tion and for the continuation of their service to the community.

The article follows:

MEET THE LADIES OF THE CLIPT WINGS SORORITY

(By Doris Leete)

When former airline stewardesses get together, you can count on congenial company. Ask any permanently grounded "stew" belonging to the newly organized Lehigh Valley chapter of Clipt Wings Sorority about her fellow members and she's likely to reply: "We all feel as though we've known one another for a long time, even though some of us have just met."

They're a lively group, with outgoing personalities—a trait airlines seek in an applicant—varied backgrounds and experiences that cover the globe.

There are 20 retired stewardesses in the growing local sorority started by president Hope (Mrs. William B.) Carpenter of Mt. Bethel, the wife of a flight engineer. Mrs. Carpenter had been president of a chapter in Houston, Tex., while flying with Pan Am (1961–64). Pleased with the camaraderie of the Lehigh Valley group, she is hoping to reach more ex-stewardesses in this area.

COMPARING PROCEDURES

What is interesting, she says of the membership, is the difference in hiring plateaus. Since the women represent different airlines and at different stages, they have enjoyed comparing procedures.

The Clipt Wingers have served on airlines from six months to 10 years and have flown both domestically and internationally. They have had as passengers foreign potentates, presidential candidates, show biz personalities and international playboys. All have a stock of amusing anecdotes to swap.

ACROSS OCEANS

As publicity chairman Karen (Mrs. Bruce) Berrettini of Allentown describes the group: "We've walked coast to coast, across the oceans and over the North Pole, holding the hands of novice passengers, reassuring those with little flying experience and joking with those who've been around.

"We've delivered babies and aided coronaries, and we've competed with other airlines to prove that ours offered the finer service."

Grounded for one reason or another—mostly because of marriage and motherhood—some of the girls became the brides of boys back home, and a few are wed to pilots. Now the parents of 46 children, they are homemakers, nurses, teachers, volunteers in nursery schools, libraries and political organizations.

ALL ENTHUSIASTIC

The women are all enthusiastic about the new Clipt Wings chapter. They hold a luncheon meeting once a month and have drawn up a program that includes time for fun and fellowship and for good deeds as well. Members have voted to support a child of a Korean leper, and the Lehigh Valley Multiple Sclerosis Society. Their major charity is St. Joseph's Children and Maternity Hospital in Scranton. The hospital specializes in the care of neurologically damaged children.

PERSONAL INTEREST

The former stewardnesses retain a personal interest in the flying profession and as passengers are apt to cast critical glances at flight personnel, subconsciously comparing present service with their own past performances.

Those who remember the days when a lone stewardess was assigned to a 70-passenger plane, (today's 747 jet crew complement calls for 12 to 15 stewardesses), feel that many former niceties are missing. "It's a shame that the girls are too busy to be charming hostesses." observes Hope Carpenter. "They don't give of themselves as we used to," contends Mary (Mrs. William) Marston of Bethlehem, Delta 1958–60.

NO BETTER

Observes Clipt Wings membership chairman Betty (Mrs. Glen) Nyman of Bethlehem: "I don't think stewardesses are any better or any worse today." Betty, the wife of a Pan Am flight engineer, flew with United from 1955 to 1964, making the transition from piston engine to jumbo jet.

The only stewardess on a DC–6 coach flying from Chicago to Los Angeles, she recalls: "I would be loaded down collecting coats and hats from the 70 passengers at the beginning of a flight. When I think of all the baby bottles and baby food I've warmed in my time—as many as 14 infants at a time—and the passengers I've tried to put at ease. When passengers were interested in a bridge game I'd even manage to get a foursome together.

PASSED THE GOODIES

"I can remember," Betty continues, "when passengers weren't offered meals in flight but would pick up box lunches at the airport for $1.50. Some would also bring a bag of cookies aboard and pass them around. We stewardesses would offer them a beverage and you'd think we were giving them the moon, they were so appreciative. Passengers are much sophisticated today and they've come to expect a choice of cocktails and a menu listing three entrees."

Some of the women recall that regulations and uniforms were more military during their term of service. No eye makeup was allowed, only lipstick was permitted. A watch and one ring were the only accessories a girl might wear.

HATS IMPORTANT

"So much emphasis was placed on hats," remembers one ex-stewardess. "We were grounded if we didn't wear them at all times, both during flight and at the terminals. It was thought that the hats expressed authority and give passengers a sense of confidence in case of emergency. Today most airlines don't even issue hats."

AMUSING TALES

The onetime ladybirds have amusing tales to tell on themselves.

"One charter flight I remember well," says an attractive mother, "involved the Dallas Cowboys. Being young, single and interested in the opposite sex at the time, I was excited to learn that I would be one of two stewardesses on a plane being sent from Dallas to Chicago to pick up the 58 football players. It was enough to send any young girl into a frenzy. All the way to Chicago, I checked and rechecked my makeup.

"I was certain that as soon as I descended the stairs there'd be a football player who would become enamored of me by the time we reached Dallas. Then we started to board our passengers. They averaged 6 feet, 5 inches in height and more than 260 pounds in weight. We were more frightened than charmed by this more than 15,000 pounds of manhood. They put away five kegs of beer, 22 gallons of orange juice, 16 gallons of milk and 15 gallons of water.

"As you can imagine, I and the other stewardess didn't have the fun we had expected, but worked ourselves until we were nearly dead on our feet."

A TREND

How do the women feel about the idea of men infiltrating the sisterhood in the role of stewards? Some look at it as a trend and think it's good, believing that male counterparts can handle an unruly passenger more easily and in the case of emergency might inspire more confidence. Others express opposition, declaring that this is a woman's job and should remain so.

The women agree that a stewardess career is a marvelous and good-paying one for a young woman, with travel privileges making it especially attractive. The girls work hard, they point out, but it's a fun job really, even though the speed of the present-day jets allows stewardesses less layover time for exploring between flights.

SENATE—*Tuesday, July 31, 1973*

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

PRAYER

Rabbi Sheldon Ephraim Elster, Agudas Achim Congregation of Northern Virginia, Alexandria, Va., offered the following prayer:

Determiner of human history.

We come together from the world of committee hearings, meetings with constituents, the morning headlines, and the Dow Jones average:

To give pause
To praise
To give thanks

Disturb us, O Lord, ruffle us from our complacency; make us dissatisfied with the peace of ignorance, the quietude which arises from a shunning of the horror, the defeat, the bitterness, and the poverty, physical and spiritual, of men.

Shock us, O Lord, deny to us the false Sabbaths which give us the delusions of satisfaction amid a world of war and hatred.

Wake us, O Lord, and shake us from the sweet and sad poignancies rendered by half-forgotten melodies and rubric prayers of yesteryears.

Make us know that the border of the Senate is not the border of living, and the walls of Thy temples are not shelters from the winds of truth, justice, and reality.

Grant us integrity and Thy wisdom. Amen.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate mes-

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sages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations received today, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 9474) to amend title 38 of the United States Code to increase the monthly rates of disability and death pensions, and dependency and indemnity compensation, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 9474) to amend title 38 of the United States Code to increase the monthly rates of disability and death pensions, and dependency and indemnity compensation, and for other purposes, was read twice by its title and referred to the Committee on Veterans' Affairs.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 30, 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.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 333 and 334.

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

SURVIVOR ANNUITIES OF CIVIL SERVICE RETIREES

The bill (S. 628) to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made in order to provide a surviving spouse with an annuity, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8339(j) of title 5, United States Code, is amended by inserting immediately after "is reduced" a comma and the following: "for any month during which that employee or Member is married for any portion of the month,".

SEC. 2. The amendment made by this Act shall only apply with respect to monthly payments of annuities paid for any month commencing on or after the date of enactment of this Act.

CREDITING OF NATIONAL GUARD TECHNICIAN SERVICE IN CONNECTION WITH CIVIL SERVICE RETIREMENT

The bill (S. 871) to amend title 5, United States Code, to correct certain inequities in crediting of National Guard technician service in connection with civil service retirement, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8332(b) of title 5, United States Code, relating to creditable service for civil service retirement purposes, is amended by striking out the last sentence.

(b) Section 8334(c) of title 5, United States Code, relating to deposits for periods of creditable service for civil service retirement purposes, is amended by striking out the last sentence.

(c) Section 8339 of title 5, United States Code, relating to computation of civil service retirement annuities, is amended by striking out subsection (1).

(d) Section 3(c) of the National Guard Technicians Act of 1968 (82 Stat. 757; Public Law 90-486), relating to crediting of National Guard technician service for Federal employees' leave, death, and disability compensation, group life and health insurance, severance pay, tenure, and status, is amended by striking out the second sentence.

SEC. 2. The foregoing provisions of this Act shall become effective as of January 1, 1969.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The distinguished minority leader is recognized.

Mr. SCOTT of Pennsylvania. Mr. President, I yield back my time.

The PRESIDENT pro tempore. Under the previous order, the distinguished Senator from New York (Mr. JAVITS) is now recognized for not to exceed 15 minutes.

THE BUSINESS OF GOVERNMENT AND THE POOR

Mr. JAVITS. Mr. President, I should like the Chair to notify me when I have consumed 10 minutes of my time.

Mr. President, we are now in the first month of fiscal year 1974, a new fiscal year—or business year—for the Federal Government.

Government is a big business and preoccupation with the Watergate scandal—of unquestioned importance in itself—should not divert us from the need to do the Government's business and from making an assessment of the manner in which the business of the Federal Government has been conducted over the last fiscal year in certain key human programs. The business of Government has legitimately focussed in this period on general issues touching all Americans—the economy, the power to wage war, the end of our involvement in Southeast Asia, the environment, and the reform of our governmental institutions.

However, in no area does the Federal Government operate more directly as a businessman—that is, as a provider of services—than in the area of the programs to eliminate poverty, reduce unemployment, and to enable Americans to become self-supporting.

It is in that area where the successes or failures of Government are most keenly felt in human terms; and it is there also that the administration's emphasis on the need to run programs in a business-like fashion has been most pronounced.

The administration's objectives in this regard have been repeatedly and clearly stated:

First, to assure managerial and cost efficiency. In that connection, the President stated in his March 4, 1973, address to the Nation regarding community development:

> We are determined to get a dollar's worth of service out of every dollar's worth of taxes. . . . This means we will continue to press for *greater efficiency and better management* in Federal government. (emphasis added).

Second, to turn responsibility and resources back to the State and local governments through general and special revenue sharing, replacing so-called categorical grants. In his state of the Union address of January 22, 1971, President Nixon stated:

> The time has now come in America to reverse the flow of power and resources from the States and communities to Washington, and *start power and resources flowing back from Washington to the States and communities* . . . where States and local Government can better do what needs to be done, let us see that they have the resources to do it there.
>
> Let's face it. Most Americans today are simply fed up with government . . . They will not—and they should not—continue to tolerate *the gap between promise and performance in government.* (emphasis added)

Third, to insure that funds reach their intended beneficiaries. President Nixon, in his radio message of February 24, 1973, commenting on the antipoverty effort, said:

> The money which left Washington in a seemingly inexhaustible flood was reduced to a mere trickle by the time it had filtered through the layers of bureaucrats, consultants and social workers—and finally reached those whom it was supposed to help. *Too much money has been going to those who were supposed to help the needy themselves. Those who make a profession out of poverty got fat; the tax-payers got stuck with the bill;* and the disadvantaged themselves got little but broken promises. (emphasis added)

Mr. President, these are commendable long-term objectives, but the unfortunate and ironic lesson of the last fiscal year is that in attempting to effect these changes "overnight" and "on its own" in defiance of the will of the Congress, the administration has precipitated in the short-term a situation of managerial chaos and waste and interrupted benefits to the poor.

Ironically, the administration's actions have undermined the very capacity and credibility of State and local government upon which the administration hopes to build its "New Federalism," tending toward creation of a new "gap"

at the local level between promise and performance.

This past fiscal year—particularly the last 6 months—was characterized by "on again—off again" directives, midstream reversals of policies, impoundments, and "rescissions" which have left State and local government in a state of confusion, the poor and others in need in a chronic state of despair, and the taxpayer's "domestic" dollar devalued again in terms of the benefits to be derived therefrom.

The fiscal year began with a commitment by the administration to continue OEO and its programs through fiscal year 1974—a commitment contained in the Economic Opportunity Act Amendments of 1972, which the President signed into law, on September 20, and reaffirmed as to fiscal year 1973 by his signing on October 31, 1972, the supplemental appropriations bill providing funds for the program for that fiscal year—that is, the fiscal year just ended.

It ended—after 6 full months of attempts by the administration to dismantle the program—with OEO attempting to comply in the last hours of the fiscal year, with the order of the U.S. District Court for the District of Columbia that it make all appropriated OEO funds available.

Another example: The fiscal year 1973 began with a budget request by the administration for a total of $1,595,297,000 for manpower training programs, including $265.5 million for the Neighborhood Youth Corps summer job program and an additional request of $1.25 billion for the public employment program under the Emergency Employment Act—amounts which were also promptly made available by the Congress.

In the middle of the fiscal year, the administration proposed "rescission" of all funds for the Neighborhood Youth Corps and at the same time a diversion for the use of summer jobs for youth of as much as $333 million in Emergency Employment Act funds, which had been requested basically for adults.

The administration subjected other manpower training programs to "freezes" and ceilings, and reversals of policies through the early months of this year.

The fiscal year ended with the administration being forced to spend most of the funds for the Neighborhood Youth Corps, under order of the U.S. District Court for New Jersey, again literally in the last hours of the fiscal year.

The fiscal year began with the enactment of a $2.5 billion ceiling on child care and other social services under the Social Security Act, but no material change in legislation with respect to the substance or coverage of the programs themselves.

Then, in January 1973 the administration sought to impose new regulations to be effective in April—only 3 months from the "airing" of these proposals—drastically altering the conduct of child care and other social services programs under title IV. When opposition arose, the effective date was postponed into fiscal year 1974.

The fiscal year ended with the Senate Committee on Finance adding to the debt ceiling bill an amendment—basically in response to S. 1220, introduced by Senator MONDALE and myself with 41 cosponsors—to prohibit implementation of any new regulations until January 1, 1974. In the very last hours of the fiscal year, in conference, the provision was compromised so as to apply through October 31—2 months less than the authors of the bill thought was needed—and that provision was made a part of the Renegotiation Act signed by the President, again at the close of the fiscal year.

Mr. President, accordingly, in the end it appears that Congress, with its intent upheld by the courts, has "triumphed"; but is there any real victory? I should say there is none. For, the individuals, governments, and taxpayers have had to stand on the sidelines right up to the last hours of fiscal year 1973 and see their ability to plan and, therefore, to benefit from funds go down the drain as funds for these efforts have been tossed back and forth—first in the hands of Congress, then "intercepted" by the administration, and finally put in their rightful place by the courts as "referee."

It is bad enough that we have not made advance funding provisions for social programs, of the kind which would give them the security enjoyed by efforts in defense and space.

But to subject those on the local level to this kind of uncertainty is the worst kind of inefficiency and mismanagement, and the results are clear: Competent management—much less improved management—goes out the window; States and localities unavoidably get into a "credibility gap" with those they are to serve; and the disadvantaged get little but broken promises—and a glut at the end which could hardly be handled efficiently—not because the managers are getting "fat," but because funds are siphoned off to additional administrative expenses necessitated by "stop" and "go" planning.

The poor, the governments, and the taxpayers were entitled to rely upon the administration's continuation of the OEO program, the administration's requests for manpower training, public service employment, and summer jobs; and the continuation of social services pending legislative reform.

Any uncertainty in that reliance should have been eliminated when Congress, pursuant to the administration's own requests, made funds available and thus—as the other principal Federal partner—"closed the deal."

