, Jr.
Jack D. Rowley
William A. Scott, Jr.
Donald L. Sellers
Dale E. Shatzer
Paul L. Siegmund
Eugene A. Silverthorn
William C. Simanikas
Benjamin B. Skinner
Louis Z. Slawter, Jr.
Michael E. Spiro
Richard W. Smith
Broman C. Stinemetz
Richard C. Stockton
Thomas R. Stuart
Lawrence F. Sullivan
Richard B. Taber
Gerald C. Thomas, Jr.
Ralph Thuesen
Frank D. Topley
Bernard E. Trainor
Richard B. Twohey
John J. Unterkofler
Morgan W. West
Peter A. Wickwire
Bobby R. Wilkinson
Charles T. Williamson
Theodore J. Willis
Leonard E. Wood
Tullis J. Woodham, Jr.
Richard E. Wray III
Gary L. Yundt

The following named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel:

Donald H. Ahern
George W. Allen
Thornton J. Anderson, Jr.
Frederick M. Bates
Stephen D. Beck
Eugene C. Benbow
Phillip J. Boogaerts
Billie H. Brister
Frank O. Burge, Jr.
Robert R. Carson
Charles C. Caudle
Ronnie W. Cunningham
June M. Dantin
Vaughn L. Deboever
Donald L. Dillon
Edward R. Dipersio
Charles F. Donohue
Raymond M. Erwin
Lawrence P. Flynn
Jett T. Ford, Jr.
Louis W. Futrell
Roger E. Galliher
John A. Gose
Theodore E. Guglin
James W. Hammond, Jr.
James W. Harris
John B. Hirt
John S. Hobbs
John E. Jackson, Jr.
Louis C. Johanson
Kenneth R. Johnson
J. E. Kaish
James S. Kelly
Robert A. Kimbrough III
Vito B. Lasala
Nicholas M. Laslavic, Jr.
William R. Leonard
John R. Lilley II
Howard A. Looney
Thomas E. Lucas
Blair L. Mackenzie
William F. Maughan
Jerry J. Mitchell
Joseph A. Molitoris
James F. Molloy, Jr.
Walter F. Murphy, Jr.
William K. Nicrosi, Jr.
John J. O'Donnell
Gerard P. O'Keefe
Benjamin C. Pratt
Richard S. Reed
Thomas P. Reid
Lavern Rice
Robert W. Rust
Joseph B. Ruth, Jr.
Kenneth A. Seal
Milton Shaw
Richard B. Sheridan
James R. Smith
Keith A. Smith
Charles E. Smitherman
Neil O. Snepp
Richard F. Staar
Richard W. Stone
William H. Stroman
Fred Stutler
Jerome B. Tinling
Arch E. Trimble
George A. Vanhoomissen
Wilcomb E. Washburn
Jerry H. Weiss
Hunter B. Whitesell
Russell H. Whitla, Jr.
John F. Williams, Jr.
William L. Williams
Stanley B. Wilson
Blair D. Woolsey
Thomas E. Workman, Jr.
Barkley B. Yarborough

The following named officers of the Marine Corps Reserve for temporary appointment to the grade of colonel:

Millard S. Abbott
William J. Alford
Allen M. Andreasen
Raymond R. Bareis
Kenneth D. Barnes
William H. Berry III
Arthur F. Boland
William R. Bremer
Clifford J. Brenner
John H. Broujos
Walter J. Bryson III
John L. Caldwell
J. A. Cameron
John C. Chandler, Jr.
George F. Ciampa
John E. Courtney
George M. Crall
Robert G. Davis
John P. Dempsey
Frank H. Denobriga
Horace M. Dubose III
Lowell E. Enslen
James A. Everett
Robert J. Fagot
Fred M. Greene, Jr.
William P. Grimes
Dallas H. Harder
Ulus G. Hudson, Jr.
Robert O. Jones
John E. Kelleher, Jr.
William A. Kneller
William J. Koogan
John J. Krasovich
Paul G. Kuntz
Ney C. Landrum
George H. Laplata
Frank P. Marcus
Thomas M. McCabe
John R. Miller
Allan G. Molitor
William W. Monahan, Jr.
Maurice L. Murphy
Reginald T. Murphy
Walter C. Noakes
Edward C. O'Connell
Herbert R. Oxnam, Jr.
Clayton H. Parker
William D. Powell, Jr.
Ronald L. Pullen
Robert G. Raabe
Charles G. Reynolds
George A. Rilling
William L. Roberts
Richard W. Rockenback
Edgar O. R. Sadler
John P. Sanderson, Jr.
Kenneth R. Seitz
Thomas A. Simpson
Ronald L. Smith
Robert J. Stolarik
Willis Swales
Gordon A. Sweitzer
Ronald Trepas
Edwin F. Vozella
Harold R. Warren, Jr.
Richard P. Weinberg
Norman C. Willcox
Orlow R. Zumwalt

The following named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Louis R. Abraham
John B. Acey
John A. Adams
Richard J. Adams
Thomas G. Adams
Mars M. Adkins
Francis R. Allen
Dennis N. Anderson
Ira C. Anderson
Harold L. Angle
Phillip T. Arman
B. L. Avera, Jr.
Richard A. Bailey
George A. Baker III
William R. Ball
William H. Barnard
Raymond A. Becker
Herbert T. Berwald, Jr.
Donald C. Bickel
Richard K. Biel
George M. Blackburn
Ronald E. Blanchard
James L. Bolton
Jerry T. Bowlin
Lawrence J. Briggs
Robert O. Broad, Jr.
Desmond F. Browne
John J. Burke, Jr.
Mervyn J. Burns
Peter M. Busch
Joseph C. Byram, Jr.
John J. Caldas, Jr.
Robert C. Caldwell
Dougal A. Cameron III
Peter J. Canzano
Richard P. Capatosto
John D. Carlton
Robert T. Carney
Donald S. Carr
Richard W. Carr
Edward P. Carroll
John E. Carroll, Jr.
Donald E. Cathcart
John G. Celli
Charles W. Chain III
Richard J. Cisewski
Arthur B. Clark
George Clark
Edward J. Clarkson
David M. Clauretie
Robert E. Cleveland
Thaddeus S. Coates
Joseph F. Cody, Jr.
John C. Coffin
Barry S. Colassard
Fred J. Cone
Thomas F. Conway
James L. Cooper
Wade H. Cooper
Roy G. Corbett
John M. Coykendall
Ervin J. Crampton
John D. Crawford
Forrest W. Crone
Timothy J. Cronin, Jr.
Donald F. Crowe
James L. Cunningham
John R. Curnutt
Edward W. Cuthbert
John R. Dailey
Donald W. Dane
Clarence L. Davis
William C. Doerner
John B. Donovan, Jr.
Edwin J. Doran
Richard T. Douglas
Bruce W. Driscoll
Allen R. Edens
Franklin P. Eller, Jr.
Gerald L. Ellis
William R. Etter
Arthur P. Finlon
Robert C. Finn
Robert L. Fischer
Albert T. Fisher
Marcus T. Fountain, Jr.
Ray M. Franklin
Bobby H. Freeman
Allen L. Frucci
Laurence S. Fry
John A. Gagen
Dominick R. Gannon
John H. Gary III
Robert F. Goins
Wallace M. Greene III
Billy M. Grimes
Roy M. Gulick, Jr.
Don K. Hanna
Richard O. Harper
Donald J. Hatch
William T. Hewes
John H. Hey
Jimmie A. Hicks
Gregory G. Hoen
Thad A. Hoyer
William S. Humbert III
Ralph S. Huston
Richard C. Hyatt
Donald E. Jacobsen
James D. Jahn
Gerald D. James
Robert C. Johnson
George E. Jones
Carl W. Kachauskas
Billy J. Kahler
Orville R. Kartchner
John F. Keane, Jr.
John M. Keenan
Francis J. Kelly
William L. Kent
Richard J. Kenworthy
Hugh T. Kerr
Donald E. Kirby
James P. Kizer
Joseph B. Knotts
Ronald G. Kropp
Neil M. Larimer II
Ralph L. Lary, Jr.
Herbert F. Lawson, Jr.
Thomas G. Leach
Jerry W. Ledin
Arthur E. Lee
Howard V. Lee
Victor M. Lee
Charles M. Lively
Perry T. Llewellyn
Robert H. Lockwood
Francis M. Logan, Jr.
Edward H. Loney
William J. Lottman
Thomas P. Lougheed
Darwin D. Lundberg
James W. Marks
Harry T. Marren
Lawrence A. Marshall
Frank W. Martino
Robert B. Mason
Carlos K. McCafee
Donald J. McCarthy
Leemon B. McHenry
Jimmy B. McInroe
James L. McManaway
William J. McManus
Donald R. Miller
Ralph D. Miller
Robert G. Mitchell
John P. Monahan
Jack P. Monroe, Jr.
Harvey J. Morgan
Richard J. Morley
McLendon G. Morris
Frank C. Mullen, Jr.
David H. Murch
Douglas G. Murphy
John D. Murray
Marvin R. Nelson
Haril W. Newton
Lloyd B. Nice
Joe B. Noble
Richard A. Noll
Robert L. Obrien
David E. Obuhanych
Leo K. Odrudy, Jr.
Don J. Ogden
Curtis W. Olson
Robert L. O'brien
Patrick E. O'Tooie
Ronald L. Owen
Dorsie D. Page, Jr.
Homer R. Palmateer
Ralph K. Park
William K. Parker
Donald C. Pauley
Edward R. Perron
James M. Perryman, Jr.
Robert L. Peterson
Reed Phillips, Jr.
Bruce A. Pifel
John L. Pipa
Arthur S. Piper
James A. Poland
Earle G. Poronto
Charles R. Porter
Robert R. Porter
Lee A. Preble
William G. Price
Robert N. Rackham
Henry R. Raines
David A. Ramsey
John T. Rapp
William T. Read
Ralph L. Reed
John A. Reese, Jr.
Michael P. Reeves
Frank C. Regan, Jr.
James K. Reilly
James F. Rice
Richard S. Robertson
Robert T. Roche
Barry P. Rust
Colin J. Ruthven
Louis G. Sasso
James E. Schulken
James A. Schumacher
Leo J. Scolforo, Jr.
Roger F. Scott, Jr.
Henry L. Searle
Donald R. Seay
Robert L. Sfreddo
Paul J. Shank, Jr.
Glenn J. Shaver, Jr.
Jerry L. Shelton
John J. Sheridan
Colben K. Sime, Jr.
John Smallman
Norman H. Smith
Robert W. Smith
Rodgers T. Smith
William D. Smith
Vito M. Solazzo
Robert P. Spaete
Donald R. Sparks
Early W. Spiars
Robert M. Stauffer
Hardy R. Stennis
Walter L. Strain
Michael P. Sullivan
Carter P. Swenson
Robert C. Tashjian
Charles, H. Taylor, Jr.
George H. Taylor III
Richard B. Taylor
John J. Tharp
Jerry R. Thompson
Frederic L. Tolleson
Edward F. Townley, Jr.
David C. Townsend
Everett P. Trader, Jr.
Jerome P. Trehy
Everett L. Tunget
Terry Turner
John T. Tyler
Mario S. Valentini
James H. Vandever
Jan H. Vangorder
Neil R. Vandleeuwen
Fredric J. Vanous
Richard S. Varney
William R. Vonharten
Norman H. Vreeland
Paul H. Wagener
Lorin C. Wallace, Jr.
Robert L. Walsh
William M. Whaley
Thomas M. Wheeler
Francis V. White, Jr.
Fred T. Whitman
William W. Widener
Eric H. Wieler
Walter M. Winoski
Charles E. Yates
Richard C. Yezzi
Lewis J. Zilka

The following named officers of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel:

William P. Albaugh
Vincent P. Andaloro
Phillip T. Backer
Douglas B. Barfield
Harry F. Barnes
Gerard J. Baxter
Richard K. Best
Virgil W. Binkley
Charles S. Bishop, Jr.
Claude Black
Joseph L. Blasingame
James C. Boggs, Jr.
Francis E. Bowen, Jr.
Richard S. Brooks
William J. Brooks
Robert J. Buice
Junior L. Bybee
Robert B. Calamari
Kevin H. Cassedy
Cipriano Castillo, Jr.
Herbert F. Chabysek, Jr.
Edward O. Clark III
Richard O. Clark
Francis L. Cleland, Jr.
Arthur B. Conlon
Robert B. D. Crawford
Marvin L. Crowdis
Nova E. Demoney, Jr.
Sheldon C. Downes
Anthony J. Dunleavy
Randall E. Egertson
Ralph D. Fagge, Jr.
Peter G. Fenlon
Peter J. Finley
Travis G. Fitts
Barclay W. Fitzpatrick
Raymond J. Flannery, Jr.
Stephen A. Fritz

Richard G. Frohnen
Howard C. Gentile
Reginald N. Germany, Jr.
Perry L. Glancy
William H. Gossell
Harlan H. Grooms, Jr.
Stephen Grozinski
Herbert C. Haight
Nolan V. Hansen
Marshall B. Haraden, Jr.
Michael H. Harrington
Robert A. Harrison
Albert W. Hecht, Jr.
James A. Heckman
Karl Heyer III
Lee B. Holmes
George M. Hutchins
Robert E. Jacobs
Lester C. Jacobson, Jr.
Gordon E. Johnson III
Owen Keavney
Roy A. Kelley
Roger G. Kidston
Patrick G. Kirby
Douglas J. Kirchner
Tom L. Kornegay
Carmen T. Labianca
Alexander J. Lapinski, Jr.
Thomas R. Larson
Ronald R. Lethin
Ernest P. Lewis, Jr.
Arthur J. Liedel
Joseph D. Mankawich
Bruce A. Martin
Robert S. Martin
William F. McGinn
Daniel V. McLaughlin
Walter C. McLaughlin
Gilbert D. Meeker
Francis X. Moakley
Albert J. Molesphini
Hubert G. Much
John A. Mulcahy
Robert E. Neumann
Thomas J. O'Donnell, Jr.
Thomas W. O'Hanlon
Salvatore L. Olivieri
Frank P. Orlando
Kenton L. Pate
Arthur S. Patron
James D. Pauly
Ronald E. Peduzzi
Leland E. Person
Michael J. Phelan
Leonard E. Porter
Luigi Ragosta
Ronald C. Reed
George P. Reilly
Stephen L. Reveal
Steve E. Richardson
James F. Riley, Jr.
John P. Roos
Merle R. Rose
William W. Rose, Jr.
David W. Santee
William E. Scarbrough
David F. Sheehan
Charles A. Skelton
Elbert G. Smith
Raymond L. Smith
Earl F. Sprong
Carmon L. Stewart
Robert A. Stiglitz
Rodney L. Stone
James R. Tickle
Foster G. Ulrich, Jr.
John R. Whelan
James R. White
Robert J. Wiedemann
David Workman

The following named officers of the Marine Corps for temporary appointment to the grade of major:

Paul R. Aadnesen
David P. Abrams
Robert L. Adams
Bruce M. Albert
David P. Allen
Larry W. Allen
Dennis M. Atkinson
Raymond H. Ambrose
Donald K. Angel
Nickolas J. Angelo
Robert R. Anderson
Robert A. Baer
Glen A. Ballenger
Stephen A. Bamberger
Richard K. Bardo
Brent J. Barents
Charles E. Barnett
Merrill L. Bartlett
Raymond H. Bednarsky
Robert A. Beeler
James A. Bell
William H. Bennett
Coy T. Best, Jr.
George R. Bettle
William C. Blaha
Giles W. Bond, Jr.
Robert G. Bradley
Harold L. Broberg
Gerald P. Brodeur
Charles O. Broughton
Clay A. Brumbaugh
Kenneth T. Brunsvold
James R. Bryan
Earl L. Button, Jr.
John D. Buckelew
Bernard V. Burchette
Arthur E. Burns III
Jerry R. Cadick
William L. Cadieux
Howard L. Callahan
Paul W. Capelle
James E. Carlton, Jr.
Theodore D. Carroll
Thomas C. Carter
Ronald D. Cater
Oscar L. Caudill
Kurt J. Chandler
Leonard F. Chapman III
Charles W. Cheatham
Charles W. Christy
John A. Cirie
Joe Clark
Hary F. Clemence, Jr.
John R. Clickener
Maurice G. Cline
Michael H. Collier
John L. Collins
George M. Connell
Robert A. Connly, Jr.
David C. Corbett
Joseph P. Corcoran
Jerry L. Cornelius
Larry R. Cornwell
Charles R. Corriher
John O. Cotton
Harold W. Courter
Jerry J. Cowart
Edwin J. Coyle
Robert R. Craig
Jerry L. Crouch
Ronald J. Curtis
Ronald M. Damura
Carroll C. Davis
Donald E. Davis
James A. Davis
Oscar M. Dennis, Jr.
Bruce H. Dewoolfson, Jr.
Harold E. Dexter
Richard E. Dietmeier
Harris H. Dinkins
Frederick J. Donegan
Arnold H. Dow
Steven J. Driscoll
John F. Dullaghan
Edward F. Dunne, Jr.
Christian J. Eck, Jr.
Paul R. Ek
Richard W. Elsworth
George R. Emerson
George K. Eubanks
Robert L. Fain
Charles H. Feaselman
Kenneth A. Fehr
Mark F. Felske
George I. Felt, Jr.
Louis J. Ferracane, Jr.
Donald G. Fichthorn
William A. Forney
Paul A. Fratarcangelo
Alvin E. French
Sidney R. Gale
Chester M. Gardner, Jr.
Joel R. Gardner
David P. Garner
George R. Gay
Charles L. George
Aultie G. Gerwig
Michael R. Getsey
Frank J. Ghia, Jr.
James P. Gleason
William J. Gleeson
Humberto Gonzalez
John E. Grant, Jr.
Jerry M. Green
Donald A. Gressly
Richard H. Griffin
Kenneth L. Gross
Harold C. Haase
John J. Hainsworth
James H. Hanson
Bobby L. Harbison
Francis W. Harding, Jr.
Joe M. Hargrove
Christian L. Harkness
Billy M. Harris
Ellis R. Harvey, Jr.
Orville E. Hay
Everett D. Haymore, Jr.
John L. Haynes
Stanley E. Haynes
Robert W. Hein, Jr.
Edward S. Hempel
Jerry G. Henderson
Dennis B. Herbert
Donald H. Hering
Francis G. Hershley
Mendle R. Hester
Edward F. Hodgins, Jr.
James V. Hoekstra
John W. Hogue
Harvey D. Houck, Jr.
Walter F. Hudiburg, Jr.
William E. Hudson
Orlando Ingvoldstad
Vernon E. Innerarity
Jerrold T. Irons
William W. Jackson
Grant G. Jacobsen
Roger M. Jaroch
Robert D. Jassem
Gordon R. Jefferson
Clyde A. Jesse
Gilbert D. Johnson
Kenneth E. Johnson
Paul S. Johnston
Edward T. Jones, Jr.
Harlan E. Jones
Lloyd C. Jones
Virgil W. Jones, Jr.
Karl J. Kabza
Gerard T. Kalt
Dennis W. Kane
Richard R. Kane
Joseph J. Karrer
William M. Kay
Robert M. Keeley
Cary Kelly
Thomas W. Kelly
Rodney P. Kempf
Steven B. Kimple
John R. Kopka
Leonard R. Krolak
Wallace F. Krywko
Lawrence C. Kutchma, Jr.
James E. Lake
James E. Lancaster
Andrew D. Larson
James H. Lavelle
Earl C. Lee
Glenn F. Legge
Granville T. Lemay
Karl F. Liebert
James F. Lloyd, Jr.
George P. Lombardo
Norman A. Long
Brice R. Luedtke
Herbert G. Lyles
Douglas C. Maccaskill
Robert B. Mackenzie
Ronald T. Macy
Rudolph J. Maikis
Stanley W. Main
Robert M. Mallard
William S. Marshall III
John B. Matthews
Ronald R. Matthews
Jeffery W. Maurer
William J. Max
Paul McCoy
Michael D. McCulley
James J. McDonald
Jack D. McHugh
Bruce S. McKenna
Robert J. McWhorter
Robert J. Melanson
Bruce Mellon
William C. Middlebrooks
Donald J. Miller Jr.
Gerald L. Miller
Glenn P. Milliman
William F. Mills
James R. Mires, Jr.
Richard L. Monjeau
Stuart J. Mock
Barry R. Montgomery
William D. Moreland
John R. Morgan
Joseph G. Morra
Donald H. Mosley
John T. Mowrey
Byron J. Mulherin, Jr.
Philip J. Murphy
Peter J. Murray
James W. Nail
David R. Nay
Joseph Q. Nesmith, Jr.
Charles A. Newell
Ernest G. Noll, Jr.
John A. Nordin
Ronald C. Oates
John P. O'Connor
Roy M. Oehlers
Robert L. Oetting
Thomas P. O'Leary
Vincent E. O'Neill
Robert L. Padgett
Joseph J. Paige
Paul A. Pankey
William H. Parks
Walter O. Parr, Jr.
Lawrence Parretti
Paul D. Payne
David T. Penman
James P. Pennell
William F. Percival
Jack F. Perry
Arthur J. Picone, Jr.
John H. Pierson, Jr.
Charles A. Pinney III
Ido E. Pistelli
Samuel J. Pitts
Charley L. Plunkett
Michael E. Popelka
Dirck K. Praeger
Stafford D. Purvis, Jr.
Jon D. Quinn
Robert H. Railey
William H. Rath
Malcolm S. Rawlins
John J. Read
Thomas E. Redican
Henry W. Reed
Michael J. Reilly
Richard M. Reilly
John L. Rhodes
Jesse J. Richardson
David J. Richtsteig
Ronald A. Rick
Robert K. Riggs
Donald G. Ringgold
Thomas J. Romanetz
James H. Rosenthal
Herbert G. Roser
Glenn W. Russell, Jr.
Victor M. Russillo
Christopher B. Salmon
Melvin P. Sams
Richard K. Sanders
Lynn E. Saracino
Nicholas E. Saunders
Neil H. Scarborough
John L. Schensnol
Terry J. Schipporeit
Gordon M. Schlitz
George T. Schmidt
Donald D. Schultz
John W. Schwantes
Norvel M. Scott
John C. Sease
Phillip J. Seep
Stanford E. Sheaffer
Martin Shimek
David L. Siweck
Edward S. Skultety
Howard B. Sligar, Jr.
Darrell M. Smith
Frank E. Smith
Harold W. Smith, Jr.
Larry M. Smith
Phillip R. Smith
Ronald L. Smith
Gary D. Solis
Billy L. Speed
Robert E. Spiker
Robert C. Springer
Robert J. Squires
James B. Sramek
Thomas W. Steele
Kent O. Steen W.
Herbert M. J. Steigelman
George E. Stern, Jr.
John L. Stevens, III.
Joseph D. Stewart
Raymond A. Stewart, Jr.
Frank C. Stolz, Jr.
Frank R. Sutherland
Russell H. Sutton
Charles T. Sweeney
Herbert H. Swinburne, Jr.
Arthur J. Taylor
Theard J. Terrebonne, Jr.
Ky L. Thompson
Harry J. Tobin
Anthony P. Tokarz
David A. Tomasko
Arthur B. Tozzi
Robert L. Tracey
Melvin D. Trimble
John O. Trott
Robert E. Tschan
Phillip E. Tucker
Kenneth W. Turck
John D. Tyson, Jr.
Robert A. Vanhouten, Jr.
Peter J. Vanryzin
Russell D. Verbael
William T. Vincent
Francis Visconti
James A. Vollendorf
John S. Walker
Larry D. Walker
Jack E. Wallace
Richard H. Wallace
Lowell W. Walter
Robert T. Warren
Calvin R. Waters
Francis A. Waters
John D. Weber
Larry L. Weeks
Donald A. Wellman
Ronald R. Welpott
Donald L. Whisnant
John J. Whitehouse
Billy L. Williams
Clarence D. Williams
John C. Williams
Peter D. Williams
Robert D. Williams
Monroe F. Williamson
Russell L. Williamson
William K. Wilsmann
Donald T. Wilson
John W. Winters, Jr.
John A. Woggon, Jr.
Mansel M. Wood
Larry A. Wooldridge
Robert C. Yost
Jack B. Zimmermann

The following-named officers of the Marine Corps for temporary appointment to the grade of captain:

Donald L. Abblitt
Richard P. Adams
Walter A. Akahoshi
Anthony C. Akstin
Walter D. Albritton
Richard L. Alderson
Allen F. Alexander
Edwin A. Allan
John E. Allen
Thomas E. Allen
James L. Allingham
Robert D. Anderson
Scott D. Anderson
Jeffrey H. Andrews
William V. Arbacas, Jr.
Anthony P. Armbrister
Billy T. Babin
Howard R. Bacharach
Edward J. Baker
John G. Baker III
John M. Baldwin
Edward J. Ball III
William F. Ball III
Jeri D. Balsly
Allen Baltezore
Alan N. Bandoli
Charles M. Banks
Deryll B. Banning
Terry L. Barnes
Thomas L. Barrows
Stanley N. Barton
Russell F. Beagent, Jr.
Cameron G. Beals
Paul A. Beames
Stephen A. Beaulieu III
Bruce H. Beckett
Michael R. Beggs
Charles R. Bell, Jr.
Joseph F. Bellegarde, Jr.
Martin R. Bender
Robert G. Bender, Jr.
John W. Bergman
Martin R. Berndt
William D. Berry
James P. Bessey
David F. Bice
Garland S. Bishop
Wayman R. Bishop III
David A. Blakely
Fred W. Boehlke
Harold C. Boehm, Jr.
William J. Boese
Dennis G. Bolton
Alan R. Bonham
Steven A. Bosshard
David F. Boulden
John C. Boulware, Jr.
Rodney L. Bowers
Thomas G. Bowman
William W. Boykin
Charles J. Boyle
James M. Bridges