Mr. President, change is always disruptive—that is its nature. But when it is attempted to be effected unilaterally by the executive branch midstream in a fiscal year and contrary to previous actions agreed to by Congress and the executive branch, it can do downright violence to the helpless citizens and managers on the State and local level caught in the crunch.

To them it has been more than an academic debate. These actions have had their toll on and have disrupted millions of people, thousands of units of State and local government and other institutions, and adversely affected the use of billions of the taxpayer's money.

The administration's actions have touched 26.5 million persons in poverty, more than 1.7 million youth in the target group for summer jobs, 4.6 million families, and an additional 3 million aged, blind, and disabled persons receiving social services.

The actions have undermined the planning of 1,000 community action agencies, 15,000 units of city government and each of the State governments not only in areas directly affected, but also in related areas such as welfare, housing, and economic development planning, as well as related private commitments. When one piece is held in suspension, an entire structure of community planning may be put in jeopardy.

These actions have put in "limbo" the expenditure of all or a part of $800 million in OEO antipoverty funds, $1.25 billion in Emergency Employment Act appropriations, and $265 million in Neighborhood Youth Corps funds, as well as $2.5 billion in funds for social services.

The ACTING PRESIDENT pro tempore. The Chair informs the Senator that 10 minutes have expired.

Mr. JAVITS. I yield myself 2 additional minutes.

Mr. President, I include, incidentally, among the startling examples I have referred to $1 billion in health funds found unspent by the Department of Health, Education, and Welfare, notwithstanding our determination that they could be spent, that they should be spent, and a follow-on report of an outstanding group coming from the National Institutes of Health and of a special commission, for example, relating to heart disease, and so forth, which also ties into the billion dollars in funds that was unspent for health.

Mr. President, in his message of March 4, 1973, to which I referred earlier, President Nixon said:

> We are stopping programs which have failed.

To stop programs across the board, unilaterally, in an abrupt way through rescissions, freezes, and changes taking effect upon promulgation or shortly thereafter violates the first principle of sound management—evaluation and selectivity.

Even if one assumes that these "Great Society" programs have "failed"—which I do not—we are not dealing with a "product line" that can be shut off overnight or "taken off the shelves," but a service line which is the very "lifeline" for millions of our citizens.

If it is to be improved, it must be done by the Congress and the Executive together, and while it is being accomplished current benefits should not be eliminated, or interrupted. To do so is not only unfair in human terms, but unsound as a matter of economy.

It can be said that the administration was not without justifiable complaint as we entered into the last half of this fiscal year; its policies for special revenue sharing were too often dismissed "out of hand" by the Congress; in some cases "liberals" may have been somewhat

"conservative" in clinging to the programs of the 1960's "as is."

But the experience of this fiscal year—whatever its justification or provocation—is behind us now and the question is whether we will benefit from the experience of the last fiscal year or repeat it.

It can be avoided if both the administration and the Congress "set sail" this fiscal year on a course of "domestic reapproachment"—a commitment to work together on establishing legislatively a format for the future of these programs. The administration should do that—that is its duty—so that these programs may now be put on the track in permanent legislation and so that we do not have a repetition in fiscal 1974 fiscal year of the disaster which struck these programs in fiscal year 1973.

We are fortunate that already there is legislation "in the works" or "in the wings" that provides a real opportunity to develop mutual confidence in working in that way—in short, cases where Congress and the administration do not seem too far apart and where a little bit of "give and take" on both sides could mark a new beginning in cooperation.

First, in the case of manpower training reform—sought to the administration since 1969—the Senate Committee on Labor and Public Welfare has reported, for consideration by the full Senate and the Senate has not adopted, S. 1559, the Job Training and Community Services Act of 1973, sponsored by Senator GAYLORD NELSON, of Wisconsin, and myself. It adopts basically in the field of manpower training the special revenue-sharing approach advocated by the administration letting State and local government conduct these efforts in the future with wide discretion.

At this point the administration's official position is that decentralization should be accomplished administratively under an extension of existing authority, which Congress has thus far denied—it approves a separate public service employment program.

I call upon the administration to abandon these unilateral plans and work with us on an acceptable legislative approach for job training, including a quotient of public service employment and community services.

Second, the House of Representatives has already passed and the Senate will soon consider the administration's proposal to establish a new legal services corporation, which I introduced in the Senate. The question of the composition of the Board of Directors, which has been the principal "hangup" over the past 2 years, is no longer a basic issue.

Here is a great opportunity to attain an accommodation along the basic blueprint of the administration, thus avoiding the necessity of fighting continuing and self-defeating battles over the direction of the existing legal services program.

The program should not be hanging in midair. Again, a firm agreement between us and the administration is essential in order to carry this through.

Third, with respect to OEO and community action programs, Senator NELSON and I have already indicated, by including special provisions in S. 1559, the Job Training and Community Services Act of 1973, a willingness to try out the special revenue-sharing concept in respect to community action agencies. With funding of the current direct funding effort secured through this fiscal year—which appears will be the case under an appropriations bill passed by the House and now before the Senate—it is my hope that we would meet early this fall the question of the future of the programs after fiscal year 1974 so that we are not in another cliffhanger situation a year from now. It is the duty of the Administrator to bargain in good faith with us.

Fourth, in the field of social services, the moratorium against administrative action through October, provides an interregnum in which legislation should be worked out.

Mr. President, the administration and the Congress share the desire for the establishment of a new partnership between the levels of Federal, State, and local government—that is the gist of the "new federalism." If that goal is to be accomplished and managerial efficiency and cost-effectiveness are to be maintained over the short as well as the long-term, there must be a new partnership "horizontally" at the Federal level between the Executive and the Congress. To that end, I urge immediate negotiations between the offices of the administration and the appropriate congressional committees for the purpose of agreeing on the measures necessary to insure an orderly implementation of antipoverty, manpower, and social programs. In that spirit, I hope that the unfortunate, if not tragic, experience of the past fiscal year will not be repeated.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "A Billion in Health Funds Found Unspent by HEW," which was printed the New York Times.

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

A BILLION IN HEALTH FUNDS FOUND UNSPENT BY HEW

(By Harold M. Schmeck, Jr.)

WASHINGTON, July 26.—During the last year, the Nixon Administration did not spend nearly $1.1-billion in funds Congress had intended for major health programs, according to figures obtained by the House Commerce Committee.

The total withheld was more than one-fifth of the roughly $4.759-billion allotted to the Health Services and Mental Health Administration and the National Institutes of Health, the two largest health-related agencies of the Department of Health, Education, and Welfare.

The discrepancies between funds available for spending and funds spent were found in the mass of data sent to Congress by the department.

This led to an exchange of letters between the Commerce Committee chairman, Representative Harley O. Staggers, Democrat of West Virginia, and Caspar W. Weinberger, Secretary of Health, Education and Welfare.

"I am dismayed that you have felt it appropriate to impound the billion dollars your letter describes," Mr. Staggers said in the latest letter, which he made public. "I am not convinced that this is legal, necessary, or in the best interests of the people of our nation."

He asked the Secretary for program-by-program justification for not spending the money that was allocated in the continuing Congressional resolution under which the department's spending was authorized durthe 1973 fiscal year.

The funds authorized by the resolution were, in effect, appropriations. They were handled through the resolution mechanism because of the President's veto of the health appropriation bill for 1973.

In a letter to Mr. Staggers, Secretary Weinberger defended the withholding of the funds as legal, but a spokesman for the Commerce Committee said there had not yet been a reply to the request for a program-by-program analysis.

A detailed breakdown of the unspent funds showed that even some of the programs given special public emphasis by the President were affected. For example, the National Cancer Institute left $58,859,000 unspent in a total budget authority of $492,205,000.

The National Heart and Lung Institute left unspent $44,217,000 from its permissible spending level of $300-million.

Most severely hit were Federal mental health programs of $743,723,000 available, $199,209,000 was unspent.

The Administration's decision not to spend such large sums that had, in effect, been appropriated was criticized sharply today by Representative Paul C. Rogers, chairman of the Commerce Committee's Health and Environment subcommittee.

Mr. Rogers, Democrat of Florida, said the Administration was not carrying out the laws passed by the Congress and was thus distorting the constitutional premise of the separation of powers.

Saying he considered it a "very serious situation," Mr. Rogers suggested it might be necessary to hold hearings on the subject and even to call for the resignations of officials who refuse to carry out the laws involved.

In his letter to Secretary Weinberger, Mr. Staggers said the programs in question had been created to meet specific needs, such as protection from disease, health manpower, biomedical research and improved health services of many kinds.

"Unless these needs in fact do not exist, or have been met, or are being met by alternative superior programs, then these impoundments must be considered a sad failure of our Government's commitment to serve its people," the letter said.

A spokesman for the Department of Health, Education and Welfare said there would be no comment until Mr. Weinberger had replied to Mr. Stagger's latest letter.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Kentucky is recognized for not to exceed 15 minutes.

CAMPAIGN CONTRIBUTIONS AND EXPENDITURES

Mr. HUDDLESTON. Mr. President, yesterday the Senate completed action on S. 372. That legislation is designed to overcome many of the obvious abuses which have occurred in recent years in campaigning. Most of these abuses apparently have their roots in money—in excesses of money and the influence which persons or groups with unlimited funds may bring to bear upon political contests.

In a democracy, seats in the legislative branch and the highest offices of the executive should not be for sale. The rich

should not exercise undue influence in the electoral process simply because of their wealth. Nor should a candidate enjoy a special advantage over his opponent because he can command large sums of money not available to those he is running against.

At the same time, we should not go to the other extreme and enact legislation which will so restrict contributions and expenditures that the built-in advantage which the well-known and established candidate enjoys is insurmountable. Money is the means by which the little known candidate becomes a well-known candidate, and to restrict money is to restrict the ability to become recognized and to have one's position publicized.

Thus, what we need is a balanced system—one which neither encourages or permits the buying and selling of elections nor one which guarantees the election of well-known and established candidates.

I hope that the bill which the Senate passed yesterday will go far toward achieving this balance. I do not believe that it is the final and perfect solution to our longstanding problem of election reform, but I do believe that it is a step in the right direction and that it can pave the way for even additional improvements in the future.

It is clear that campaigns have simply come to cost too much. It is time to change the situation in which any candidate can spend any amount of money. That is one thing S. 372 does. It sets overall limits on the amount that can be spent in both primary and general elections—a move that may take some of the circuslike, packaged-and-sold image out of political campaigns.

It also sets limits on the amount which an individual or an organized group may contribute to a specific campaign. This should restrain individual influence on elections and preclude the development of situations in which it can be suggested that a Federal officeholder owes his election or his vote to a single individual or to a special interest. It should also preclude the buying of offices such as ambassadorships through contributions to winning Presidential candidates.

The bill further strengthens the reporting and auditing controls on campaign spending in an attempt to insure that records are properly and adequately kept and retained. Persons contributing more than $100 will have to provide their names, addresses, and places of business; and contributions of more than $50 must be made by check or other written instrument. Candidates will have to establish special campaign accounts for the handling of contributions and expenditures.

Mr. President, all of these changes represent a vast improvement over the existing system of financing and running Federal elections. I strongly support both the spirit and the substance of these changes. They represent a genuine attempt at reform.

At the same time, however, I hope that we will not look upon this legislation—as good as it may be—as a panacea for all the problems and difficulties associated with political campaigns. It could very well be that this legislation in its application will create as many problems as it solves. It may close some loopholes, only to open new ones. In all probability we will not know the answer to that question until 2 years from now when the law goes through the test of actual application.

I myself have two major reservations in that regard. One, by placing rather strict limitations on spending and at the same time enacting a whole host of reporting requirements and other legal technicalities to be met, we may very well further jeopardize the chances of a "minor" or little-known candidate. It seems to me that the requirements of this bill will necessitate at least one or more full-time professional people, trained in the law or accounting, to supervise its application in each candidate's race. I am sure some minor candidates will never be able to afford such professional assistance.

It was that very concern about nonestablished candidates that prompted me to introduce an amendment relating to the suspension of the equal time provisions of section 315 of the Communications Act of 1934. That my amendment, which is now incorporated in the bill, provides that in congressional races that suspension can occur only after a radio or television station offers each candidate in that race 15 minutes of equal air time. The purpose of that amendment was simply to prevent minor candidates from being shut out of the media while their opponents may be given free broadcast exposure.

I just hope that we have not enacted so many requirements, requiring so much effort to comply with them, that we will intimidate or scare away nonestablished candidates.

A second reservation that I have concerns the ability of an individual candidate to present his views to the public. A campaign, as we know, is an effort on the part of an individual to sell himself, to try to sell his views, to try to sell his hopes and aspirations for his people to the voters of his State or of a particular district.

I do not impute anything evil or improper by the use of the word "sell." Certainly I do not mean buying an election. By "sell" I mean the opportunity to explain, persuade, or even contrast with an opponent the views and opinions that you may have. That is the very essence of our democratic system.

We just simply cannot do that without making certain expenditures, the cost of which are beyond a candidate's control. The price of a postage stamp is set, as is the price of television time, newspaper advertising, and the cost of traveling across a State or district. And in these times of inflation, those costs will undoubtedly go up and up.

If we end up with restrictions that are too severe, the people who are going to suffer will be the general populace, because they will not have the opportunity to know what a candidate is really for, and what he is not for—and they will not be able to make an informed judgment as to which candidate represents what they consider to be in the best interests of the country.

When I began my campaign I did so as a relatively unknown State senator running against a former Governor who was quite well known. I had to spend money—in fact, friends of mine had to borrow money on my behalf—so that I could overcome the so-called recognition factor and also to present and contrast my views with those of my opponent. I have some doubts as to whether I could have overcome those obstacles under all the restrictions of the present bill.

I hope that I am wrong on both counts. I hope these reforms will not inhibit minor candidates nor restrict one's ability to present his views to the public. Certainly I have reason to hope and believe that is not the case or I could not have supported the bill so strongly.

But I do not see the bill as a panacea; nor do I have a closed mind as regards each provision. It may be that some of our reforms went too far, or it might be that they did not go far enough. And perhaps there are still other needed reforms which have not been addressed in this bill. We will not really know until we have seen how the law works under actual campaign conditions.

I think it extremely important that following the congressional elections of 1974 that the appropriate committees of Congress examine in detail the application of these new provisions. I would hope, and I feel certain it will be the case, that these committees will make such an examination and report back to the full Senate and House and the American people any recommendation for further improvements or corrections in the law.

Another thing I would like to say at this point is that we have yet to hear the recommendations and report from the Senate Select Committee on Presidential Elections. While the thrust of this bill deals mainly with the financing of campaigns, I expect that the so-called Watergate Committee will have many additional recommendations for reform in areas other than financial. In many ways the regulation and supervision of campaign activities—as opposed to campaign financing—is even more important—and more difficult—to accomplish. I also expect that the Watergate Committee will also have recommendations in the area of financing Presidential campaigns. Certainly they deserve a full hearing. So we must await the findings of Senator Ervin's committee and its recommendations before we consider our efforts even halfway completed.

Mr. President, we have made an honest and genuine effort to reform political campaigning for Federal offices in this country. I hope that in the process we have restored some faith and trust to the American people whose confidence has been so badly shaken in recent months.

I think it is accurate to say that confidence in their Government—in their public officials—by the people is a necessary ingredient to the proper operation of a free and democratic system. It, therefore, behooves all of us to take every step possible to restore and maintain the

public's confidence in us as individuals and in our system.

There is an old proverb I quote on occasion that says—

Even an honest man arouses suspicion when he stoops to tie his shoe laces in a melon patch.