Richard H. Briggs
Ira E. Brighton
Eugene D. Brindle
Stephen A. Brixey
Emmett R. Brock
Donald G. Brophy
George B. Brown III
Richard F. Brown
Tracey N. Brown
George E. Brudzinski
Arthur H. Bryan III
Joseph A. Bryant
David G. Buell
William N. Bullock
Duncan H. Burgess
Laurence K. Burgess
Robert R. Burke
James J. Burns
Jerry L. Burton
Francis J. Busam
Richard P. Bush
William D. Bushnell
Robert C. Butler
William S. Buttrill
Don E. Caldwell
Richard W. Campbell
Michael A. P. Cardinale
Stanley E. Carlin
Victor E. Carlin
Emerson F. Carr
Jack L. Carter, Jr.
Stephen B. Casey
Lusty L. Cebula
Walter C. Chambers
Marcus P. Chepenik
Thomas R. Childers, Jr.
William R. Christoph
Joseph F. Ciampa
Warren J. Cicerrella
Richard H. Ciampitt
Bobbie J. Clardy, Sr.
Charles B. Clark, Jr.
William B. Clark
Robert D. Clarke
Kenton P. Cleary, Jr.
Jose T. Coccovaldez
Johnny D. Cockle
Larry D. Cohen
Dan M. Colglazier
Gary W. Collenborne
James E. Collette
Clarence M. Collins, III
James A. Collins
Stephen W. Comiskey
Michael D. Conrad
Louis C. Consagra
Joel L. Cooley
Robert M. Corrigan
Martin J. Costello
Marion L. Cotten
John D. Counselman, Jr.
John K. Covey
Robert W. Cowin
Kenneth A. Cox
Jerry L. Creed
Michael J. Cross
John L. Croston
Ronald K. Culp
Michael T. Curtis
Larry J. Cushman
Daniel R. Dame
William H. Darrow
Gilbert H. Davis
Kenneth V. Davis
King F. Davis, Jr.
Louis D. Dearman
Michael A. Decker
John R. Defreytas
Richard E. Deneut, Jr.
Terrence M. Denight
Acie N. Derossett
William F. Deubler
Howard Devore
Thomas J. Dewitt
Benjamin F. Dillingham
William A. Doig, Jr.
Raymond S. Dolgert
Daniel H. Dougherty
Roger H. Dougherty
William N. Dove, Jr.
John C. Dowell
John E. Drury
Francis H. Dubay Jr.
David C. Duberstein
Cyril P. Dubrachek
Keith M. Duhe
Gordon L. Duke
George R. Dunham
Clifford D. Dunn, Jr.
Perry R. Dunn
Theodore J. Dunn
Matthew W. Durney
David C. Eberhart, Jr.
Stephen A. Edwards
Jon O. Egaas
Robert C. Eikenberry
John D. Engstrom
Steven C. Erickson
Harold J. Ermish
Kenneth W. Estes
Donald H. Estey, Jr.
Harold W. Evans III
Stephen P. Eyman
Jerry M. Farrow
Robert J. Fawcett
John C. Feeney
William V. Fello, Jr.
Robert G. Fender
Frederick J. Fischer, Jr.
George F. Fish
Carl J. Fisher
Charles S. Fisher
Robert R. Fitzgerald
Thomas A. Flaherty
Peter J. Flatley
Peter Florea
Frederick J. Florian
James J. Flowers
Allen L. Force
Zachary T. Forester III
James R. Forney
Leonard S. Foster
Rodney L. Fox
John A. Frank
Kenneth D. Frantz
Edward R. Friedrich
Kenneth R. Fugate
Charles O. Fulcher
John A. Furman
Gary G. Gage
Gary L. Galiger
David M. Gally
Burton F. Ganeles
Joseph C. Garbrous
William D. Gardner
Robert B. Garey
William R. Garland
Ezra T. Garmon, Jr.
Robert D. Garner
Aldon M. Garrett
Donald R. Garrett
James E. Gass, Jr.
Robert W. Geary
William C. George
Thomas M. Georgi
Lawrence R. Geter
Lonney D. Getlin
Ronald M. Gilbert
Joseph H. Girdwood
Louis P. Glassburner
Bruce A. Gombar
Ronald Gonzalez
Glen D. Graves
John H. Gray
Michael R. Greene
Ronald J. Gross
Richard C. Guess, Jr.
Thomas B. Guiney
Arthur W. Gustaveson
Dennis V. Hacker
Lawrence B. Hagel
Richard A. Hagerman
Thomas H. Hall, Jr.
John M. Hamilton
Charles T. Hammond, Jr.
James D. Hammond
Thomas E. Hampton
Jerry G. Hanks
James R. Hannemann
Bruce R. Harder
Edward L. Hardister
John P. Harrington
Michael B. Harrison
Michael J. Hart
James E. Hatch
David J. Hawkins
Thomas C. Hayden III
Thomas W. Hayes
John W. Heath
Daniel S. Hemphill
James C. Hess
Theodore G. Hess
Christopher R. Hickey
Ross J. Hieb
Patrick H. Hill III
Stephen M. Hill
Kennon D. Hines, Jr.
James K. Hinnant
Earl M. Hinson
Richard C. Hoeschele
George W. Holbert
Herbert S. Holland III
Ronald C. Hood III
David S. Horton
Michael A. Hough
Carl K. Houghton
Dan P. Houston
John E. Howard
Kenneth M. Howard
Richard O. Howard
Randle H. Howell
Lonnie A. Howerton
John W. Hudson, Jr.
Charles W. Hughes
Daniel L. Hughes
Jack M. Hulce
Neil V. Huning
Harry C. Hunt, Jr.
Stephen F. Hurst
David H. Jacobs
William J. Janning
Dennis J. Jenkins
Gordon D. Jennings
Jose L. Jimenez
Edward J. Robin
Erick T. Johanson
Floyd T. Johnson
Zachery T. Johnson
Alan M. Jones
David F. Jones
Perc L. Jones
Sherman C. Jones III
Thomas S. Jones
William K. Jones, Jr.
William R. Jones
Anthony L. Jucenas
Kevin P. Judkins
Martin O. Juve
Carl L. Kah, Jr.
Gordon E. Kampen
John W. Kartunen
John F. Keenan
Eugene V. Kelley, Jr.
Kevin P. Kelley
Terrell T. Kelley
James V. Kelly
Joseph E. Kelly
Kevin M. Kennedy
Dennis W. Kerrigan
Scott D. Ketchie
George S. S. Keys
Wayne E. Kiger
Richard A. Klarmann
Merritt B. Kleber
Christopher M. Klein
John P. Kline, Jr.
Samuel H. Kline III
William E. Knepp
Mac D. Kolar
Phillip J. Kolczynski
Daniel P. Kollay
William J. Kopp
Rudolph J. Kosits
Bazil Kostin
George V. Kuck
Duane E. Kyler
Terry D. Labar
Thomas E. Lakin
James P. Lamphron
Edward R. Langston, Jr.
Jack D. Larson
John R. Lasher, Jr.
Donald J. Lavoy
Arthur W. Leak
Harvey C. Lee
Jewell D. Lee
Robert B. Lees
William H. Leppig
Edward M. Leonard
John E. Leonard
Robert I. Leonard
Kenneth B. Levan
Richard B. Lieb
Roger C. Liesegang
Stephen T. Linder
Dennis C. Lindeman
Douglas E. Lindeman
Daniel J. Long
Henry C. Lorange
Richard C. Lottie
Curtis L. Lowe
James L. Lowery, Jr.
John M. Lowry
William J. Lucas
David A. Lutz
Robert Magnus
Ronald J. Makovitch
Rickey L. Malone
Michael A. Maloney
Ronald A. Malmgren
Gregory K. Manary
Thomas H. Marino
Herbert H. Markle
Mrank J. Martello, Jr.
Orbia B. Martin
Steven E. Martin
Stephen T. Mason
Danny C. Masters
Joseph G. Mates
Roger L. Mauldin
Keith L. Maxfield
John P. May
Timothy A. McBrier
Stephen M. McCartney
John I. McClurkin III
Dennis A. McConaghy
Frederick McConnell
Terry J. McCormack
Ray M. McCormick
John J. McDermott
Peter R. McDonald
Thomas O. McDonald
Robert C. McDonough, Jr.
James T. McDowell
Roger C. McElraft
Michael P. McGee
Dwight R. McGinnis, Jr.
John H. McLees, Jr.
Mark J. MaMahon
Jerry W. McWhorter
Ronald W. Meares
Vernon G. Medinger
James A. Messerschmidt
Elmer L. Messick
Lonnie L. Messick
Peter T. Metzger
Thomas W. Miley, Jr.
Benjamin P. Miller III
Douglas L. Miller
Frank L. Miller
Paul W. Miller
Thomas O. Miller
William F. Milton, Jr.
Ludwig B. D. Miosi
David M. Mize
James M. Montague
David L. Moody
James P. Morgan
William Morgan
Robert V. Morris
Thomas W. Morris
Wayne V. Morris
Richard M. Morrow
Daniel J. Moseler
Stanley J. Mosiej
Robert S. Motley
Charles D. Mowrer
Michael J. Moylan
David C. Moynihan
David A. Mrachek
Lorin L. Mrachek
Robert Mudrak
Wallace L. Mueller
John K. Murphy
Ronald V. Murray
Louis Myers
Richard H. Myers
Freddie Napier
William C. Neasham
Clarence M. Nelson, Jr.
Richard E. Nelson
Michael A. Newlin
Bill R. Newsom, Jr.
Frederick W. Nickel
Miken J. Nielsen
Andrew L. Normand, Jr.
Nicholas O. Norris
Johnnie M. Ochoa
George A. O'Connell
George E. O'Connor
William E. O'Connor
Michael J. O'Hara
Dennis O. Olson
Vaughn B. Olson
Martin E. O'Malley
Hugh J. O'Neill
Calvin K. Oram
Robert M. Orazi
Thomas A. O'Rourke
Henry P. Osman
John F. Otis, Jr.
Donald M. Quellette
Jerry D. Owen
Nat M. Pace, Jr.
Michael G. Pallo
Lewis H. Palumbo
Donald W. Pardue
Garry L. Parks
Thomas D. Pasquale
Christopher R. Pastel
James H. Patterson
James M. Peacock
Ralph E. Pearcy II
Robert L. Pegan
Henry C. Perry
Paul L. Persinger, Jr.
Gregory C. Peterson
Stephen E. Petit
Loren O. Pfautz
Steven G. Pfeif
Jackson C. Pharris II
Terry R. Phelps
William M. Phillips, Jr.
Paul M. Philpott
Russell D. Pilcher
Thomas J. Pitman
John W. Pitz
James G. Plantz
Bruce E. Poley
Sherman A. Poling
Carl W. Polk
Geoffrey W. Pomroy
James R. Ponsford
Charles R. Porter
John H. Post III
Stephen E. Potter
Larry F. Potts
Richard H. Priest
Kenneth L. Priestly
Ronald H. Pritz
Charles R. Provini
Robert W. Prycejones
Randall B. Pyles
Ronald M. Raine
Charles E. Ramsey III
Kerry O. Randel
Cecil R. Rasor
James P. Rathbun, Jr.
James A. Rawls
Michael A. Ray
Ross Rayburn
Richard P. Red
Charles G. Reed
Edwin L. Reffelt
John F. Reiner III
Charles Ribalta
Coy W. Richardson
George R. Rickley
Jeffrey L. Riggs
Robert W. Rivers
John M. Roake
Billy J. Roberts
Richard J. Roberts
Gilford G. Robinson
Mack I. Rogers
Steven G. Rogers
William C. Rogers
Michael P. Rose
David R. Ross
Alfred G. Roth
John F. Rush
David P. Russell III
Stephen Russin
Angelo Salustro
James R. Sandberg
David A. Sannes
Marc A. Scheele
John L. Schell
William P. Schmeisser
John W. Schmidt
Robert C. Schneidler
Walter P. Schortmann
Robert E. Schwab
Richard R. Schwabe
William L. Sciba, Jr.
John R. Scott
Donald R. Selvage
Michael D. Selzer
Walter W. Sevon, Jr.
James G. Shockley
Roy M. Shoemaker
Harold C. Short
John M. Shotwell
Allen D. Shoup
Kenneth P. Shrum
Richard N. Shuck
David S. Simon
Victor A. Simpson
John D. Slattum
Clyde H. Slick
William S. Sloan
Danuel L. Smith
Edward D. Smith, Jr.
Wharton S. Smith, Jr.
John D. Snakenberg
Charles W. Spencer
Asher W. Spittler II
Daniel F. Spond
Clark G. Spurlock
Clifford L. Stanley
Douglas R. Stanley
Harry S. Steever
William R. Stephens
Carlton C. Steubing
David V. Stocks
William G. Strohlein
Russel M. Stromberg
Alan E. Strong
Vincent E. Strote
Thomas L. Stuckey, Jr.
Garth K. Sturdevan
Kenneth M. Sullivan
Timothy D. Sutton
Robert B. Swortwood
Donald H. Tanaka
Jimmy D. Tappon
Sears R. Taylor II
Michael J. Teller
William G. Thomas
Wayne L. Thompson
Edward T. Timperlake
James L. Todd
John S. Tolmie, Jr.

Thomas G. Tomkowiak
Joseph E. Tommaney
Joseph R. Tosi, Jr.
Leonard L. Touney
Frank C. Towers
Thomas B. Trammell, Jr.
David M. Tripp
Charles B. Troutman
Robert D. Tuke
Kenneth M. Ture
James T. Turner, Jr.
Thomas W. Tyler
Arthur F. Uhlemeyer
Bruce W. Vance
Neal W. Vanhouten, Jr.
Robert L. Varner
Joseph R. Waldron
Ronald E. Walker
John E. Walsh
James J. Ward
Stephen A. Ward III
William C. Ward
Walter H. Warme, Jr.
Merrill C. Waters
James C. Weaver, Jr.
Joseph A. Wellington
David A. Wellman
David M. Wells
Edward F. Wells
William J. Wesley
Robert N. Wetzel
John N. Whipple
Edward P. Whitner
Edward B. Wild
John M. Wilkinson
Herbert W. Williams
Rufus T. Williams, Jr.
William T. Williams
Nicholas A. Willich
John M. Wills
James F. Wilson
James W. Wilson II
John T. Wilson, Jr.
Joseph C. Wilson
Marvin L. Wilson, Jr.
Phillip H. Wilson
Richard L. Wilroy
Robert C. Wooten
Charles W. Wright
John D. Wright
John W. Yarrison
Kenneth H. Yazel
Charles F. Young
Paul A. Zeigler
James C. Zimmerman

The following named officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

Lynn Adams III
Bruce J. Adkins
John H. Alico
Edward T. Allard III
Kenneth C. Allison, Jr.
Walters Antin, Jr.
Charles L. Armstrong
Ronald J. Armstrong
Christopher C. Ashby
Gerald D. Badinger
Calvin D. Baker, Jr.
Thomas W. Battaglia
Philip B. Baysden
Larry E. Beagley
Jonathan M. Beall
Peter R. Beavins
George G. Berg
Dan T. Bergstrom
Jill A. Berle
William L. Bettes
Michael J. Bixiones
Robert R. Blackman, Jr.
John N. Bockstanz, Jr.
Harvey L. Borden
John Boyle IV
Floyd D. Braaten
Ronald J. Bradstreet
Richard T. Brady, Jr.
Frank X. Braun IV
Brooks J. Breece
Donald C. Brewer, Jr.
William F. Broderick
Clifton R. Brooks, Jr.
Thomas A. Browne
Paul V. Bruckner
Bruce E. Brunn
David M. Bryan
Thaddeus H. Burak, Jr.
Gary C. Burch
Joseph E. Burch
Timothy L. Burfield
Lawrence A. Butterini
John V. Calkins
Kenneth D. Cameron
John T. Campbell, Jr.
Edward L. Carman
Martin D. Carpenter
Thomas T. Carpenter
William H. Carroll, Jr.
Barry L. Cassidy
Norman A. Chandler II
Jimmy H. Church
Robert M. Churchill
Anthony J. Ciotti, Jr.
James K. Cobb
Henry J. Colyar, Jr.
Leroy J. Cook
James P. Courtney
Glenn B. Cowen
Joseph R. Crockett, Jr.
Eugene P. Cuccaro
Mark L. Danin
James B. Darcy, Jr.
James R. Daugherty
Charles E. Davis, Jr.
John W. Davis
Joseph J. Day
William W. Dehart, Jr.
Timothy G. Delaney
Glenn C. Demunck
Robert J. Depass
Lawrence S. Derrig
Nancy I. Dickey
Kurt M. Dieterle
Alphonso B. Diggs, Jr.
Louis A. Dirker, Jr.
Kenneth R. Dobrovolny
Peter A. Dolan, Jr.
John T. Donahue
Cleve B. Doster
Dennis R. Dowling
Ronald M. Dressin
Will L. Dryer, Jr.
Christian F. Dubia, Jr.
William H. Duff
Paul V. Duncan
Robert A. Edmond
James B. Egan
Robert P. Eichorn
Richard K. Eisert
Thomas L. Ekle
Jeffrey S. Eliason
Roger L. Emch
Richard A. Engel
William J. Esmann
Jot Eve
Charles B. Farber
Phillip F. Fargotstein
Jon W. Farmer
Michael C. Fassino
Paul M. Felix
George W. Fels, Jr.
Vincent L. Fischer, Jr.
Ronald C. Fish
John S. Flack
Jan P. Fladeboe
Homer W. Fogle, Jr.
Robert A. Forrester
Ronald W. Forrester
Percy E. Foster, Jr.
Charles K. Freeman
Joseph B. Freeman
Richard B. French
Roland V. Funk
Edward A. Gabarra, Jr.
Timothy M. Gahan
John M. Gaieski
Dennis O. Garcia
Thomas G. Gasparenas
Vito F. Gentile
Terry A. Geron
William J. Gibbons
Richard A. Glover
Patrick J. Glynn
Phillip M. Gordon
Franz M. Gottleib
John A. Granger
Robert A. Grice
Orrin L. Grover III
William C. Grubb, Jr.
Ronald L. Gruber
Donald E. Guldin, Jr.
Peter R. Gustafson
Ralph T. Gutierrez
William R. Hackney III
Stephen D. Haley
John B. Hall
Robert J. Halliday
Robert R. Hare III
Richard L. Harmon
Roger F. Harris
Robert L. Hart
Michael J. Havrilla
Homer L. Hazel
Dennis J. Hellman
David H. Henderson, Jr.
Michael W. Henig
Leon F. Henley, Jr.
Bruce A. Henry
John P. Hertel
Robin L. Herther
Sean T. Higgins
Judith K. Hildenbrand
Diane S. Hoeft
William D. Holcomb
Louis S. Hollier IV
William D. Hollister
James E. Hollopeter
Vance B. Howerton, Jr.
Richard D. Hoyle
Thomas W. Hoysa
Gary H. Hughey
Dennis B. Ioerger
Timothy J. Ireland
Gordon R. Jackson
Joseph D. Jeffares
Sigurd L. Jensen III
Eddie E. Johansson
Maralee J. Johnson
Robert L. Jones
Timothy J. Joyce
Larry J. Jurica
Kenneth M. Jurjevich
Terry R. Kane
Raymond J. Kaufman
Michael M. Kephart
Robert J. Kimble, Jr.
David L. King
Bruce J. Kirry
Clifford H. Kittle, Jr.
Herbert W. Klein, Jr.
William L. Kleinpeter
Bruce C. Knudson
Clifford J. Kolson II
Gregory C. Koons
Raymond M. Kruse
Walter M. Kubiak
Gregg C. Kubu
Mitchell A. Kudla
William P. Kyle
Leonard Labonia
Paul A. Lambert
Harry J. Landau
Charles E. Landry, Jr.
John Langdon II
James R. Large
Charles R. Larkin, Jr.
Michael W. Leach
David J. Lee
Paul M. Lee, Jr.
Dean J. Legidakes
Gregory G. Lemmer
James F. Leonard
Richard C. Lepley
Leonard W. Lewis
Terry N. Lewis
William J. Lewis
Robert J. Livingston
Carl J. Loguidice
Herbert B. Long II
Michael E. Lowe
John F. Lucas
Edmund A. Lucke
Dolores K. Lyons
John M. Machen
James W. MacMurray, Jr.
Don B. MacNamee
John E. MacQuigg
Thomas A. Manfredi
Edwin C. Mann
Esmond W. Marks
Gary W. Marshall
Thomas M. Marsillo
Terry L. Martin
Harold Mashburn, Jr.
Robert A. Matthews
William L. Maxey
Shelley B. Mayer
Jerry C. McAbee
Robert P. McAleer
Robert F. McCarthy
Larry H. McCollum
Boyd S. McCord
Terry W. McKinsey
Billy D. McMillin
James M. McMurtrey
William J. Melby
David L. Mellott
Charles D. Melson
Richard D. Metcalf
Francis J. Meyers
Robert D. Michael
Gene A. Milleson
Thomas P. Milne
Charles G. Mittnacht
Robert J. Moberg II
Robert A. Mohlin
Donald J. Monroe
William M. Moore
Terrence C. Morgan
Louis R. Moyzan
John C. Mullane, Jr.
Robert S. Mutchler
John W. Muth III
Danny L. Myers
William N. Myers
Gerald N. Nance
Lannie D. Neal
John G. Nemec, Jr.
Raymond K. Noll
William R. Norton III
John B. Nuttall
Ward C. Ogle
Steven E. Olmstead
Paul R. Ottinger
Joseph J. Pantalone
Charles A. Parlier II
James W. Parrish
Clarence F. Patten III
William W. Pattison II
Wiley H. Pearson
Frederick C. Peck
Patricia A. Perkins
Henry N. Pilger
Carl O. Plath, Jr.
Christopher C. Polson
James J. Porter, Jr.
Gregory M. Potter
Ronald G. Powell
Andrew N. Pratt
James L. Pritchard
Bernard C. Proctor
David A. Proffitt
Henry A. Pyzdrowski, Jr.
Mark A. Queern
Linda S. Rains
Brett A. Rayman
Edward J. Reardon, Jr.
Peter J. Reding
James L. Reid
Steven S. Reinemund
John H. Reynolds
Harold P. Rhodes
Carol A. Rice
Larry J. Richardson
Dwight G. Rickman
David W. Riggle
James W. Rinschler
Edward J. Robeson IV
Robert S. Robichaud
David P. Robinson
James R. Robinson II
Earl W. Rogers
Jeffrey A. Rogers
Renee Roller
Richard D. Rollins
Winston E. Rorabaugh
Niley J. Rosemond
James M. Rosen
Jeffrey C. Rupp
Robert A. Rys
Roger A. Sager
James E. Sall, Jr.
David U. Sanasack
Lewis M. Sanders
Edward J. Sandrick
Ervin W. Scarlett, Jr.
Jeffrey E. Scheferman
David K. Schmidt
Robert D. Schow
James R. Schwenk
Ronald R. Seaman
James E. Seay
William J. Seemeyer
Anthony P. Shepard
Steven A. Shepherd
Jimmy R. Shideler
Beverly A. Short
Thomas J. Short
Ronnie E. Sirmans
Joel M. Skousen
James L. Smee
William G. Smith
Jon W. Smythe
Leslie Solymossy
Robert E. Sonnenberg, Jr.
Douglas K. Spaulding
Jerry L. Spencer
Robert H. Spuhler
Joseph F. Startari
Richard M. Stearns
David L. Steele
Robert E. Steinhorst, Jr.
Stephen K. Steinmeyer
Thorys J. Stensrud
Bruce M. Stevens
Ronald L. Stevens
Henri P. Stewart
David A. Stockwell
Timothy F. Stoufer
Gerald L. Stutz
Andre D. Summers
Leonard M. Supko
Donald F. Swanda, Jr.
John R. Switzer
Aloysius Sypniewski
Theodore Z. Szymanski
James M. Tarkington
Rex N. Taylor
Jon D. Terry
Wayne P. Thompson
Erik B. Thueson
Coulter D. Tillett
David G. Titus
Aaron C. Toepfer
Theodore K. Tolle
Dennis E. Tripp
Robert F. Turbyfill
Craig J. Turner
Martin R. Vandenbrook
Lowell F. Vanwagenen
Robert J. Varley
Gerald A. Vianello
William W. Walker
Lawrence C. Walt
Larry D. Walters
James G. Ware
David M. Webster
Steven G. Western
Donnie E. Wheatley
Leo V. Williams III
Nicholas J. Williams Jr.
Norris E. Williams
Douglas G. Wilson
Thomas E. Wilson
Thomas S. Wolfe
Charles E. P. Wood
Gary J. Wright
Douglas D. Wyatt
James L. Young III
Randall H. Young
Thomas H. Young
George E. Zakielarz
William E. Zales, Jr.