When we seek public office, we put ourselves in the public "melon patch," so it is proper to open up the election processes to the fullest possible public scrutiny—to place appropriate restraints on the manner in which campaigns are conducted. S. 372 does this to a substantial degree.

But we must maintain an open mind and a constant search for improvement. Two years from now, after we have seen this law in operation, we may see the need for further improvement. For instance, there is the whole matter of public financing, which requires detailed examination and exhaustive study. Campaign spending laws are like tax laws; you close one loophole and another pops up. Some aspects of our reform attempts may have been too restrictive. If so, they can be corrected.

The key, I think, is to constantly strive for improvement with the traditional goal of free and open elections in which all persons and all views are guaranteed equal access to the political process being our constant objective.

ORDER OF BUSINESS

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

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

Mr. SCOTT of Virginia. I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask unanimous consent that two of my staff people, Brent Kunz and Mike Schumaker, may be on the floor during this particular period of time.

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

Mr. SCOTT of Virginia. Mr. President, I ask unanimous consent that a member of my staff may also be on the floor at this time.

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

NOMINATION OF RUSSELL E. TRAIN TO BE ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY

Mr. SCOTT of Virginia. Mr. President, as you know, Russell E. Train has been nominated to head the Environmental Protection Agency and the Public Works Committee on which I serve, will commence hearings tomorrow on Mr. Train's nomination. Let me say initially that while I have only met Mr. Train personally within the last few days, I have known of him for several years and I understand that he enjoys a very fine reputation. Therefore, it is not my intention today to be critical of Mr. Train. He apparently is a very fine individual.

Nevertheless, the Senate is called upon to advise and consent to the President's nomination. I believe we should give thoughtful consideration to this important matter and not attempt to dispose of it during the short time before the August recess.

As you know, Mr. President, the Environmental Protection Agency was created to permit effective governmental action to protect our environment. In reviewing the United States Code yesterday, I noticed that there are 44 pages of laws and annotations relating to air pollution control in the main part of the volume and 60 pages in the pocket part. This for an agency created less than 3 years ago. The Administrator has general jurisdiction over air quality standards and specifically over new sources of air pollutants. He establishes deadlines for automobiles to reduce given percentages of objectionable emissions, reviews State standards, and possible sources of air pollution; such as new powerplants, and new oil refineries. Recent proposals seek to determine whether given individuals can drive their cars to work or not and if so, whether they have to pay a parking tax on their automobiles.

The Congress may have gone too far in the Clean Air Act of 1970 and we may need to review such features as automobile emission standards and other phases of the law. I understand that the Supreme Court a few weeks ago in a 4-to-4 decision affirmed a lower court ruling that the Environmental Protection Agency must disapprove any State air quality control plan which does not prohibit significant deterioration of air quality even when air pollution concentrations are already lower than Federal standards require. In fact, this decision has been interpreted by some to prohibit the construction of any new plant in a rural area which would add to air pollution. It could have a significant effect on the Nation's future development.

Mr. President, every Member of the Senate is proud of the fact that we live in a country with a high standard of living, in a nation that is the envy of the world. We want to maintain this standard and, if possible, to have more of the good things of life for each of our citizens. The question which concerns me is whether or not Mr. Train, with the vast power given to the Administrator, would take a positive approach and reduce pollution without reducing our standard of living. Mr. Train is listed in "Who's Who in America." Following his name appears the word "conservationist." This may appear to be a minor matter, but Mr. Train is a lawyer, a graduate of Columbia Law School, a member of the District of Columbia Bar; he has had no specific educational background in the field of ecology or conservation. Why would he not be listed as "Russell E. Train, lawyer"? He is a former judge of the U.S. Tax Court. Why would he not be listed as "judge" or "jurist"? Of course, he did resign his position as a judge in order to accept the position of president of the Conservation Foundation.

Now, Mr. President, I am not criticizing Mr. Train because of the self-styled title of conservationist, but I do believe his backround and philosophy require more examination than the Congress can give in the few days remaining before our recess. Mr. Train is a former Under Secretary of the Interior and presently Chairman of the Council on Environmental Quality. Why would he not be listed as "Russell E. Train, Government Official?"

It raises a question in my mind, Mr. President, as to where this nominee's heart is; where his emphasis is. Does he have a concern for retaining the high standard of living we are privileged to enjoy, while at the same time making reasonable effort to protect our environment; or is he a conservationist first, regardless of what effect that may have on our standard of living?

This matter was illustrated in the lead editorial in the Washington Star and News on June 19 entitled, "The Clean Air Collision," and I ask unanimous consent, Mr. President, that this editorial be printed in it entirety in the RECORD at this point.

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

THE CLEAN AIR COLLISION

The clean-air ideal that Congress embraced so enthusiastically three years ago is coming into hard collision with the fact that its attainment—on the schedule envisioned—simply may not be possible through any rational means. Developers emerging last week from both the Supreme Court and the Environmental Protection Agency reinforce that view. They cast heavier doubt on the nation's ability to meet the air-purity standards set by Congress, to become effective in 1975.

First came the court's decision that air quality cannot be allowed to deteriorate significantly *anywhere* in the country—even out in the great unpopulated expanses where pollution doesn't begin to approach the limits set by the Clean Air Act of 1970. This interpretation of the act might, if rigidly applied, serve virtually to paralyze growth in underdeveloped areas that are seeking new industry. And dispersal of some industry from the larger congested cities to rural towns should, we think, be a part of the general program to reduce pollution. But the worst impact of this decision may hit the metropolitan centers in a way that relates, detrimentally, to both pollution and energy production. If new electric plants and other utilities cannot be located outside the areas of urban contamination, the problems of depollution and power supply will become much more difficult.

But the extent of this restriction will be unknown until there is clarification by the court, which gave no written opinion, and hence no guidance at all, but only upheld a lower court decree by a tie vote. Further litigation must be awaited to get the needed answers. And meanwhile, some major cities have only the dimmest prospect, or none at all, of meeting the air standards set for the year after next.

That became more starkly apparent last Friday when the EPA rolled out a partial plan for meeting Congress' requirements. An astounding reduction of traffic is contemplated in 18 urban areas—possibly even a total ban on private cars in Los Angeles, and a 60 percent cutback of driving in northern New Jersey. This is a good deal more than public opinion can be expected to bear. Certainly the prospective plans for the Washington area (on which we will have more to say later) would come as a jolt to countless wage-earners here.

Taken as a whole, the EPA's ideas for

urban sectors, going into effect so soon, could exact intolerable economic penalties and prove politically indefensible. Given a bit more time, the widespread public-transit improvements now underway, and anti-pollution equipment on autos, can greatly ease the pain of transition to cleaner air.

Fortunately, the acting EPA chief, Robert W. Fri, seems to have no delusions about all this. In presenting the highly restrictive plan, Fri said he was "not sure these are the results that Congress intended," and that he will "explore with Congress the desirability of extending the deadlines for these areas that are so deeply affected." That is the wise course. Congress should begin reexamining the Clean Air Act, with a view to revisions that would allow more flexibility in reaching some of its goals. The need is for careful coordination, to achieve the final high objectives with the least possible economic damage.

Mr. SCOTT of Virginia. Mr. President, we will note the editorial commences with a statement that the clean-air ideal Congress embraced so enthusiastically 3 years ago may not be possible through any rational means and concludes with the suggestion that we explore the desirability of extending deadlines and reexamine the Clean Air Act with a view to revisions that would allow more flexibility in reaching some of its goals. The need is for careful coordination to achieve the high objectives with the least possible economic damage.

The city of Los Angeles undoubtedly has a serious smog problem, but the thought of eliminating 80 percent of the automobiles within the city does not seem reasonable. Neither does the 60 percent cutback of driving in northern New Jersey. Should not an alternative be sought to such a problem?

When we hear of prospects of gasoline shortages should not we question whether everything is being done as rapidly as possible to obtain oil from Alaska, from the Continental Shelf, from marginal wells? Are we unnecessarily prohibiting the use of heavy fuel oil? Are we unnecessarily reducing the effectiveness of our automobile motors and reducing the mileage per gallon of gas by Government regulations? Will Government regulations close down or reduce the employment in the chemical center within the Kanawha Valley of West Virginia? Or in the coalfields of various parts of our country? Are we doing the necessary research to make the maximum use of nuclear energy, water power, and energy from the sun? Would the nominee, as head of the Environmental Protection Agency, concentrate on finding ways to retain or increase our high standard of living or would he give undue emphasis to ecology?

Frankly, Mr. President, I believe that Mr. Train is a reasonable person. My conversation with him, lasting about an hour, a few days ago leads me to this conclusion. Nevertheless, this Agency can have such a drastic effect upon the individual freedom of our citizens and existing law gives such wide discretion to the Administrator that I feel his nomination should be examined in detail and that each of us, representing one of the States, should look into the background of the nominee and determine for himself whether he wishes to advise and consent to the President's nominee. It is not a nomination that should be acted upon in haste.

A news item, of July 27, quotes Mr. Train as saying, anyone seeking amendments to the strict clean air law of 1970 will have "the burden of proof—to unequivocally demonstrate the law needs changes." He also predicted, "a tough time ahead when American people will be tested on whether they are willing to stick to their commitment to a cleaner environment." The account states that he stressed his independence several times at a press conference following announcement of his nomination as Administrator and stated that "EPA is an independent regulatory agency with a strong independent character." Mr. Train stated that he made this clear to the President and that the President agreed that the independence of EPA is of paramount importance.

Mr. President, I believe we need to review the part the nominee played in stopping construction of the jetport in Florida north of the Everglades National Park and other activities over the past several years. Does he approve of the parking tax on commuters that EPA has recently suggested? Does he approve of eliminating downtown street parking in Washington? Mr. President, I believe that Government at every level exists for the benefit of the people. It is the servant, not the master of people. If people want to drive their automobiles to work, I believe they should feel free to do so without penalty. If we have sufficient concern about the environmental damage should not we work toward having a rapid rail transit so appealing; or some other form of mass transit with less pollution, so appealing that people will voluntarily abandon their personal automobile in many instances. We can also strive for an alternative to the gasoline motor. Concentration on research rather than prohibition can well be the answer.

I am hopeful that the Congress can reexamine various aspects of the law which may have been too hastily passed but pending that will consider very carefully the emphasis which may be placed upon existing laws by any nominee before advising and consenting to his heading an office which so vitally affects the day-to-day activities of the people as the Environmental Protection Agency.

Mr. President, I yield the remainder of my time to the distinguished Senator from Wyoming.

The PRESIDING OFFICER (Mr. HUDDLESTON). At this time, in accordance with the previous order, the Senator from Wyoming is recognized for not to exceed 15 minutes, plus the 2 minutes remaining of the time of the Senator from Virginia.

Mr. HANSEN. Mr. President, I would first like to compliment my friend, the distinguished Senator from Virginia, for having called attention in his excellent speech to the importance of the office that has been offered to my good friend, Judge Russell E. Train.

Let me say that I have known Judge Train for a number of years. I did not meet him when he was a member of the Tax Court. However, I did meet him very shortly thereafter, prior to his becoming President of the Conservation Fund. I sat as a very interested listener and participant during the time of his confirmation here to the position of Under Secretary of Interior, and I listened more recently when he became Chairman of the Council of Environmental Quality. So, I look forward to an old friend participating in another role and anticipate the hearings in which he will be the main participant. These hearings will be conducted by the Public Works Committee of the Senate prior to action by the Senate on his nomination to become Administrator of the Environmental Protection Agency.

Judge Train is a distinguished American and is certainly a person that we could all admire, and indeed do admire very much. My participation—along with my distinguished friend, the Senator from Virginia—is prompted not by the slightest of misgivings about Judge Train as a man, his dedication to America, or his full commitment to the ideals and to the kind of government we have. It is with respect to all of those causes that have caught up most Americans as we have gone forward in the last several decades in trying not only to have a better environment for all people, but also to make certain that each person has an equal chance and an equal opportunity with that of every other person.

I rise today, Mr. President, because it is an easy trap for Congress to fall into, to assume that because there is great drive and great momentum for a particular idea, we should become a part of that crusade. Certainly the effort to improve the quality of life in America by cleaning up and improving the environment is just such a crusade.

Back in 1969, I was a participant, in my home State, in Casper, at the first statewide environmental conference ever held in the State of Wyoming. There were a number of prominent national speakers. The general thrust of the comments heard during that day, was that what was needed in America was the passage of some tough laws to get at the guys wearing the black hats, the industrialists, the manufacturers, the businessmen, capitalists. Running through the thread of the appeal made by most speakers was the assertion that we could have a better environment, that there was no reason why we would not or could not have one almost overnight, if Congress just got on with the business of passing laws making it an illegal act to continue practices which were contributing to a deterioration of our environment.

My good friend from Virginia has already referred to the story in the Washington Star-News, but in order that I may also address the point that Russell Train makes, let me say again that he made 2 points in the Washington Star-News article of Friday, July 27.

First:

Train said he will be taking over EPA at a time when it is in a period of change. The "first early excitement" of the environmental movement is over and the country is now at

the point where implementation of anti-pollution laws "is the job to do," he said

Further on in the article:

Commenting on one of the major issues he will have to face as EPA administrator, Train said anyone seeking amendments to the strict Clean Air law of 1970 will have "the burden of proof . . . to unequivocably demonstrate" the law needs changing.

The Washington Post of May 9, 1973, contained a story written by Jack Egan about Robert W. Fri. The story is headlined "Fri Pledges To Oppose Pollution."

In the article, listing the adverse economic impacts likely to occur during the next 5 years as a result of environmental compliance costs, he points out:

A $250 boost in manufacturing price for each automobile and small truck.

A 10 per cent average national increase in electricity costs.

A $6.60 to $9.90 price increase for each net ton of steel shipped.

A rise in oil prices of 8 cents per barrel to meet air and water pollution standards and one cent per gallon for gasoline to meet lead regulations.

The closing of 60 to 65 marginal mills in the pulp and paper industry with a loss of 16,000 jobs.

The shutdown of about 100 fruit and vegetable canning plants and the elimination of 7,000 jobs.

Mr. President, I could read more of the article, but I think that illustrates the point I had in mind and the point I tried to make in Casper, Wyo., back in 1969. Late in the program, I made the observation that we can indeed clean up our environment, and there is no doubt that all of us should clean it up, but let us not fool ourselves, it is going to cost money, and if we want to do it quickly enough, it is going to cost jobs and bring about unemployment.

I could cite specifically the case, a couple of years ago, where a rubber and tire manufacturing plant in Ohio was shut down for either 10 days or 2 weeks because, in order to comply with the clean air quality standards, the whole plant operation had been changed from coal to natural gas. Natural gas was not available in sufficient quantity at that particular time of year to satisfy all of the needs, and with the interruptible contract that this particular plant had, it had no alternative but to shut down temporarily.

So my point this morning, Mr. President—and I expect to speak in further detail later during the week—is that we need to examine these environmental protection laws closely. We need to know what the costs are going to be in terms of jobs and in terms of standards of living, and I think now is the appropriate time to ask my good friend Russell Train what laws he thinks might be changed and what laws he believes should be changed, and to bring this information forward before the public, in order that every American may better understand precisely what the costs are going to be upon all Americans, and what the costs will be in terms of national security.

With 76 percent of all of our energy coming from oil and natural gas, and with about a third of the total amount we consume in America today being imported from foreign countries, it is not inappropriate to ask, What will a continued program of importation do to America's national security? Will we become more dependent than we can afford to become upon foreign nations? Will these foreign countries have inordinate control or domination over America's foreign policy? Will we be given the latitude to act freely and independently, doing and pursuing what we believe is right? Or will we become captive to a policy dictated by foreign nations to whom we must look for our oil and gas supplies as we try to accomplish, among other things, the environmental goals we set in America back in 1970?