The following named officers of the Marine Corps for temporary appointment to the grade of first lieutenant:

Paul R. Ahrens
Frank C. Alvidrez
Donald P. Amiotte
Robert G. Anderson
Rodney E. Angier
Charles P. Annis
Gary D. Appenfelder
Stephen V. Archibald
Peter N. Ard
David O. Bailey
John L. Balcom
Ronald E. Balske
James R. Battaglini
Douglas L. Bayne
Frederick T. Beale, Jr.
Mark T. Beck
Thomas E. Benim
Chris Bennett
Fred S. Bennett
Thomas E. Bjerke
Michael C. Blazanin
David R. Bloomer
Robert B. Blose, Jr.
Richard A. Boeckman
Johal R. Boteler
Michael H. Boyce
Charles E. Boyer
David R. Boyer
Errett J. Bozarth II
Stephen N. Brighton
Clyde S. Brinkley, Jr.
Dennis L. Brown
Mark W. Brown
Michael M. Brown
Stephen R. Brown
Everett R. Buck, Jr.
Daniel J. Buckle, Jr.
Leslie H. Burnett, Jr.
Ralph G. Burnette, Jr.
Richard E. Burton
Robert D. Cabana
Timothy A. Capron
Michael J. Carnevale
James T. Carney
Charles T. Carroll
William B. Carter
Thomas A. Caughlan
Ronald W. Chambless
Richard Chandler
Christopher H. Chaney
Laurel E. Chapman
Stephen A. Cheney
Martin G. Cieszko
Alfred F. Clarkson, Jr.
Gary W. Claunch
Robert Clydesdale III
James P. Cobb
John M. Cocke
James T. Collins

Russel C. Colten
Michael R. Compton
Vincent P. Conroy
Kathryn P. Cooney
Max A. Corley
Stewart I. Craig, Jr.
Louis B. Crayton III
Sam B. Crimaldi
Thomas R. Dalton
Donald L. Davis
Donnie B. Davis
Douglas R. Davis
Hartley R. Davis
John A. Davis
Melvin W. Demars, Jr.
Robert J. Dewey
Van D. Dewitt
Thomas J. Dodson
Geoffry M. Doermann
Stephen E. Downing
Kenneth G. Drescher, Jr.
Stephen L. Dubinsky
Troy L. Duncan
Thomas E. Dunkelberger
Charles J. Dunleavy
Jan M. Durham
Arthur L. Duscheld II
Michael E. Edwards
Russell E. Ellis
Russell H. Erickson
Timothy N. Farlow
Jackie L. Farmer
Gary L. Felder
David F. Fetterman
Bruce V. Finley, Jr.
George W. Flinn
John N. Fliszar
Charles C. Foss II
Nickolas G. Fotinos
Thomas R. Fox
John P. Fremin
Osmund R. Fretz III
David R. Fry
Frank C. Fuchs
Weldon M. Gainey
Joe A. Gale
Frank M. Gallagher, Jr
Donald P. Garcia
Mark S. Gardner
Paul G. Gausch
Jerome L. Geil
Peter J. Giacobbe
Constance G. Gilchrest
Dale E. Giordano
Robert G. Goodchild, Jr.
William R. Gossett
Vincent J. Goulding
Edward J. Grabus
Vernon C. Graham
Leo J. Grassilli, Jr.
Michael J. Greene, Jr.
Christopher J. Gregor
Barry P. Griffin
Emory J. Hagan III
James H. Hale
Charles F. Hamilton
Philip T. Hamilton
Charles W. Hammond,
Timothy J. Hannigan
James R. Harper
Gerald F. Harris
James R. Harris
Thomas E. Harris
Clifford P. Hashimoto
Walter P. Havenstein
Judith L. Hayburn
Thomas A. Hayman
Gregory T. Hedderly
Lambert C. Heikes
John H. Heinz
Jeffrey F. Hemler
Peter E. Hermann
Donald E. Hesse
Steven C. Hibbens
Roger A. Hield, Jr.
John M. Himes
Clyde J. Hindes
Keith T. Holcomb
Sharon E. Holley
Russell J. Howald
Richard A. Huck
Patrick J. Hughes, Jr.
Jeffrey L. Hull
Leroy D. Humann
Thomas G. Hurst
Carl D. Inskeep
Joseph W. Irvine
Elmer R. Jackson
Robert B. Jacobs
Thomas M. Jamison
Reid A. Jecmen
Joseph R. Jelinski, Jr.
Stephen C. Jennings
Barbara Johnson
James P. Johnson
Ronald Y. Kaaekuahiw
James A. Kasica
John E. Kellogg
Philip D. Kessack
William L. King
Neil T. Kinnear III
Joseph R. Kletzel III
David A. Knott
Cathy A. Kocourek
Michael E. Kossey
Frank T. Kremian
Karen A. Laino
Jeffrey R. Lammers
Toy C. Landry
James J. Larkin
James A. Lasswell
James H. Lee
Joseph E. Leinenbach, Jr.
Billy W. Lewis
Kathleen E. Lewis
Michael M. Lincoln
Gregory S. Loring
Douglas E. Lott
John D. Mackenzie
Mark S. Macklin
Donald P. Magers
Roger E. Mahoney
Richard A. Maloney
Gary F. Marte
John J. Martinoli, Jr.
Martin J. Martinson
Robert C. Mayes
John S. Mays
Andrew F. Mazzara
Dennis C. McBride
Ronald L. McClure
Field McConnell
Kevin J. McHale
Scott W. McKenzie
John F. McMahon III
Marshall Mead
Ronald B. Meade
Robert W. Meek
William K. Meisenbach
James S. Mendelson
Ronald L. Meng
Donald J. Mikkelsen
Charles M. Miller
Raymond T. Miller
Stephen W. Miller
James T. Moore II
Jesse Moore
Steven B. Moore
Timothy B. Moore
Henry O. Morris
Charles L. Mott, Jr.
Charles R. Murray, Jr.
Martin L. Musella
Keith E. Nadolski
Joseph A. Najjar
Henry Napoleon, Jr.
Lynda J. Neithammer
Ralph D. Nelson
Melinda A. Nepfel
Thomas E. Nicoletti
John R. North
Michael W. O'Boyle
Thomas P. O'Brien, Jr.
James S. O'Connell
Dennis M. O'Connor
Hugh K. O'Donnell, Jr.
Donal A. Olsen, Jr.
Forrest D. Owen
Richard L. Owen, Jr.
Cruz Pardo
Lowell B. Parkerson
Eugene L. Pate
Philip J. Paul III
Charles P. Peabody
Roger E. Penrod
Ernest R. Perkins
Alfred L. Perry
Dale A. Peterson
Gregory P. Petro
Gerald W. Pickett
Clifford C. Pittman
Lonny D. Pittman
James A. Polk
John F. Porter
J. C. Privett, Jr.
Bruce W. Prout
Paul F. Pugh
Granville D. Pullen
Harld E. Queen II
James E. Queen
John A. Quinn IV
Donald J. Radomski
Donald W. Ramsey
Bruce A. Randall
Dewitt R. Reid, Jr.
John W. Rerucha
Larry R. Rice
Stephen A. Riggs
Francis D. Rineer
Roger L. Rippy
Raymond M. Robertson
John R. Robinson
George L. Rodgers
Robert W. Roesch
Bowen F. Rose
David E. Royal
Ronald L. Rueger
Anthony Rusnak
Joseph L. Russo
Joseph C. Santillo
John F. Sattler
Robert L. Schneider
Paul R. Schroyer
Mark P. Shultz
Karl T. Schwelm
Robert G. Schwetje
George R. Scott
James M. Searing
Michael J. Seeley
Peter A. Seitz
Robert H. Settle
Charles N. Sherman