These are just some of the considerations, Mr. President, that we need now to examine; and I would say that America is fortunate in having a man nominated by the President who is able to articulate the position of this administration very well, who is a skilled lawyer, who is well versed in the problems of conservation, and to whom I think we must look for answers to questions that I believe should be asked.

So, in closing, Mr. President, let me say that I think we have a very important job to do in the next few days. It is too easy to pass laws and to think that, because a movement or a crusade is a popular one, we will not raise any objections. But we are just beginning to see the tip of the iceberg as we run head on into the problems that a law so far reaching starts to provide.

I had a letter a couple of days ago from the Governor of the State of Utah, the Honorable Calvin L. Rampton, who said among other things that to comply with the air quality standards that have been proposed for Utah alone would cost the motorists of his State some $40 million. He predicted, among other things, that it would practically destroy the business communities in a four-county area where the bulk of some 75 to 80 percent of Utah residents live.

These are some of the costs America will be facing—even though I speak of Utah as only one State—as we get to know better and more clearly than we do now what the costs will be.

I again compliment my distinguished friend, the junior Senator from Virginia (Mr. SCOTT), for calling to the attention of the Senate the importance of the job that is now shortly to be open for confirmation by the Senate.

Mr. SCOTT of Virginia. I should like to compliment my friend the Senator from Wyoming on the fine remarks he has just made. We seem to be in general agreement that the nominee of the President is a very fine gentleman but there is some question as to just what emphasis he would put on the problem of the environment and its relationship to our standard of living.

We seem to be in general agreement on the necessity of the Senate's advising and consenting; to look at his background; to look at his philosophy; and to look at his emphasis. I am sure the distinguished Senator would agree that in this question of the environment, we want to adopt a rule of reason. We could have a clean environment, perhaps, if we did not have any people. But I believe we would agree that we are in favor of people continuing to exist on this planet, although people do pollute.

So, in the total overall picture, taking it by all of its corners, we should attempt to do what is reasonable under the circumstances. We want to determine the reasonableness of the views of the nominee of the President to head this very important agency.

Mr. HANSEN. Mr. President, I appreciate very much what the distinguished Senator from Virginia (Mr. SCOTT) says. These are precisely the kinds of inquiries we now should be making of ourselves. I think that if we do that with diligence and with balance, we will come up with better answers than would otherwise be the case.

Let us remember that for most Americans, it is important to have a job. It is important to have a check coming in. Most of us have to work for a living. Most of us know that we cannot discharge the responsibilities that we owe to our families—our wives, our children, and others—unless we are able to continue in a general fashion the sort of life style that America enjoys today.

The alternatives, despite the fact that we would like to accomplish them immediately, have a very high price tag affixed to them.

Again I say, the distinguished Senator from Virginia (Mr. SCOTT) has made a very fine contribution in focusing on some of the problems and in suggesting some of the questions that we should ask ourselves as we consider the successor-to-be Administrator of the Environmental Protection Agency.

Mr. SCOTT of Virginia. Mr. President that is very kind of the Senator from Wyoming. I am flattered that the distinguished Senator and former Governor of his State, appears to see eye to eye with me on this very important matter.

Let me say that I understand a subcommittee of the Public Works Committee is considering possible revisions to the Clean Air Act. I am asking a member of my staff to examine this situation, to see whether we should recommend some changes. We would hope that various Members of this body would also look at the act and determine whether we should make some changes in the law.

Again my thanks to my colleague for joining me today.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUDDLESTON). Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes?

Is there any morning business?

ORDER FOR CONSIDERATION OF THE COLBY NOMINATION AND TIME LIMITATION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that at such time as the nomination of Mr. William E. Colby to be Direc-

tor of Central Intelligence is called up and made the pending question before the Senate, there be a time limitation of 2½ hours on the nomination, with 1 hour under the control of the distinguished Senator from Missouri (Mr. SYMINGTON), 1 hour under the control of the distinguished Senator from Iowa (Mr. HUGHES), and 30 minutes under the control of the distinguished Senator from Massachusetts (Mr. KENNEDY).

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that instead of the 2½ hours on the Colby nomination, which was allocated previously, there be 3 hours on the nomination, with the addendum that the additional 30 minutes will be under the control of the distinguished Senator from South Carolina (Mr. THURMOND).

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that on the nomination of William E. Colby to be Director of Central Intelligence, an additional 30 minutes be allowed, to be under the control of the Senator from Wisconsin (Mr. PROXMIRE).

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, tomorrow, following the transaction of routine morning business, the Senate go into executive session to take up the nomination of Mr. William E. Colby to be Director of Central Intelligence, and that upon disposition of that nomination, the Senate then return to its consideration of the unfinished business.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

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.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF NATIONAL SCIENCE FOUNDATION

A letter from the Director, National Science Foundation, transmitting, pursuant to law, a report of that Foundation relating to the total amount of appropriated funds used in fiscal year 1973 for the support (direct and indirect) of the Executive Dining Room at the National Science Foundation (with an accompanying report). Referred to the Committee on Appropriations.

REPORT ON FINAL DETERMINATIONS WITH RESPECT TO CLAIM CASES OF CERTAIN INDIANS

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, on final determinations with respect to Docket No. 173–A, The Cherokee Nation, Plaintiff, and the Cherokee Freedmen and Cherokee Freedmen's Association, Intervenors v. the United States of America, Defendant (with accompanying papers). Referred to the Committee on Appropriations.

REPORT ON THE RELATIVE COST OF SHIPBUILDING IN THE VARIOUS COASTAL DISTRICTS OF THE UNITED STATES

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the Relative Cost of Shipbuilding in the Various Coastal Districts of the United States, dated June, 1973 (with an accompanying report). Referred to the Committee on Commerce.

REPORT ON ADMINISTRATION OF THE MARINE MAMMAL PROTECTION ACT OF 1972

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report). Referred to the Committee on Commerce.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Increased Use of Felled Wood Would Help Meet Timber Demand and Reduce Environmental Damage in Federal Forests", Department of Agriculture, Department of the Interior, dated July 30, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Foreign Aid to Education: Does Brazil Need It?", Department of State, Agency for International Development, Department of Treasury, ACTION, dated July 30, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF UNITED STATES INFORMATION AGENCY

A letter from the Deputy Director, United States Information Agency, transmitting, pursuant to law, a report of that Agency, for the fiscal year 1973 (with an accompanying report). Referred to the Committee on Government Operations.

REQUEST FOR WITHDRAWAL OF LOAN APPLICATION

A letter from the Assistant Secretary of the Interior, requesting the withdrawal of a loan application by the Lakeside Irrigation Water District of Hanford, California, for a loan under the provisions of the Small Reclamation Projects Act (with an accompanying paper). Referred to the Committee on Interior and Insular Affairs.

REPORT OF GEOLOGICAL SURVEY RELATING TO AREAS OUTSIDE THE NATIONAL DOMAIN

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the Geological Survey relating to areas outside the national domain. Referred to the Committee on Interior and Insular Affairs.

REPORT ON EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

A letter from the Chairman, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1972 (with an accompanying report). Referred to the Committee on the Judiciary.

REPORT OF ENVIRONMENTAL PROTECTION AGENCY

A letter from the Acting Administrator, Environmental Protection Agency, transmitting, purusant to law, a report of that Agency, dated April 1973 (with an accompanying report). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. Res. 138. Resolution relating to national consumer effort to save gas and arrive alive (Rept. No. 93–360).

By Mr. WILLIAMS, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 386. A bill 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 (Rept. No. 93–361), together with additional and supplemental views.

By Mr. BIBLE, from the Committee on Appropriations, with amendments:

H.R. 8917. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1974, and for other purposes. (Rept. No. 93–362).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. TOWER, from the Committee on Armed Services:

Lt. Gen. Samuel C. Phillips (major general, Regular Air Force) U.S. Air Force, to be assigned to a position of importance and responsibility designated by the President, in the grade of general.

By Mr. EAGLETON, from the Committee on the District of Columbia:

Orman W. Ketcham, of Maryland, to be an Associate Judge, Superior Court of the District of Columbia; and

Edmond T. Daly, of the District of Columbia, to be an Associate Judge, Superior Court of the District of Columbia.

By Mr. EAGLETON, from the Committee on the District of Columbia:

Henry S. Robinson, Jr., of the District of Columbia, to be a member of the District of Columbia Council;

Marguerite C. Selden, of the District of Columbia, to be a member of the District of Columbia Council; and

W. Antoinette Ford, of the District of Columbia, to be a member of the District of Columbia Council.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER:

S. 2291. A bill for the relief of Dr. Manucher Nazarian. Referred to the Committee on the Judiciary.

By Mr. TAFT:

S. 2292. A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. EAGLETON:

S. 2293. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness." Referred to the Committee on Finance.

By Mr. GURNEY:

S. 2294. A bill to designate the hospital in Tampa, Fla., as the "Melvin T. Dixon Veterans Hospital." Referred to the Committee on Veterans' Affairs.

S. 2295. A bill to amend title II of the Social Security Act to permit a wife, who is caring for her disabled husband, to receive wife's insurance benefits thereunder without regard to her age, if her husband is entitled to old-age or disability benefits thereunder and requires the services of a full-time aide or attendant. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. MONDALE, Mr. METCALF, Mr. MANSFIELD, Mr. MCINTYRE, and Mr. HUDDLESTON):

S. 2296. A bill to provide for the protection, development, and enhancement of the national forest system its lands and resources, and for other purposes. Referred to the Committee on Agriculture and Forestry.

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

S. 2297. A bill to amend the Presidential Election Campaign Fund Act, and for other purposes. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 2298. A bill for the relief of Robert M. Johnston. Referred to the Committee on the Judiciary.

By Mr. MUSKIE (for himself, Mr. ERVIN, and Mr. GURNEY) (by request):

S. 2299. A bill to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes. Referred to the Committee on Government Operations.

By Mr. INOUYE (for himself and Mr. BAKER) (by request):

S. 2300. A bill to amend the International Travel Act of 1961 to provide for Federal regulation of the travel agency industry. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TAFT:

S. 2292. A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. TAFT. Mr. President, I am today introducing a bill to amend the National Labor Relations Act to bring private, nonprofit hospitals within the purview of that act and the jurisdiction of the National Labor Relations Board. I have given the matter of collective bargaining rights for health care employees considerable thought. I sincerely believe that the citizens of this country have a right to expect continuous health care services without interruption from labor disputes. I also believe that the health care institutions and labor organizations representing employees in such institutions have a moral obligation to provide such services. The public's right to receive uninterrupted health care and the health care institution's obligation to provide these services should, to the fullest extent possible, also be consistent with the right of health care employees to have a voice in the determination of their wages, hours, and working conditions. Legislation has been introduced by Senators CRANSTON and JAVITS to provide a straight extension of the NLRA to employees of nonprofit hospitals without inclusion of safeguards. This legislation, in my judgment, is not responsive to patient care needs and does not adequately respond to the issues involved. Many proposals other than the CRANSTON-JAVITS approach have also been suggested to deal with this issue. Essentially, each proposal, however, must consider the very basic issue in labor, management relations—that is, how does one minimize, or terminate work stoppages. Final-offer-selection, arbitration to finality, and other labor management settlement procedures merit consideration in examining this most complex issue, especially when nonprofit hospitals who employ more than 90 percent of all workers in private hospitals are being considered for inclusion in the National Labor Relations Act. The proposal I am introducing today may not be the ultimate answer or solution to this issue. I do believe, however, it can provide a basis to begin a responsible discussion of the direction in which the Congress should proceed.

To begin at the origins of union organization, the NLRA does not deal with the proliferation of bargaining units so potential in hospitals. While proliferation of bargaining units is also a problem for industry in general, the effects of jurisdictional conflicts in manufacturing are much different than in health care institutions. It is an entirely different issue when a jurisdictional dispute disrupts production or curtails shipment of products than when a jurisdictional dispute prevents adequate delivery of health care services to patients. I do not believe the injury, if any, to employee rights to bargain outweighs the proper public interest in patient care. There should be a statutory direction to the National Labor Relations Board limiting the number of bargaining units with respect to health care institutions. The bill I am introducing will limit the number of units in a health care institution to four. This will reduce jurisdictional strife and limit the potential for work stoppages over bargaining. A proliferation of units would have the contrary result with the risk that hospitals would be engaged in a perpetual bargaining atmosphere where patient care would constantly be jeopardized.

Second is the problem of bargaining. Because of the public responsibility of the health care industry, the bargaining process itself should be as responsive as possible and the services of the Federal Mediation and Conciliation Service should be employed by the parties to the maximum extent possible. In addition, the parties should be required at the request of either to submit their impasse issues to nonbinding factfinding. It would be my hope that where factfinding is used the recommendations of an impartial observer would be useful to the parties in resolving their issues.

Next is the critical and very difficult issue of strikes. Strikes in hospitals pose the threat of a discontinuance of institutional health care including emergency medical services, perhaps to an entire community. This threat is to life itself and requires an extremely thorough review by the Congress. If nonprofit hospitals and other health care providers are brought under the NLRA, great care must be exercised to insure that the importance of continued health care is placed above economic disagreements. In the field of labor relations, unfortunately, a strike may be the only possible solution to an impasse and may over the long run better serve the public than other alternatives. But, bargaining strikes are not the only type of disputes that occur in the daily intercourse between labor and management. There are, for example, recognition disputes, jurisdictional disputes, unfair labor practice disputes, grievance disputes, et cetera. In each of these circumstances there are avenues open for redress which do not require the use of self-help by means of the strike or the picket. I believe, therefore, a balance between employee rights and the public right is met if all strikes are prohibited except a strike for a contract following the exhaustion of the bargaining procedure. In the latter case, the health care institution should be given advance notice of exactly when the strike will occur and thus have the opportunity to make provision for the transfer of patients and patient care before the stoppage commences. The lockout, of course, should be under the same restrictions. The bill I offer so provides.

Finally, the public's right to health care should not be required to wait on the delays which are incident to the processes and procedures of our administrative law system when interruption of health care is unlawfully threatened. The bill which I introduce provides for immediate relief by way of court injunction in the event of an unlawful strike or lockout.

There are other matters with which the bill deals, but I have outlined here the principal goals which I believe must be accomplished if the right of the public to health care is to be accommodated with the right of the health care employee to collective bargaining. If this accommodation is not made, then we will be subrogating the right of 200 million Americans to the wishes of 1½ million health care employees. This we should not do.

I ask unanimous consent that the text of the bill be printed in its entirety in the RECORD along with a sectional analysis.

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

S. 2292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1 of the National Labor Relations Act is amended by adding at the end thereof the following new paragraph:

"It is also declared to be the policy of the United States to eliminate labor disputes in health care institutions where such disputes interrupt or interfere with patient care."

SEC. 2(a) Section 2(2) of such Act is amended by striking out the phrase: "or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual,".

(b) Section 2(3) of such Act is amended by inserting between the words "time to

time" and "or" the following: "any physician employed by a health care institution."

(c) Section 2(4) of such Act is amended by changing the period after the word "organization" to a semicolon and adding the following: *"Provided,* That an individual or organization which assists or participates in a violation of section 8(g) of this Act shall for a period of one year lose its status as a labor organization under this Act with respect to the employees of the health care institution or institutions affected by such violation."

(d) Section 2(5) of such Act is amended by changing the period after the word "work" to a comma and adding the following: "and which is not excluded from status as a respresentative under section 2(4) above."

(e) Section 2 of such Act is amended by adding at the end thereof the following new subsection (14):

"The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, nursing home, extended care facility, or other institution devoted to the care of sick or aged persons."