The following named officers of the Marine Corps for temporary appointment to the grade of chief warrant officer (W–4):

David P. Abrams
Robert L. Adams
Bruce M. Albert
Raymond L. Anti
Robert E. Atwood, Sr.
Donald N. Barber
William W. Barber
Donald R. Bean
Earl C. Blount, Jr.
Leon J. Bochenski, Jr.
Robert L. Bonifay
William B. Bovee
Robert G. Bradley
Richard C. Brassington
Ernest V. Bridges
Ferris D. Brown
James E. Brown, Sr.
Frederick A. Buelow
Ernest A. Burgett
Louis G. Bushnell
Jackie M. Carter
Thomas J. Caulfield, Jr.
Wallace E. Cavett
Howard J. Christenson
William J. Cipperly
Roy L. Clark
Jarrett Colbert
Darrell H. Cook
Robert G. Darroch
Frederick Daubenspeck
Carroll C. Davis
James S. Davis
Harold E. Dexter
Kenneth M. Douglas
Charles D. Eicher
John B. Emeney
Robert L. Fain
William F. Flom
Henry D. Flood
Joseph R. Frawley
Harold W. Frazier, Jr.
Alvin E. French
Howard E. Funk, Jr.
Cecil O. Gage
Marvin J. George
Carroll S. Gipson
Donald S. Giusto
Eugene W. Gregorius
Morton L. Hall
Carl D. Hamilton
Robert C. Hankinson
James E. Hill
Ronald G. Hoffmann
Eugene S. Holmberg
Harvey D. Houck, Jr.
Earl M. Jennings
Erich J. Johnston
Edward T. Jones, Jr.
Kenneth K. Keller
Stephen L. Shivers
Peter J. Shoaf
Paul R. Smith
Richard C. Snow
Martin J. Speer
Ronald E. Spratt
Terry A. Stephan
Walter C. Stephenson
Clay O. Stiles
Carl M. Stipe
Steven H. Stokes
David K. Storey
James A. Storey III
James N. Strock
Jonathan W. Stull
Patrick H. Sullivan
Frank W. Sultenfuss III
Mario J. Summa
Michael J. Swords
Rudolph L. Tamayo, Jr.
Edward Tavares
Gene A. Taylor
Arleigh E. Thurston
Terry L. Tonkin
Michael R. Touney
Richard F. Travis
Peter L. Treleaven
Joseph S. Uberman
James S. Vintar
Robert C. Vogel
Michael Vontungeln
Gregory J. Vonwald
Paul H. Voss
Sheldon E. Walker, Jr.
Brett N. Watermann
Dale M. Watson
David B. Weber
Terry T. Weiss
James J. Wemlinger
Michael H. Wesner, Jr.
Richard D. West
James P. Wilcox
James L. Wilding
Janice K. Williams
Phillip E. Williams
Christopher S. Wilson
Wallace E. Winslow
Ronald F. Wnek
Margaret M. Wrynn
Wallace E. York
John P. Yost
Stephen M. Young
James M. Younkins
Peter A. Zaudtke
James E. Kendall
George P. Kenniston
Herbert S. Kondo
James E. Lake
Earle L. Lambert
Roger E. Larvie
David W. Lathrop, Jr.
Charles A. L. Lawrence
Earl C. Lee
Thomas J. Lesh
Karl F. Liebert
Joel F. Lindsey
Robert B. Mackenzie
Ronald T. Macy
William A. Masker
Bernard L. McIlnay
Bruce Mellon
Johnney W. Moody
Bobby W. Morgan
Dewey E. Mueller
Roy M. Oehlers
David T. Penman
Richard E. Phillips
William A. Poe, Jr.
Cleon H. Rafferty
Edmond W. Reeder
Alfred J. Reyer, Jr.
John L. Rhodes
Martin J. Riley, Jr.
Rodger J. Rodick
Clark H. Rowe
Richard K. Sanders
Stanley F. Sanders
Adolph Schmid
Norvel M. Scott
William W. Schuon
Richard G. Shore
Daniel L. Siemion
Frank E. Smith
Arlon Solomon
Robert E. Spiker
Peter N. Stavros
Richard F. Storch
Edward G. Tardif
Kenneth E. Taylor
John L. Thacker
Edgar D. Thomas
Harry J. Tobin
Richard L. Turcott
Thomas W. Turner
Jimmie Veater
Richard H. Wallace
Norman J. Walker
Calvin R. Waters
Price I. Watkins
Eric P. Watson, Jr.
Donald L. Whisnant
Vance E. White
Howard C. Wolfe
James E. Wright

The following named officers of the Marine Corps for temporary appointment to the grade of chief warrant officer (W–3):

Marion R. Baggs
Sam R. Baker II
Dennis T. Dinota
Donald R. Farrington
Neil W. Goddard
Cecil D. Henninger
Allen L. Jones
Gerald E. Martin
Robert N. McGuire
Freddie M. Morgan
Arthur R. Peter, Jr.
Donald E. Pihl
Ralph R. Scott
Raymond R. Strohschein
Robert G. Volack
Tony A. Weda
Kenneth W. Young

The following named officers of the Marine Corps for temporary appointment to the grade of chief warrant officer (W–2):

James F. Allwein
Meyler R. Anderson
Lorenza T. Baker
John Bartusevics
Michael B. Bennett
Allen D. Beye
Marion W. Brookshier
William C. Broughton, Jr.
John A. Bryant
James R. Bullock, Jr.
Curt C. Buss
Stuart F. Carmichael
Thomas E. Cartier
Tilden U. Click
James H. Coombs
Pat M. Curd
David A. Davis
Herbert L. Day
Joseph L. Deguise
Melvyn A. Douglas
Richard E. Ehrler
Jerry L. Ellis
Timothy J. Euman
Dallas D. Furman
Emil A. Gillberg, Jr.
John D. Hess
Ralph W. Hickman
Calvin M. Hoar
Jack N. Hurley
Larry R. Krouse
Kenneth D. Lewis
Wayne W. Macey
Gerald H. Massey
James H. McGee
Edward R. Miller
James L. Morton
Frank W. Mott
Robert G. Neely
Joseph O. Ortiz
Angelo S. Parise
Ronald L. Phillips
William T. Pope
Joseph Ribeiro
Clifford Robinson
James L. Rodak
Stephen L. Shivers
Theodore F. Singley
James A. Sorley
Joseph Thorpe
Frederick H. Trout
Albert L. Wade
Rufus J. Washington
Leonard R. Webb
Richard L. Wheeler
Richard H. White
Warren W. Winter
Anthony P. Witek
Billy W. Woodard

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Adams, David L.
Adang, Thomas C.
Aldridge, Michael E.
Anderson, James E.
Anderson, Wilbur C.
Andres, Paul A.
Bach, Robert M.
Bailey, Hudson L.
Barrett, John A.
Bean, Richard A.
Beckhart, Paul E.
Behl, Brian L.
Bohnker, Bruce K.
Bonkoski, Edward J.
Boone, Michael J.
Bray, Philip E.