SEC. 3(a). Section 8(d) of such Act is amended by inserting between the words "subsection" and "shall" in the last sentence of the last paragraph the following: ", or who engages in any strike or work stoppage in violation of section 8(g),". (b) Section 8 of such Act is amended by adding at the end thereof the following new subsection (g):

"(1) When a collective bargaining agreement is in effect between a health care institution and a labor organization which is the bargaining representative of its employees, the agreement shall continue in full force and effect, without recourse to strikes, picketing or lockouts, except as expressly permitted by this subsection (g), and in negotiations for a renewal of such agreement the following procedure shall apply:

"(A) The agreement shall not be terminated or modified unless the party desiring such termination or modification serves written notice of the proposed termination or modification on the other party not less than 90 days prior to the expiration date thereof, or not less than 90 days prior to the proposed effective date of such termination or modification, whichever date is later.

"(B) After service of the 90-day notice of proposed termination or modification, the party serving such notice shall offer to and shall meet and confer with the other party at reasonable times in an effort to satisfy the requirements of section 8(d), and the other party shall agree to and shall meet and confer at reasonable times for such purpose.

"(C) No later than 60 days prior to the expiration of the 90-day notice of proposed termination or modification, the party who served such notice shall notify the Federal Mediation and Conciliation Service if an agreement has not been reached. If said party fails to notify the Service within the time required, neither the agreement nor the 90-day notice period shall expire until 60 days after said party finally notifies the Service as required. Upon receipt of such notice the Service shall forthwith assign a mediator who shall promptly arrange meetings between the parties and serve as a mediator with respect to unresolved issues. The parties shall meet in the presence of the mediator at such times as the mediator may direct.

"(D) If upon expiration of the 90-day notice period an agreement has not been reached, the Director of the Service shall upon the written request of either party forthwith initiate a fact-finding proceeding by serving written notice on both parties and within 5 days thereafter shall provide the parties with a list of five persons from which list the parties shall, within 5 days of receipt of said list, each alternately strike one name until only one name remains. The person whose name remains shall serve as a fact finder in connection with the dispute. The party who served the notice of contract termination or modification shall be the first to strike a name: *Provided,* That the parties may, within 10 days after the Director notifies the parties of the initiation of the fact-finding proceeding, designate the factfinder by any other means mutually agreeable to both parties. If the parties fail to designate a factfinder within the time limits herein prescribed, the Director shall appoint the factfinder. Within 60 days following notice to the parties of the initiation of the fact-finding proceeding, the factfinder shall hold hearings, hear testimony and argument, and issue a written report to the Director of the Service and to the parties setting forth his recommendations for settlement of the issues in dispute and the reasons for such recommenations. The recommendations of the factfinder shall be advisory only and shall not be binding upon either party.

"(E) The provisions of section 207(c) of the Labor-Management Relations Act of 1947 shall apply to the factfinding proceedings. The costs of factfinding, including the fees and expenses of the factfinder, shall be shared equally by the parties.

"(F) No person who has a pecuniary or other interest in any organization of employees or employers or employers' organizations which are involved in the dispute shall be the factfinder.

"(G) During the 30-day period following issuance of the factfinding recommendations, the parties shall meet and confer at reasonable times in an effort to resolve their dispute or to agree upon a procedure for a binding resolution thereof. If upon expiration of said 30-day period the parties have not resolved their dispute, or if factfinding is not utilized then 30 days or more following expiration of the 90-day notice period, the labor organization may serve upon the employer and the Service a 30-day strike notice, or the employer may serve upon the labor organization and the Service a 30-day lockout notice. In the event either such notice is served, the employer shall submit its offer in writing to the labor organization and to the mediator. The Service shall thereafter within the 30-day notice period conduct a secret ballot vote or votes among the employees in the bargaining unit, in accordance with rules and regulations which shall be adopted by the Director of the Service, to determine (i) whether the employees in the bargaining unit accept or reject the employer's offer and (ii) if the labor organization has served a 30-day strike notice and the members have rejected the employer's offer, whether under the internal rules of the labor organization a strike is authorized by the bargaining unit. The Service shall certify the results of the vote or votes. If the Service certifies that the employees in the unit have accepted the employer's final offer, the labor organization and the employer shall execute an agreement on that basis. If the Service certifies that the employees in the unit have authorized a strike under the internal rules of the labor organization, the labor organization may call a strike and engage in picketing upon expiration of the 30-day strike notice. If a 30-day lockout notice is served, the employer may initiate a lockout upon expiration of the 30-day lockout notice: *Provided,* That the party initiating the work stoppage must notify the other party and the Service in writing as to the time the work stoppage will commence and such notice must be given at least 10 days before that time. If the work stoppage does not commence at the stated time, the 30-day strike or lockout notice shall be voided as of that time and there shall be no strike or lockout until a further 30-day strike or lockout notice has been served, unless the parties otherwise mutually agree in writing. In the event a subsequent 30-day strike or lockout notice is served, it shall be within the discretion of the mediator to determine whether an additional secret ballot vote or votes of the employees shall be taken. *Provided,* That the mediator shall have the authority to require a secret ballot vote or votes of the employees as provided herein at such time or times after any 30-day strike or lockout notice has been given as the mediator reasonably believes is in the interest of settlement.

"(2) When a health care institution and a labor organization which is the bargaining representative of its employees enter into negotiations for an initial collective bargaining agreement, such negotiations shall be conducted in accordance with the procedures set forth in section 8(g)(1), without recourse to strikes, picketing or lockouts, except as expressly permitted therein. For such purposes, the party desiring to commence negotiations may serve a notice commencing the 90-day period of section 8(g)(1)(A) at any time after the date of certification by the Board or voluntary recognition by the employer.

"(3) Except as expressly permitted by these sections 8(g)(1) and (2), it shall be an unfair labor practice for any labor organization to engage or participate in, authorize, or sanction, or to induce or encourage any individual to engage or participate in, (i) a strike or work stoppage of any kind whatsoever, or for any reason whatsoever, against a health care institution, or (ii) any picketing of any kind for any purpose of, or at the premises of, a health care institution; or to threaten any of the aforementioned acts in this section 8(g)(3); and except as so permitted in sections 8(g)(1) and (2) it shall be an unfair labor practice for a health care institution to engage in a lockout: *Provided,* That nothing contained in this subsection (g) shall prohibit publicity other than picketing for the purpose of truthfully advising the public of the existence of a dispute with said health care institution unless any effect of such publicity is (i) to induce any employee of such institution or any other individual, in the course of his employment, not to pickup, deliver or transport goods, or not to enter said employer's premises, or not to perform services, or (ii) to induce such an employee or individual to engage in a strike or work stoppage of any kind whatsoever or for any reason whatsoever.

"(5) A health care institution and a labor organization which is the bargaining representative of its employees shall not be required to comply with the notice requirements for contract termination and modification set forth in section 8(d)."

SEC. 4. Section 9 of such Act is amended by adding at the end thereof the following new subsection (f):

"Notwithstanding anything to the contrary in section 9(b), the Board shall not decide that any unit in a health care institution is appropriate for purposes of collective bargaining which (i) includes professional employees unless all of the professional employees employed by such institution are included therein; or (ii) includes technical employees (as defined from time to time by the Board) unless all of the technical employees employed by such institution are included therein; (iii) includes clerical employees unless all of the clerical employees employed by such institution are included therein; or (iv) includes service and maintenance employees—which shall be defined to include all employees except (A) professional, technical and clerical employees and (B) any individual employed as a guard to enforce against employees and other persons rules to protect property of the employer or to protect the safety of persons on the employer's premises—unless all of the service and maintenance employees employed by such institution are included therein. Managerial employees and others customarily excluded by the Board from

representation under section 9 shall be excluded from the bargaining units permitted hereunder: *Provided,* That the Board shall not by virtue of this section 9(f) disturb bargaining units narrower in scope which were in existence prior to the effective date of this subsection: *Provided further,* That units other than those set forth above may be agreed to by the employer and the labor organization."

SEC. 5. (a) Section 10(l) of such Act is amended by striking the period at the end of the first sentence and adding ", and cases given priority under subsection (n)."

(b) Section 10(m) of such Act is amended by striking the period and adding "or(n)."

(c) Section 10 of such Act is amended by adding at the end thereof the following new subsection (n):

"Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of section 8(g), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred. Upon filing such a charge, the charging party may file a complaint in any court in the United States having jurisdiction of the parties for appropriate injunctive relief pending the final adjudication of such matter. Upon the filing of any such complaint the court shall have jurisdiction to and shall grant injunctive relief or a temporary restraining order, notwithstanding any other provision of law: *Provided,* That no temporary restraining order shall be issued without notice unless a complaint alleges that substantial and irreparable injury to the charging party or other persons will be unavoidable and the court determines there is probable cause to believe based upon a verified complaint there is a violation of section 8(g). Upon filing of any such petition the court shall, before issuance of a preliminary injunction, cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: *Provided further,* That for the purposes of this subsection a court shall be deemed to have jurisdiction of a labor organization (i) in the judicial district in which such organization maintains its principal office, or (ii) in any judicial district in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit."

SEC. 6(a) Section 303(a) of the Labor Management Relations Act is amended by inserting "or 8(g)" between "8(b)(4)" and "of". (b) Section 303 of the Labor-Management Relations Act is amended by adding at the end thereof the following new subsection (d):

"Any health care institution, labor organization or patient or other occupant of a health care institution injured, in whole or in part, by reason of a violation of section 8(g) of the National Labor Relations Act (and, in the event of death, the representative of the estate of such patient or other occupant) may sue in a United States District Court or in any other court having jurisdiction of the parties in the same manner as provided in section 303(b). In such an action, the court may award actual damages and the costs of the suit, and, in the event of injury to health or death of a patient or occupant, attorneys' fees in a reasonable amount, and punitive damages in such reasonable amount as may be assessed by the trier of fact."

SECTION-BY-SECTION ANALYSIS OF PROPOSED AMENDMENTS TO NATIONAL LABOR RELATIONS ACT

The intent of this amendment to the National Labor Relations Act is to accommodate the right of the public to health care with the right of health care employees to engage in collective bargaining.

STATEMENT OF PURPOSE

The amendment to Section 1 declares it to be the policy of the United States to eliminate labor disputes in health care instructions.

DEFINITIONS

The amendment to Section 2(2) eliminates the exemption for not-for-profit hospitals.

Section 2(3) removes physicians from definition of employee.

Section 2(4) provides for loss of status as bargaining representative if labor organization engages in unlawful strike or picketing.

Section 2(14) is new and defines "health care institution" broadly so that all such institutions will be affected by the same rules.

BARGAINING PROCEDURE

Section 8(g) is a new provision which in subsection (1) provides impasse resolution procedure for health care instiutions in the event of an impasse in negotiations for a renewal agreement. Strikes, picketing, and lockouts will be prohibited until the impasse procedure has been exhausted.

Subsection (1)(A) requires 90-day notice of termination of the agreement.

Subsection (1)(B) requires good faith bargaining following the 90-day notice period.

Subsection (1)(C) requires 60-day notice to the FMCS prior to termination of the agreement. Requires mediation by Federal mediator during final 60 days prior to termination (unlike NLRA subsec. 8(d), which requires notice to FMCS but does not require mediation).

Subsection (1)(D) provides for advisory (nonbinding) fact finding at request of either party.

Subsection (1)(E) requires an additional 30-day cooling-off period for further bargaining in light of the fact-finding recommendations or expiration of agreement. If agreement is not reached during that period, a 30-day strike notice or lockout notice may be given. If a strike notice is given, a secret ballot strike vote will be conducted by the FMCS. Provides for 10-day notice before strike or lockout can commence.

Subsection (2) provides same impasse resolution procedure in the event of an impasse in negotiations for an initial agreement.

UNLAWFUL STRIKES, PICKETING, AND LOCKOUTS

Subsection (3) provides that any strike or picketing of or lockout by a health care institution is an unfair labor practice, except in the impasse situation discussed above. Designed to prohibit recognition strikes (not prohibited by NLRA) and recognitional picketing (inadequately regulated by NLRA subsec. 8(b)(7), and to plug loopholes in secondary boycott and other provisions of NLRA. Proviso permits handbilling and similar advertising that does not disrupt deliveries or result in work stoppages.

BARGAINING UNITS

Section 9(f) is a new provision designed to minimize bargaining unit fragmentation and proliferation, which pose a serious threat to the efficient functioning of health care institutions. Such institutions are particularly vulnerable to the practice of fractionalizing the work force into numerous units, and the NLRB has already shown a dangerous tendency in this direction. This section would provide for not more than four broad bargaining units in health care institutions (in addition to security guards, who must have a separate unit if they are organized)—(1) professional employees, (2) technical employees, (3) clerical employees, and (4) service and maintenance employees. Narrower units would be permitted by agreement. These four categories could be combined into fewer units, although the board does not combine office clericals with other employees if either party objects and under NLRA subsec. 9(b) it cannot include professional employees with nonprofessionals unless the professionals vote for such inclusion.

EXPEDITED RELIEF FOR VIOLATIONS

The amendment to Section 10 gives unfair labor practice charges involving strikes and picketing at health care institutions priority over other cases in NLRB regional offices.

Section 10(n) is a new provision which is patterned generally after NLRA subsec. 10(1), although it would permit a health care institution to seek temporary injunctive relief in Federal court to prevent an unlawful strike or picketing while the board investigates and processes the institution's unfair labor practice charge. Experience under 10(1) has proved that, even in priority cases, the board cannot respond swiftly enough in obtaining temporary injunctive relief to prevent irreparable injury.

RIGHT TO BRING CIVIL SUIT

The amendment to section 303 provides a course of action to persons injured by reason of a violation of the new section 8(g).

Section 6(a) provides a course of action for private persons for injury due to unlawful strikes or lockouts.

By Mr. EAGLETON:

S. 2293. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness." Referred to the Committee on Finance.

Mr. EAGLETON. Mr. President, the bill I am introducing today is designed to enable elderly persons residing in nursing homes to break the medicare "spell of illness" or benefit period and renew their eligibility for hospital insurance benefits.

Under the part A hospital insurance program, limited hospital, extended care, and home health benefits are available during a single spell of illness. When those benefits are exhausted, no further benefits are available until there is a new benefit period. The spell of illness concept springs from the basic intent of medicare to provide protection against health care costs associated with relatively short-term acute illnesses.

Under current law, a benefit period is ended with the close of the first period of 60 consecutive days on each of which the individual "is neither an inpatient of a hospital nor an inpatient of a skilled nursing facility."

For purposes of this section of the law, a skilled nursing facility is defined as—

An institution which is primarily engaged in providing to inpatients (A) skilled nursing care and related services for patients who require medical or nursing care, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons.

The result of the law is that a person who resides in a skilled nursing facility, even though he or she is receiving a level of care lower than skilled nursing, is unable to break a benefit period. The situation was summarized very succinctly in a letter to me of April 20, 1972, from

then Commissioner of Social Security Ball:

Once a person has used up his benefit days, he cannot begin a new benefit period until he has not been an inpatient of any hosptal or any institution that is primarily engaged in providing skilled nursing care for 60 consecutive days—whether or not the institution is participating in the Medicare program and regardless of the level of care he is receiving.

As we all know, many elderly people must spend their last years in a nursing home, not because they require skilled nursing care, but simply because they are no longer able to care for themselves in their own homes and a nursing home is the only available alternative. For these people the nursing home is not a medical institution but a substitute home.

Yet if the institution in which they reside is determined to be a skilled nursing facility, they are denied the medicare benefits available to persons fortunate enough to be able to remain in their own homes.

When this matter came to the attention of the Congress in 1967, it was thought that the provision of 60 lifetime reserve hospital benefit days would solve the problem.

However, in my judgment, this has not proved to be an adequate and equitable solution.

In the first place, the copayment for lifetime reserve days is now $36 per day—a considerable burden on many elderly people.

Second, even those lifetime reserve days may be exhausted. In the last 6 months, two instances have come to my attention of nursing home residents who have used both the hospital care available during a single spell of illness and the 60 lifetime reserve days. These people, who will be confined to nursing homes for the remainder of their days, will have no further hospital insurance benefits under medicare.

It is my understanding that the law is written as it is because there is concern that if a benefit period could be broken in the case of nursing home residents by a 60-day period during which they were certified as receiving a level of care lower than skilled nursing the result would be an artificial shifting of patients back and forth between levels of care for the purpose of qualifying them for additional medicare benefits.

Whether or not this could or would happen, I do not know. But I believe the answer is not to deny all nursing home residents the opportunity to renew their eligibility for hospital insurance benefits but to devise an adequate test for determining whether a person is actually receiving long-term personal or custodial care.

Therefore, my bill provides that a person residing in a skilled nursing facility may end a spell of illness with the close of the first period of 180 consecutive days on each of which he was receiving neither skilled nursing care nor rehabilitation services.

My proposal, I want to make clear, is not designed to provide medicare coverage for long-term custodial care. Under current law reimbursement for such care is specifically excluded. My proposal is designed simply to enable persons who require personal or custodial care to have the same medicare benefits that are available to others.

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

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

S. 2293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(a)(2) of the Social Security Act is amended to read as follows:

"(2) ending with the close of—

"(A) the first period of 60 consecutive days thereafter on each of which he is neither (i) an inpatient of a hospital nor (ii) an inpatient of a skilled nursing facility, or

"(B) in the case such individual meets the condition imposed by subparagraph (A)(i) but does not meet the condition imposed by subparagraph (A)(ii), the first period of 180 consecutive days thereafter on each of which—

"(i) he is an inpatient of a skilled nursing facility, and

"(ii) receives neither (I) skilled nursing care and related services (as described in subsection (j)(1)(A)), nor (II) rehabilitation services (as described in subsection (j)(1)(B))."

SEC. 2. The amendments made by the first section of this Act shall be applicable in the case of determinations under title XVIII of the Social Security Act, with respect to the ending of any spell of illness, made after the date of enactment of this Act; except that no spell of illness shall, by reason of such amendments, be determined to have ended prior to the date of enactment of this Act.

By Mr. GURNEY:

S. 2294. A bill to designate the hospital in Tampa, Fla., as the "Melvin T. Dixon Veterans' Hospital." Referred to the Committee on Veterans' Affairs.

Mr. GURNEY. Mr. President, today I am reintroducing legislation to honor a man who made a great contribution to Florida and to the Nation, the late Melvin T. Dixon. This bill would name the newly constructed veterans' hospital in Tampa, Fla., the Melvin T. Dixon Veterans' Hospital.

I introduced this legislation last year, only a few months after Mr. Dixon's untimely death of a heart attack. Perhaps the best indication of the esteem in which he was held came in the form of a resolution from the Veterans Liaison Council of Pinellas County which had worked so closely with him and knew, firsthand, of his dedication to the veterans of Florida. The council, in fact, came right out and called for the naming of the new Veterans' Administration hospital in his honor, and for good reason.

As an employee of the division of veterans' affairs, State of Florida, Mel Dixon worked on behalf of veterans from the time of his disability discharge from the Air Force in 1945 until his death. As State service officer he initiated and implemented programs designed to improve the economic and social status of all veterans and families of veterans.

As one who had distinguished himself during World War II, he understood the problems veterans face—and did something to solve them. In short, Mel Dixon spent his life serving his country and those who have fought in its defense. Such dedication deserves recognition and by naming the new Veterans' Administration hospital in his honor, I can think of no more fitting a way to give it.

For the benefit of my colleagues who might not know of Mr. Dixon or his efforts in the field of veterans' affairs, I ask unanimous consent that the aforementioned bill, a biographical sketch, and a moving eulogy about him by his friends and colleagues, be printed in the RECORD at the conclusion of my remarks.

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

S. 2294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital in Tampa, Florida, is hereby designated as the "Melvin T. Dixon Veterans Hospital", in memory of the late Melvin T. Dixon and in commemoration of his many years of distinguished service to veterans and their families.

SEC. 2. Any reference in any law, regulation, document, map, or other paper of the United States, to the hospital described in the first section of this Act shall be deemed a reference to such hospital as the "Melvin T. Dixon Veterans Hospital".

[From the CONGRESSIONAL RECORD, Apr. 27, 1972]

RESOLUTION

Whereas a new Veterans Administration Hospital is now under construction, and scheduled to be dedicated as a Veterans Hospital the latter part of this year 1972 at Tampa, Florida; and

Whereas The Honorable Melvin T. Dixon having served the State of Florida in the Department of Community Affairs, Division of Veterans Affairs, since his appointment on March 17, 1948, until his recent demise; and

Whereas during his term of office as State Service Officer for the State of Florida, he did initiate and brought to fruition, innovations within the program designed to the economic and social status for all veterans, their widows and orphans; and

Whereas Melvin T. Dixon was a gentleman of irreproachable morals and ethical principles with a deep compassion for his fellow men. To covet nothing that was his neighbors, to think seldom of his enemies, often of his friends, and everyday of his opportunity to serve. Therefore

Be it resolved that the Veterans Liaison Council of Pinellas County, incorporating into its Council Units of the World War I and World War II. The American Legion, AMVETS, The Disabled American Veterans, The Jewish War Veterans of the United States of America, the Marine Corps League, Military Order of the Purple Heart, Veterans of Foreign Wars, and other service organizations whose members have served their Country in time of war.

And we, do hereby respectfully request, and earnestly urge that you exercise your high office in naming this new hospital "The Melvin T. Dixon Memorial Veterans Administration Hospital", so that his name will always be an inspiration to all and further preserve his memory as an outstanding example to those others who have dedicated their lives and careers to the service for the veteran, his dependents and orphans, and be it further resolved that copies of the Resolution be submitted to the following:

The Honorable Donald E. Johnson, Administrator of the Veterans Administration.

The Honorable Congressional Delegation of Florida.

The Honorable Members of the Board of County Commissioners.

To the Membership of the various Civic Clubs.

To the News Media.

And to the widow, Mildred Howell Dixon and children, Sarah Celia, Mary Kathleen, and Michael Howell.

ABE BAKER.
President, the Veterans Liaison Council of Pinellas County, Fla.

MELVIN T. DIXON, 1917–72

Melvin T. Dixon was born in Nashville, Tennessee on May 30, 1917, fourth of 5 children of Sarah & James Dixon.

He received his education in the State of Tennessee where he attended the University of Tennessee, which was interrupted by World War II.

Mel enlisted in the United States Air Force on April 21, 1941, and retired as a 1st Lt. from service due to disabilities incurred in service on February 13, 1945.

March 1, 1945, Mel was employed by the Veterans Administration as a Contact Representative in the St. Petersburg Florida Regional Office, training new contact representatives. He resigned on April 14, 1946.

On April 15, 1946, Mel accepted a position with the then Florida Department of Veterans Affairs, under David L. Wylie, State Service Officer, as a Claims Specialist.

In 1947, he was named Asst. State Service Officer. On March 17, 1949, David L. Wylie passed away and Mel was named Director and held that position until his untimely passing on January 7, 1972.

Upon assuming the duties as Director, he was named the Department Service Officer for The American Legion.

When Florida State Agencies were reorganized, the Department of Veterans Affairs became the Division of Veterans Affairs under the Department of Community Affairs. Mel became the Director, and the name State Service Officer was deleted from file but not from rank.

Mel has held the following positions and served on numerous veterans committees: Past President of the American Legion Service Officers Association; Past President of the National Association of State Directors of Veterans Affairs; Past President of the Southern Governors' Veterans Advisory Council; Past President of the Southeastern Service Officers Association and a member of President Johnson's Advisory Council 1967–68. Mel has also served on committees both local and statewide such as The Governors Employ of the Handicapped; Geriatrics Seminars; The Governors Action Task Force and the Veterans Liaison Council.

Mel was a much sought after speaker. He was a first come first served speaker. As to the size of a post, organization or any other group, it did not matter who called first, he committed himself to that organization.

Mel was married to the former Mildern Howell and had 2 daughters, Sarah Cecelia and Mary Kathleen and one son Michael Howell.

Melvin T. Dixon passed away on January 7, 1972 of a heart attack.

"WE SAY"

He was a man who lived by a challenge; this challenge gave him work to do, a job that he could call his own, where he could both lose himself and find himself in the daily job of doing it. Where his hands would not be tied nor his talents cramped, where his spirits would not be dwarfed by selfishness and greed and where he could breathe the pure sweet air that was his birth right. It gave him a job where opportunities reached outward and upward to the blue skies above, where his loved ones and he would never know confining boundaries or limited horizons; a job where he could earn a decent, honest living and realize just compensation for hard work. A job where he never felt the crippling chains of another's favor.

It gave him the work to do among his fellow men where he could feel at the setting sun that he had given a bit of happiness to a troubled world. That he had eased the load of his brothers' shoulders; that in some way he had brought peace and quiet to fearful hearts.

It gave him work to do, a job where he could be glad of life because it gave him the chance to love and to work and to play and to look up at the stars to be satisfied with his possessions; but not content with himself until he had made the best of them; to despise nothing in the world, except falsehood and meanness and to fear nothing except cowardliness. To covet nothing that was his neighbor's except his kindness of heart and gentleness of manner; to think seldom of his enemies, often of his friends, and every day of his opportunity to serve.

And at last, it gave him the courage to take the job and do it well, for only in so doing could he expect to find his own untarnished happiness.

And this is the challenge by which he lived his life. For this kind of challenge in the daily struggles of life there are no medals, and no decorations, but it has enshrined him in the hearts of a vast host of friends and associates.

As State Service Officer, Melvin T. Dixon's scholarship in veterans affairs, his seriousness of purpose, and his sincere dedication in perpetuating the commitments this State and Nation has made to its veteran population, have brought unparalleled prestige to the Veterans program. A gentleman of irreproachable moral and ethical principles and one with a deep compassion for his fellow man, Mel initiated and brought to fruition several innovations within the program designed to improve the economic and social status of veterans, their widows and orphans.

He simply stood up straight and tall, and bravely fought the foe; until one day God took his hand and said: "Come, my son, It's time to go."

By Mr. GURNEY:

S. 2295. A bill to amend title II of the Social Security Act to permit a wife, who is caring for her disabled husband, to receive wife's insurance benefits thereunder without regard to her age, if her husband is entitled to old-age or disability benefits thereunder and requires the services of a full-time aide or attendant. Referred to the Committee on Finance.

Mr. GURNEY. Mr. President, today I am introducing legislation which will help a segment of our population we seem to ignore all too frequently: our disabled.

My bill would grant, to the wife of a disabled individual who is confined to a bed or wheelchair, and is generally considered to need constant aid and attendance, the same type benefits presently granted to a wife who has in her care a child entitled to a child's insurance benefit.

The need for this type of legislation is underscored every time I receive a letter like the one I got recently from the legislative director of the Tampa Bay Paralyzed Veterans Association. In it he asked why wives could receive benefits for a child up to age 18, but not for her disabled husband, despite the undeniable fact that a man confined to a wheel chair is harder to care for than a teenager. If the theory that "the mother's time is required at home because of the child and she therefore has no time to work for a livelihood" is valid, why not apply it to an even more compelling circumstance. The logic behind such a suggestion is hard to refute. First, we admit that the time of a widow or the wife of a disabled person, caring for children, is worth something: We grant her a special benefit for this purpose because we acknowledge that if she is caring for the children she cannot hold outside employment at the same time. Then, we acknowledge that some persons are so severely disabled that they cannot work, and need constant aid and attendance. Why, then, do we not permit benefits to wives of disabled individuals who are giving their husbands this special care—care that would cost our Government considerably more if we paid someone else to do the work. As I said, this logic of not doing this escapes me, and, beyond that, proposed benefit to disabled persons would be such a help to people who are sorely in need.

Mr. President, the cost of this bill would be small. First of all, only married disabled persons would be eligible for this special benefit. This would mean that approximately 150,000 persons would become immediately eligible for benefits and about 100,000 persons currently entitled to reduced benefits would become eligible for full-rate benefits. The cost per year, over and above current law, would be roughly $200 million.

Mr. President, I think this type of action by the Congress is long overdue. I welcome the support and consideration of my colleagues, and I hope we can act on this as soon as possible.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 202(b)(1) of the Social Security Act is amended to read as follows:

"(B)(i) has attained age 62 or

"(ii) in the case of a wife—

"(I) has in her care (individually or jointly with such individual) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual, or

"(II) has in her care at the time of filing such application such individual, if such individual has a physical or mental condition whch has lasted or can be expected to last for a continuous period of not less than 12 months and by reason of which he requires the services of a full-time aid or attendant,".

(2) Section 202(b)(1) of such Act is amended by adding immediately before the comma at the end thereof the following: "and such individual (in the case of an individual who, at the time referred to in subparagraph (B)(ii)(II), had a physical or mental condition described in such paragraph) no longer has such condition or is no longer in the care of such wife".

(b)(1) Section 202(q)(5)(A) of such Act is amended—

(A) by striking out the period at the end thereof and inserting in lieu of such period "; or"; and

(B) by adding after clause (ii) thereof the following new clause:

"(iii) for any month in which she has in her care her husband (if such husband is the person on whose wages and self-employment income her wife's insurance benefit is based, and if such husband has a physical or mental condition which has lasted or can be expected to last for a continuous period of not less than 12 months and by reason of which he requires the services of a full-time aide or attendant).".

(2) Section 202(q)(5)(B) of such Act is amended by inserting "or (iii)" immediately after "subparagraph (A)(ii)".

(3) Section 202(q)(5)(C) of such Act is amended by inserting "or a husband described in subparagraph (A)(iii)" immediately after "subparagraph (A)(ii)".

(4) Section 202(q)(7)(B) of such Act is amended to read as follows:

"(B) in the case of wife's insurance benefits, any month in which she had in her care—

"(I) individually or jointly with the person on whose wages and self-employment income such benefit is based, a child of such person entitled to child's insurance benefits, **or**

"(II) her husband (if such husband is the person on whose wages and self-employment income such benefit is based, and if such husband has a physical or mental condition which has lasted or can be expected to last for a continuous period of not less than 12 months and by reason of which he requires the services of a full-time aide or attendant),".

(c) Section 203(c)(2) of such Act is amended to read as follows:

"(2) in which such individual, if a wife under age sixty-five entitled to a wife's insurance benefit, did not have in her care—

"(A) individually or jointly with her husband, a child of her husband entitled to a child's insurance benefit, or

"(B) her husband (if such husband has a physical or mental condition which has lasted or can be expected to last for a continuous period of not less than 12 months and by reason of which he requires the services of a full-time aide or attendant),

and such wife's insurance benefit for such month was not reduced under the provisions of section 202(q); or".

SEC. 2. The amendments made by this Act shall be effective with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted.

By Mr. HUMPHREY (for himself, Mr. MONDALE, Mr. METCALF, Mr. MANSFIELD, Mr. MCINTYRE, and Mr. HUDDLESTON):

S. 2296. A bill to provide for the protection, development and enhancement of the National Forest System, its lands and resources, and for other purposes. Referred to the Committee on Agriculture and Forestry.

FORESTS FOR THE FUTURE

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill to improve the management of the Nation's forests.

The entire National Forest System stands in jeopardy due to shortsighted Nixon administration policies.

This year's forestry budget is $116 million less than the rockbottom figure needed. Every aspect of management of the 187 million acres of forest lands is being short-changed.