Burzak, Jay E.
Butcher, Donald R.
Carter, Brett M.
Clark, John T., III
Clark, William M. H.
Collyer, Kenneth L.
Cormani, James M.
Cummins, Thomas J.
Cuny, Terrence J.
Curfiss, Daniel E.
Dahlen, Glenn E.
Dalton, Joseph F., Jr.
Deremiah, Richard E.
Dinehart, Duane A.
Dinwiddie, Brian S.
Dohring, Paul E.
Dotterrer, David G.
Dunnigan, James A.
Elliott, John R.
Ellis, Dan S.
Elwood, Hugh T.
Everman, Vincent P., Jr.
Field, Alan J.
Fleming, Ronald R.
Forney, James C.
Fraser, William B.
Freeman, Mark P.
Galati, David A.
Gapco, Brian S.
Gardner, Emerson N., Jr.
Gardner, Michael W.
Gisolo, Gary G.
Goldenstein, John P.
Good, Alvin L.
Grossman, Stanley L.
Groves, David A.
Hennebeck, Lawrence M.
Hicks, Harry H., Jr.
Hoffer, Nicholas J.
Jackson, Roger L.
Jackson, Wesley T.
Jones, Henry L.
Karnath, Michael W.
Kay, Thomas G.
Koger, Thomas H.
Leader, Charles A., III
Leavis, James M.
Lemoine, John A.
Lennox, Dyer T.
Lever, Brian P.
Lilienthal, John M.
Linnehan, William F.
Long, Jerry E.
Lotito, James C.
Lund, Daniel E.
Martinez, Arthur
McAfee, John M.
McCabe, John M.
McCormick, John
McGinnis, Edward E.
McGuigan, Edward A.
Metcalf, Michael B.
Minerich, Jon T.
Mulholand, James M.
Murphy, Daniel J.
Mutzig, Steven M.
Naster, Mark H.
Natonski, Richard F.
Naughton, James P.
Nelsen, Rex E.
O'Brien, Edward J.
O'Hara, William F., Jr.
Parlova, Erling M.
Patrick, Wayne A.
Peck, Ronald W.
Peterson, Harris-Clichy, Jr.
Peterson, Mark A.
Pickelsimer, Douglas E.
Pillifant, Cleve B.
Pollitt, Mark M.
Propst, Rodney N.
Roach, Jay W.
Roan, Richard W.
Roth, Richard R.
Schmid, Joseph H.
Schmidt, Richard F., Jr.
Schmitt, Robert L.
Schneider, Steven L.
Schwartzel, Joseph H.
Shipman, Larry K.
Shirk, James L.
Smith, Floyd R., Jr.
Sonnenberg, Steven B.
Sorley, James M.
Stevens, Stanley W.
Stolz, Richard A.
Stone, Jacob F., Jr.
Strong, John M.
Suenaga, Jerry L.
Swanson, Clifford R.
Tatone, Don W.
Thoman, Mark C.
Thomiszer, Thomas H.
Thompson, David L.
Tucker, Robert K.
Vanhaute, Edward B.
Voss, James P.
Walliser, Thomas A.
Watson, William P.
Wilson, Timothy T.
Wismer, Lance
Yoder, Billy Q.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 23, 1973:

DEPARTMENT OF AGRICULTURE

William W. Erwin, of Indiana, to be an Assistant Secretary of Agriculture.

Clayton Yeutter, of Nebraska, to be an Assistant Secretary of Agriculture.

John A. Knebel, of Virginia, to be General Counsel of the Department of Agriculture.

DEPARTMENT OF DEFENSE

William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense.

CENTRAL INTELLIGENCE

James R. Schlesinger, of Virginia, to be Director of Central Intelligence.

EXTENSIONS OF REMARKS

THE EAST ASIATIC LIBRARY AT BERKELEY

HON. ALAN CRANSTON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 23, 1973

Mr. CRANSTON. Mr. President, the countries of the Far East are assuming greater importance in American foreign policy day by day. Interest in this area on the part of both leaders in Washington and the general public has grown accordingly. President Nixon's trip to China is only one of the many examples of growing American contact with this part of the world.

I am particularly proud that one of the finest East Asian libraries in the country is located in the State of California. The East Asiatic Library of the University of California at Berkeley is well-known for its excellent collection. As of July 1972, the library's collection had grown to 340,000 books, including 150,000 in Japanese alone.

By serving students, teachers, diplomats, corporations, and Government agencies, the East Asiatic Library contributes to the growth of knowledge and understanding between our country and the countries of East Asia.

Mr. President, I ask unanimous consent that a brief résumé of the history and holdings of the East Asiatic Library at Berkeley, prepared under the direction of the librarian, Mr. Raymond Tang, be printed in the RECORD.

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

THE EAST ASIATIC LIBRARY OF THE UNIVERSITY OF CALIFORNIA

The East Asiatic Library of the University of California at Berkeley came into being in 1947 for the purposes of conserving, collecting and making readily available the materials in the university's General Library in the languages of China, Japan, Korea, Manchuria, Mongolia and Tibet. At that time there were about 75,000 volumes in those languages in the General Library, the largest proportion of them in Chinese. The history of this collection may be traced back to one hundred years ago, when a far-sighted regent of the University of California, Edward Tompkins, gave a gift to the University to endow the first professorship of Oriental Languages, deeming it "of the utmost consequence" to the State of California to provide instruction in the languages of East Asia. The first holder of the professorship, John Fryer, had been in the Imperial government service of China where he collected many books and materials. Later, with his bequest, his Chinese collection was left to the university. In 1916, another endowment was given by Horace Carpentier for the purchase of oriental books. Other gifts were made to the library, and there developed a steady exchange of library materials between the University of California and institutions of learning in the Far East.

Between 1948 and 1950, special grants made possible extensive acquisitions of desired titles and purchases of private collections. A book-buying expedition to China resulted in the acquisition of some 30,000 volumes in Chinese for the East Asiatic Library. In 1950, after months of negotiation and arrangements in Japan, the entire Mitsui Library of 100,000 volumes was purchased. Later, an outstanding private collection of Korean materials was acquired, and other significant acquisitions in the ensuing years have added to the library's holdings. As of July, 1972, the total number of volumes in the East Asiatic Library had reached a figure of 340,000.

The East Asiatic Library serves the departments of Oriental Languages, Linguistics, Comparative Literature, Art History, Architecture, Political Science, Economics, Sociology, Anthropology and Biological Sciences, as well as the Schools of Law, Education and Business Administration. In addition, it is used by research scholars of the Center for Chinese Studies, the Center for Japanese and Korean Studies, and users from other campuses of the University of California throughout the state.

The East Asiatic Library has been designated by the National Diet Library of Japan as the second depository—after the Library of Congress—in the United States for Japanese government documents. The National Central Library of Taiwan and the National Assembly Library of Korea place it on highest priority for the receipt of government and official documents. Therefore, this library has become a vital resource for the use of private and U.S. Government agencies in the area which are concerned with the Far East. It is also available for reference for the consulates of foreign countries located in San Francisco, the corporations and companies in the area which trade with the Far East, or are concerned with scientific and technical research developments in such countries as Japan.

Scholars, native and foreign, pursuing a wide variety of fields of study, have access to the research materials in this library. The East Asiatic Library circulates about 30,000 volumes annually among the faculty and students of the University of California, as well as to visiting scholars from other institutions here and abroad, alumni, businesses and corporations. Students from Japan, Taiwan, Hong Kong, Korea and elsewhere in the Far East are able to keep in touch with current events and scholarly developments in their home countries through the use of newspapers, periodicals and books on loan at this library. A total of some 2200 serials (the greater part of them Japanese) are currently received at this library.

Funds for the East Asiatic Library have traditionally been received from the State of California and budgeted through the General Library of the University. However, there has been no increase in the amounts budgeted for the East Asiatic Library during the past decade, and there is little hope at this time of there being any increase to meet today's rapidly rising costs. The library system of the university has suffered a 16% drop in book purchasing power. Since the East Asiastic Library must make most of its purchases abroad, it is particularly hard hit. If the level and rate of acquisition should continue to drop, the up-to-dateness and the excellence of this library will be permanently and irrevocably damaged. Prices of Japanese books have risen 400% since 1955. Because of the complex political situation, prices of Chinese books have soared. Korean book prices increased three-fold between 1964 and 1969.

The objective of the East Asiatic Library is to maintain the highest possible quality of acquisitions to uphold its standard of excellence as a research library, and to increase its rate of acquisition in order to keep pace with the output of scholarly works in the nations of the Far East. At present the library holds more than 150,000 volumes in Japanese, and as Japan is the third largest publisher in the world, it will be imperative to continue to build this part of the collection—the largest collection of Japanese materials among American university libraries.