These past 5 years have been one of platitudes, while both present and future needs have been ignored.

To correct this deplorable condition, we must reform the budget process. One-eyed bookkeepers must be gotten out of the Nation's forests.

This bill, the National Forest Environmental Management Act, would totally reform the Nation's forest management policies.

It would require Congress and the executive branch to set long- and short-term goals for national forest use and jointly to translate these goals each year into action programs through the annual budgetary process.

This approach is designed to open up the long-range national planning on our forests to greater public participation by using the law and the forum of the Congress to set our Nation's goals. Too much secrecy surrounds the formulation of a President's annual budget.

Current administration forest policies cause me great concern.

In national forests across the land, campground and recreation facilities are overcrowded and neglected under a shortsighted policy that wastes resources and destroys forests.

And this is happening at a time when there is an unprecedented number of people using our forests.

Watershed work is being funded at $5 million below needs, and expenditures for advanced timber practices are almost $10 million below the amount needed.

The administration requested funds for capital investment in recreation areas and pollution abatement and related programs at an amount almost $14 million below optimum requirements.

It slashed road and trail funds by over $60 million, thus complicating the sale of timber, adding a burden to local governments and producing inferior quality roads.

Twenty percent of commercial forest lands is in need of reforestation and stand improvement.

Over 5 million acres of national forest land need to be reforested and over 13 million acres need improvement.

Yet the budget request of the administration reduces funds for growing the timber vitally needed for the future.

My bill would require that at least 110 percent of the acreage cut in the previous year be reforested. And it explicitly provides for a program of complete reforestation in the national forests by the year 2000.

For too long we have marched backwards in our forest policies. In my judgment this bill comes to grips with tomorrow's resource problems now before we have an irreversible crisis in our forests.

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

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

S. 2296

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The National Forest Environmental Management Act of 1973."

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(a) the air, soil, water, plants, and animals are resources that are finite and renewable,

(b) the minerals are not a renewable resource,

(c) the conservation of the environment is essential to achieving an ecologically healthy and economically functioning resource base,

(d) the National Forest System is a substantial resource base vital to the Nation's vigor,

(e) comprehensive planning is needed to secure the greatest net public benefit from the National Forest System,

(f) proper levels of funding for investment and management of the National Forest System is essential to achieving optimum potential resource benefits on a timely basis,

(g) the resources of the National Forest System, renewable and nonrenewable, should be used or preserved in accordance with defined public goals and purposes.

(h) for renewable resources it is essential that the rate of use not exceed the ability and commitment to renew the resource, that these conservative levels of extraction not be violated, and that management move to achieve optimum resource output levels.

(i) for nonrenewable resources the method and rate of extraction from the national forest lands shall encourage the conservative development of such resources in a manner that extracts the optimum amount at any given time, and does not render unrecoverable the remaining material resources or produce substantial, avoidable, on-site or off-site adverse consequences for the environment,

(j) the National Forest System is national in scope, made up of diverse lands, in different geographic regions and they vary in their relation to the lands, resources and people in each region,

(k) it is essential that the organization of the service to be provided to the people of the United States from the ground up shall be designed and maintained to meet the goal and mission of the National Forest System locally, regionally, and nationally.

(l) The modernization of the laws governing the administration of the National Forest System will measurably assist in attaining national goals in the public interest.

SEC. 3. Title 16, United States Code, section 531, is amended by adding at the end as definitions:

(a) Forest land. Any land bearing or capable of bearing forest trees as its principal natural vegetal cover.

(1) Commercial forest land is defined as producing or capable of producing industrial wood in a quantity in excess of 25 cu. ft. per acre of annual growth.

(2) Reserved commercial forest land meets the above specifications but is formally withdrawn or withheld from industrial utilization by lawful policies.

(3) Noncommercial forest land is forest tree bearing land capable of producing less than 25 cu. ft. per acres per year of annual growth of industrial utilizable wood.

(b) Forest trees—woody plants having a well developed stem attaining a height of more than 12 feet when fully grown.

(c) Forage—edible vegetation for livestock or wildlife produced seasonally or annually on or by herbaceous or shrubby plants including grasses, grasslike plants, forbs and browse.

(d) Rangeland—any land bearing, or capable of bearing, forage as its principal vegetal cover.

(1) Commercial rangeland is defined as producing or capable of producing forage in a quantity in excess of 50 lbs. per acre per season of usable forage for domestic livestock.

(2) Reserved commercial rangeland meets the above specifications but is formally with-

drawn or withheld from industrial utilization by lawful policies.

(3) Noncommercial rangeland is forage bearing land capable of producing less than 50 lbs. per acre per season of usable forage for domestic livestock.

(e) Recreational land is any land, no matter what its cover, which has esthetic qualities which makes it suitable for the enjoyment of outdoor recreational activities.

(1) Intensive recreational land is an area which is so situated that the conduct of other industrial activities on it will exclude recreational use.

(2) Extensive recreational land is an area where managed industrial activities on a regular, seasonal or intermittent basis can be carried on without substantial dimunition or exclusion of regular, seasonal or intermittent of recreational activities.

(f) Other Natural Resource land is land which lacks the vegetal cover described above or is swamp, glacier, natural rock or of other surface characteristics.

(g) National Forest System shall be composed of national forest lands created from the public domain of the United States, lands secured by purchase, donation, exchange or other means and shall include the national grasslands and land utilization areas administered under Title III of the Farm Tenant Act (7 U.S.C. 1012), and other Federal lands which may from time to time be properly designated for administration by the Forest Service as part of said system.

(h) "Areas of critical environmental concern," as used in this Act refer to lands within the National Forest System as that term is defined in the "Land Use Policy and Planning Assistance Act".

TITLE II—GENERAL MANAGEMENT AUTHORITY

MANAGEMENT

SEC. 101. The Secretary shall manage the National Forest System in accordance with Section 1 of this Act and in accordance with principles of the Multiple-Use and Sustained-Yield Act of 1960 in a manner which will assure payment of fair market value by users of such lands, unless otherwise provided for by law, and which will provide maximum opportunities for the public to participate in decisionmaking concerning such lands. The Secretary shall manage the National Forest System also in accordance with any applicable land use plans which he has prepared pursuant to section 103, except to the extent that other Federal laws require the Secretary to take specific actions. Management of the national forest lands shall include the authority to:

(a) regulate, through permits, licenses, leases or such other instruments as the Secretary deems appropriate, the use, occupancy or development of the National Forest System not provided for by other laws;

(b) require land reclamation as a condition of use, and require performance bonds, guaranteeing such reclamation in a timely manner from any person permitted to engage in extractive or other activity likely to cause significant disturbance to or alteration of the National Forest System.

(c) insert in permits, licenses, leases, or other instruments to use, occupy, or develop the National Forest System provisions authorizing revocation or suspension upon violation of any regulations issued by the Secretary under any Act applicable to the National Forest System or upon violation of any applicable State or Federal air or water quality standard and implementation plans; and

(d) the prompt development of regulations for the protection of areas of critical environmental concern.

INVENTORY

SEC. 102. The Secretary shall prepare and maintain on a continuing basis an inventory of all national forest lands, and their tangible and intangible resource values, giving required recognition to areas and situations of critical environmental concern. This inventory shall be kept current so as to reflect changes in conditions and identify new and emerging resources and values. Such inventory shall include identification of geographical management boundaries for all units of the national forest lands. To the extent possible inventory data shall be gathered, analyzed and made available to State and local governments for purposes of planning, coordinating, and regulating the uses of non-Federal lands in proximity to national forest lands.

LAND USE PLANS

SEC. 103. (a) The Secretary shall, with public participation, develop, maintain, and, when appropriate, revise land use plans for the National Forest System consistent with the terms and conditions of this Act and coordinated with the Land Use Policy and Planning Assistance Act or other law, and with other land use plans, including the statewide outdoor recreation plans developed under the Act of September 3, 1964 (78 Stat. 901), of State and local governments and other Federal agencies.

(b) In the development and maintenance of land use plans, the Secretary shall:

(1) use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and social sciences;

(2) give priority to the designation and protection of areas of critical environmental concern;

(3) rely, to the extent it is available, on the inventory of the National Forest System, their resources, and other values;

(4) consider all present and potential uses of the lands;

(5) consider the relative scarcity of the values involved and the availability of alternative means, materials, techniques, including recycling, and sites for realization of those values;

(6) weigh long-term public benefits against short-term local or individual benefits; and

(7) consider the requirements of applicable pollution control laws including State or Federal air, water, and noise quality standards and implementation plans.

LONG-RANGE PLAN

SEC. 104. The Secretary shall cause to be developed facts and data on forest, range and other land including but not limited to (1) their resources, their condition, productivity and their potential; (2) the uses, present and potential, for commodity and non-commodity purposes; (3) all relevant facts on environmental, ecologic, biologic and economic aspects of management and use, present and future.

BALANCED RESOURCE BUDGET

SEC. 105. (a) Based upon data developed as provided in this title, the Secretary shall present to the Congress a long-range natural resources physical budget for the National Forest System which sets forth—

(1) the demand for and the supply of the natural resources of the National Forest System for the present and future.

(2) the current balance and the projected balance for the decade ahead and the next 5 decades of the various resources and services said lands can supply.

(3) the public and private lands and resources and their respective biologic and ecologic ability and potential to supply resources and services, present and future.

(b) In fiscal year 1975 and thereafter at the start of each decade the Secretary shall cause to be presented to the Congress when it convenes his estimate of the natural resources physical budget of the National Forest System along with his recommendations for each of the next 5 decades ahead.

(c) The Congress shall hold such public hearings on said physical budget hearing public and private witnesses and shall within one year by joint resolution set forth a statement of policy which shall be the guide of the President in framing fiscal budgets for National Forest System activities for the decade ahead.

(d) Within ninety days after the commencement of each Congress, the Congress may by joint resolution adopt a policy for the biennium, taking into account any factors it deems appropriate, whenever in its judgment conditions have changed to a degree sufficient to amend the policy for the biennium.

(e) In accordance with (c) or (d) above there shall be included in the annual fiscal budget for the management and utilization of the National Forest System a request for a level of funding sufficient to assure a high level of resource growth and production under high environmental standards that will enable these lands to meet the needs of the American people for resources proportional to the ability of the national forest lands to produce such products and services; *Provided,* That the overall and specific plans of environmental national forest management that Secretary shall use for budgetary formulation shall be designed to secure the optimum level of management on all national forest lands by the year 2000 and their maintenance at this level thereafter: *Provided further,* That whenever the budget as presented recommends a course that will accomplish less than the minimum required by law, the Secretary shall specifically recite the reason for his so recommending and shall state his reasons for requesting the Congress to ratify the lesser program: *And provided further,* That any amount appropriated by the Congress and signed into law by the President, up to the amount projected by the estimate of the Congress of the funds needed to achieve lawfully created program goals shall be expended for such programs and may only be impounded when the President finds a condition subsequent which shows conclusively that such expenditure would fail to assist in achieving such a lawful program goal.

(f) As part of this goal each annual budget shall contain a request for funds sufficient to reforest an acreage equal to at least 110 per centum of the area on which it is estimated timber will be harvested in the preceding fiscal year plus an amount to improve the stands of young growing forests with trees between the ages of five years and seventy-five years on an acreage equal to at least 110 per centum of the areas computed above: *Provided,* That when the Secretary finds that (1) the backlog of areas that will benefit by such treatment has been eliminated, (2) the cost of treating the remainder of such area exceeds the economic and environmental benefits to be secured from their treatment, or (3) the total timber supplies of the United States are adequate to meet the future needs of the American people in an environmentally sound manner with forest products at a reasonable price, the budget request for these elements of forest management may be adjusted accordingly.

(g) The Secretary shall determine an environmentally sound level of timber harvest for the commercial forest land within each national forest management unit for the sustained yield rotation period, and shall determine projected harvest levels for each of the next five years, the decade ahead, and the rotation period: *Provided,* That among other things, the Secretary shall consider the present condition of the forest, the level and type of present and future uses of the forest, and the opportunities to realize the benefits under the criteria of this Act: *Provided further,* That in determining forest harvest levels for timber removal the Secretary shall determine the present potential of

the various sites to grow trees and the optimum level of growth that can be secured under environmentally sound systems of management: *And provided further,* That the actual harvest levels shall be expressed in terms of the sustained output of forest resources based on the actual growth of timber being secured from the sites; and the potential harvest levels shall be expressed in terms of the potential of such sites to produce timber on an environmentally sound basis under the principles and criteria of this Act.

(h) The Secretary shall determine an environmentally sound level of grazing, water, soil, recreation and wildlife management for each national forest management unit for a management period, and shall determine projected harvest or use levels for each of the next five years and the decade ahead. *Provided,* That among other things, the Secretary shall consider the present condition of the land and resources, the level and type of present and future uses and the opportunities to realize the benefits under the criteria of this Act: *Provided further,* That in determining national forest program levels the Secretary shall determine the present potential of the various sites and the optimum level of management that can be secured under environmentally sound systems of management: *And provided further,* That the actual program levels shall be expressed in terms of the sustained output of resources based on that actually being secured from the sites; and the potential program levels shall be expressed in terms of the potential of such sites to produce resources on an environmentally sound basis under the principles and criteria of this Act.

TITLE III—OTHER ACTS AMENDED

SALE OF TIMBER

SEC. 201. The Act of June 4, 1897 (16 U.S.C. 476), relating to the sale of timber is repealed and the following is enacted therefor: "For the purpose of achieving and maintaining an environmentally sound forest, now and for the future, on the National Forest System the Secretary, under rules and regulations he may prescribe, may sell at fair market value such trees and forest products as may be compatible with the goals and standards set forth in this Act and other pertinent laws applicable to the National Forest System.

"The Secretary shall select for each such sale the method of sale and timber measurement which in his judgment is designed to encourage a high level of use of the trees to be harvested: Provided, That as measured over the sustained yield rotation period applicable to the site and species, the silvicultural harvesting systems applied shall be those which in the judgment of the Secretary best influence and promote both a high level of environmental quality and economic benefits from the national forest resources. The Secretary shall prescribe the size of each sale, and unless he has determined that extraordinary conditions exist or the quantities of timber to be sold are small, he shall widely advertise and give public notice of all sales. If, upon proper offering no satisfactory bid is received for a sale, or the bidder fails to complete the purchase, the sale may be offered and sold without further advertisement. However, in any event the Secretary shall exercise due care that public notice is utilized so as to encourage public participation in securing sales. Payments for sales shall be made to the Secretary, and the moneys arising therefrom shall be accounted for in a special account and covered into the Treasury. Such sales, before being offered, shall be marked and designated, supervision of the cutting and removal, and the measurement of the forest products shall be conducted by persons employed by the Secretary and such persons may have no interest in the purchase or removal of such products nor be directly or indirectly in the employment of the purchaser thereof."

ROAD AND TRAIL SYSTEM

SEC. 202. Section 4 of the Act, entitled "An Act to enable the Secretary of Agriculture to construct and maintain an adequate system of roads and trails for the national forests, and for other purposes," approved October 13, 1964 (78 Stat. 1089; 16 U.S.C. 535), is amended by (1) inserting "(a)" immediately after "Sec. 4," and (2) adding at the end of such section a new subsection as follows:

"(b) (1) The Secretary shall maintain a long-term, decade ahead, and annual transportation plan for the national forests, setting forth the permanent multiple resource and use roads and trails considered essential for sound environmental and economic management of the National Forest System under the jurisdiction of the Forest Service. The annual budget of the Forest Service shall contain a request for sufficient appropriations to accomplish (A) the construction of new roads, trails and bridges to provide a forest development system, (B) the reconstruction of roads, trails and bridegs needed to maintain the system, and (C) cooperative financing with other public agencies and with private agencies or persons to secure the construction of roads, all in a relation to each other, that promotes proper development of an environmentally sound system of roads and trails. The Secretary shall minimize the number of permanent roads constructed for incorporation in said system by timber purchasers under agreements providing for reduced timber prices. The Secretary shall use the funds appropriate under section 205 of title 23, United States Code, and under the fourteenth paragraph under the heading 'Forest Service' of the Act of March 4, 1913 (16 U.S.C. 501), only for construction or extraordinary maintenance, and shall request funds needed for regular annual maintenance as a part of the forest protection and utilization budget. When the estimated cost of road construction in any fiscal year will require a contract to be let under sub-section (c) of section 205 of title 23, United States Code, a road shall be constructed in whole or in part by a timber purchaser in return for a reduction in the appraised price of timber sold for his estimated cost only if (A) the road is planned solely for the removal of timber on that one timber sale and is not for incorporation in the forest development road network, or (B) the road is to be used for multiple use and resource management and (i) the standard of construction meets environmental and management standards for permanent roads, (ii) funds available under the fourtheenth paragraph under the heading 'Forest Service' of the Act of March 4, 1913 (16 U.S.C. 501), and under section 205 of title 23, United States Code, are insufficient to secure construction with appropriated funds, and (iii) the aggregate estimated cost for the miles of such permanent roads planned to be constructed by timber purchasers during that fiscal year on national forest lands will not substantially impair timber revenues received and payments made under the sixth paragraph under the heading 'Forest Service' of the Act of March 4, 1913 (16 U.S.C. 500), or under section 33 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012) to the counties within that national forest. There shall be maintained a system of cost allocation, public accounting, and data that fairly reflects the overall national forest road needs and program. In the development of transportation systems for the various management units of the national forests, the Secretary shall by regulation provide the public with information regarding planned roads and trails and shall provide the public with an opportunity to express views and offer suggestions with respect to such planned roads and trails."

ORGANIZATION

SEC. 203. The on-the-ground field offices, district rangers and forest supervisors, and the field supervisory offices, regional offices, shall be so situated as to provide the optimum level of convenient, useful services to the public, giving first priority to the maintenance and location of facilities in rural areas and towns within and adjacent to the national forest and Forest Service programs being supervised in accordance with the standards in section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended.

REPORTS

SEC. 204. The Secretary shall prepare and publish and submit to the Congress a national plan to achieve the purposes of the Act by June 30, 1974, and shall publish and submit to the Congress an annual report each fiscal year thereafter not more than one hundred and twenty days after the close of the fiscal year.

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

S. 2297. A bill to amend the Presidential Election Campaign Fund Act, and for other purposes. Referred to the Committee on Finance.

PUBLIC FINANCING FOR SENATE AND HOUSE ELECTIONS

Mr. KENNEDY. Mr. President, on behalf of Senator HUGH SCOTT of Pennsylvania and myself, I send to the desk a bill to provide public financing of Senate and House elections, and to bar the option of private financing for major party candidates in all Federal elections, Presidential as well as congressional.

The most obvious lesson of Watergate is the growing national awareness of the corrosive power of money in politics. At a single stroke, by enacting a program of public financing for Federal elections, we can shut off the underground rivers of private money that pollute politics at every level of the Federal Government. If Watergate has taught us anything, it is that disclosure is not enough, that sunlight is not an adequate disinfectant, that public financing is the only effective antidote to the infectious power of money in political campaigns.

As everyone knows, the United States has the best political system that money can buy, and it is a disgrace to every principle on which our Republic stands.

Congress has already gone part way. Already, public funds will be available under existing law to finance the Presidential election campaign in 1976. The time has come to take the next great step toward open and honest government. The time is now ripe—indeed overripe—to eliminate private financing in Presidential elections and to apply the clear, simple principle of public financing to Senate and House elections as well. Only in this manner can we drive the money changers from the temple of Federal politics.

In offering this legislation, we pay well-deserved tribute to the wise insight and effective legislative leadership of Senator LONG. Without his continuing initiatives over the past decade, the principle of public financing would still be where Theodore Roosevelt left it at the turn of the century—as an abstract concept instead of a practical program, a solid

foundation on which Congress is ready to build.

The legislation we are introducing today writes into bill form the public financing proposal which we offered as a Senate floor amendment last week, and which was defeated by the relatively narrow margin of 53 to 39. The legislation builds on the basic principle of Senator RUSSELL LONG's dollar checkoff, which was enacted by Congress in 1971 and amended in 1973. As indicated by the summary attached as an appendix to these remarks, the bill makes only a handful of changes in the principle and technical operation of the dollar checkoff.

We believe that the checkoff is directly applicable to the financing of congressional elections. As the Senate floor debate indicated last week, the principles of the checkoff are entirely adequate to deal with the various unusual circumstances that may arise with respect to campaigns by candidates of major and minor parties for Senate and House seats.

In large part, the successful application of the checkoff to congressional elections reflects the fact that the details of the checkoff enacted in 1971 were hammered out by its principle sponsors—Senator LONG, Senator MIKE MANSFIELD, and Senator JOHN PASTORE—with full regard for the rights of minor party candidates, in anticipation of the possible 1972 candidacy of Governor Wallace.

In part, however, the checkoff is also technically sound, because it reflects the exhaustive consideration given to the issue by several Congresses over many years, going back at least to 1966, when the idea was first approved by the Senate and enacted into law. As a result of the extensive hearings conducted by the Senate Finance Committee in 1967, together with the refinements of succeeding Congresses, the far-reaching measure enacted in 1971 for public financing of Presidential elections provides an excellent foundation on which to build.

Under the terms of the legislation we are introducing, public funds would be available to candidates of major parties in Presidential, Senate and House elections, based on a general formula allocating 15 cents for each voter in Presidential elections; 15 cents per voter or $175,000, whichever is greater, for Senate elections, and $90,000 or the average expenditure in the two preceding elections, whichever is greater, for House elections.

Candidates of minor parties—those winning between 5 and 25 percent of the vote—would be entitled to public funds under two approaches—either in proportion to the party's showing in the past election, or retroactively on the basis of its showing in the current election.

The 5 to 25 percent formula strikes a reasonable balance for minor parties. It neither freezes them out entirely, nor encourages them excessively. The 5 percent threshold showing required of such parties to receive public funds is low enough to prevent "locking in" the existing two-party system, and yet high enough to prevent the artificial proliferation of splinter parties set up merely to take a political joyride at the taxpayer's expense in a Federal election year.

The legislation, which would go into effect for the 1976 elections, prohibits private financing by major party candidates, but allows minor party candidates to use private funds to reach the level of spending of major party candidates. In addition, the amendment applies only to general and special elections, not to primaries and runoffs, which would continue to be financed by private funds.

Under existing law, future Presidential election campaigns will be financed by public funds through the so-called dollar checkoff, by which taxpayers indicate on their tax form that $1 of their net tax liability, or $2 on a joint return, is to go into a general fund for financing Presidential campaigns. The legislation we are introducing increases the amount of the checkoff to $2, or $4 on a joint return, in order to insure that adequate funds will be available to finance the expansion of the program to cover Senate and House elections.

Current estimates indicate that the cost of the program would be approximately $150 million for a Presidential election year, and $100 million for the off-year congressional elections. Thus, the total amount of public funds required for the 4-year election cycle would be $250 million, or an average cost for the program of about $60 million a year.

Obviously, the legislation Senator SCOTT and I are proposing is not the whole answer to the many complex questions that inevitably arise in any consideration of public financing.

For example, like the dollar checkoff, the bill deals only with general elections; it does not provide public financing for primaries. Yet, the high cost of primaries must be an area of major concern if we are to achieve comprehensive reform of campaign financing and ease the immense financial burden of running for public office.

Similarly, the bill applies only to Federal elections. It does not cover State and local elections, where fund raising is extremely difficult, and where the political influence of large contributors may be just as insidious as in Federal elections.

Another major area our bill does not touch is the question of the need for various additional incentives for private contributions in areas where private financing will still operate, such as the use of indirect Federal subsidies like tax credits and tax deductions, or other proposals that have been widely discussed in recent years, like the matching grant plans and voucher plans.

The bill we are offering does not deal with these areas for the simple reason that they have so far proved intractable to congressional action. As yet, there is no broad or bipartisan consensus in the Senate or House on the approach we should adopt.

Perhaps, as a result of hearings to be held this fall, appropriate legislation will be forthcoming to deal effectively with these areas as well.

But to use the present difficulty of dealing with such problems as an excuse for inaction in other important areas of public financing is to ignore the public will and to misjudge the magnificent opportunity we now have for a significant step forward in the important area of public financing.

In fact, this is an area in which the people are far ahead of Congress. A Gallup Poll released last June showed broad public support for financing political campaigns with public funds instead of private contributions. Fifty-eight percent of the persons polled a margin of 2 to 1, consisting of a majority in each category, Democrats, Republicans, and Independents alike—believes that the Federal Government should provide public funds to all candidates for President and Congress, and that private contributions should be prohibited.

And barely 4 weeks ago, on a rollcall vote of 62 to 30, a margin of better than 2 to 1, with broad bipartisan support, the Senate soundly defeated a move to repeal the dollar checkoff.

It is safe to say, therefore, that the principle of public financing via the dollar checkoff is now solidly cemented in the public laws of the United States.

What Senator SCOTT and I propose to do is to extend the accepted principle of the dollar checkoff to Senate and House elections. Surely, if the principle of the checkoff is good enough for the public financing of Presidential elections, it is also good enough for Senate and House elections.

And if, in the future, as a result of hearings to come later this year and beyond, Congress decides to adopt a different or modified version of public financing, then changes will obviously be required in the dollar checkoff as well. In that event, it will be no more difficult to amend the checkoff, whether it applies only to Presidential elections, or to Senate and House elections, too.

By enacting this legislation, we will establish the principle that public funds should be used to support the campaigns of candidates for the Senate and the House. It will be a new departure in American public life, full of promise for the future, full of potential, at last, for making the legislative branch of our Government truly responsive to the people.

For generations, we have blindly accepted the principle of private financing, long after the principle had become twisted and distorted in a way that no democracy worthy of the name could tolerate. For years, we have talked of campaign slogans in phrases like the politics of peace, the politics of hope, and the politics of reconciliation, but behind it all was a much more cynical form of politics—the politics of money.

Today, at a time when all our institutions are under question over Watergate, the millions of private dollars pouring into election campaigns have given politics the air of dirty business. The abuses breed cynicism among our citizens and dropouts from our democracy.

We know that the problems of campaign financing are, if anything, even more serious in Senate and House elections than they are in Presidential elections. Now, we have the chance to end all that. We can eliminate the power of private money and vested interests in Federal elections. We can shut off the underground rivers of influence money that pollute our politics. We can clean

the stables of our Government and tell America we are beginning to learn the lesson of Watergate.

In sum, I believe that the provision of public funds for Senate and House elections is the best investment the American taxpayer can make today to end what has become the most flagrant single abuse in our democracy, the unconscionable power of money. Rarely have we had the opportunity to act to meet so great a need. It is time to take a step that can keep our political system running and responsive.

I am honored and delighted to work with Senator HUGH SCOTT in a bipartisan effort to reach this goal. He has been an outstanding leader on legislation in the area of election reform, and I am pleased to join with him on this new effort, which offers such enormous benefit to Americans concerned about the quality of their Government.

Mr. President, I ask unanimous consent that, following the remarks of Senator SCOTT, a summary of the bill and the text of the bill may be printed in the RECORD.

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

[See exhibit 1.]

Mr. SCOTT of Pennsylvania. Mr. President, I am pleased to join once more the senior Senator from Massachusetts (Mr. KENNEDY) in offering a proposal to finance publicly all general and special elections for Federal office. Although our proposal was tabled last week when it was offered to the campaign reform bill, we were pleased with the support we received at this time.

The Kennedy-Scott bill tracks, to the extent possible, the existing check-off provisions already in the law affecting Presidential elections. We have now added congressional elections and banned the option of private financing for all Federal elections. In addition we have proposed an increase in the amount of the checkoff from $1 to $2, or $4 on a joint return.

Our proposal would allow a spending limit of 15 cents per eligible voter, the same figure, coincidentally, as provided for in S. 372 which the Senate passed yesterday. The program will go into effect for the 1976 elections.

Mr. President, I have discussed this proposal with the distinguished chairman of the Finance Committee (Mr. LONG) and I am encouraged that he will move expeditiously on this matter. He has certainly been among the leaders in proposing and enacting the checkoff for Presidential elections and I know that he will be with us in the consideration of congressional elections.

EXHIBIT 1

S. 2297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Subtitle H of the Internal Revenue Code of 1954 is amended to read as follows:

"Subtitle H—FINANCING OF FEDERAL ELECTION CAMPAIGNS

"Chapter 95. Federal Election Campaign Fund

"Chapter 96. Federal Election Campaign Fund Advisory Board

"Chapter 95—FEDERAL ELECTION CAMPAIGN FUND

"Sec. 9001. Short title.
"Sec. 9002. Definitions.
"Sec. 9003. Conditions for eligibility for payments.
"Sec. 9004. Entitlement of eligible candidates to payments.
"Sec. 9005. Certifications by Comptroller General
"Sec. 9006. Payments to eligible candidates.
"Sec. 9007. Examinations and audits; repayments.
"Sec. 9008. Information on proposed expenses.
"Sec. 9009. Reports to Congress; regulations.
"Sec. 9010. Participation by Comptroller General in judicial proceedings.
"Sec. 9011. Judicial review.
"Sec. 9012. Criminal Penalties.

"SEC. 9001. SHORT TITLE.

"This chapter may be cited as the 'Federal Election Campaign Fund Act'.

"SEC. 9002. DEFINITIONS.

"For purposes of this chapter—

"(1) The 'Federal office' means the office of President or Vice President of the United States, or of Senator or Representative in or Resident Commissioner or Delegate to the Congress of the United States.

"(2) the term 'Federal election' means a general or special election for Federal office.

"(3) The term 'Comptroller General' means the Comptroller General of the United States.

"(4) The term 'authorized committee' means, with respect to a candidate of a political party for Federal office, any political committee which is authorized in writing by such candidate to incur expenses to further the election of such candidate. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidate with the Comptroller General. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(5) The term 'candidate' means, with respect to any Federal election, an individual who (A) has been nominated for election to Federal office by a major party, or (B) has qualified to have his name on the election ballot in the geographical area in which the election is to be held, or (C) in the case of a presidential election, has qualified to have his name on the election ballot (or to have the names of electors pledged to him on the election ballot) as the candidate of a political party for election to the office of President or Vice President of the United States in 10 or more States. For purposes of paragraphs (8) and (9) of this section and purposes of section 9004(a)(2), the term 'candidate' means, with respect to any preceding Federal election, an individual who received popular votes for Federal office in such election.

"(6) The term 'eligible candidate' means a candidate of a political party for Federal office who has met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003.

"(7) The term 'fund' means the Federal Election Campaign Fund established by section 9006(a).

"(8) The term 'major party' means, with respect to any Federal election, a political party whose candidate for Federal office in the preceding election for such office received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

"(9) The term 'minor party' means, with respect to any Federal election, a political party whose candidate for Federal office in the preceding election for such office received, as the candidate of such party, 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office.

"(10) The term 'new party' means, with respect to any Federal election, a political party which is neither a major party nor a minor party.

"(11) The term 'political committee' means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or makes expenditures for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals to Federal office.

"(12) The term 'qualified campaign expense' means an expense—

"(A) incurred (i) by the candidate of a political party for the office of President to further his election to such office (ii) by the candidate of a political party for the office of Vice President to further his election to such office or to further the election of the candidate of such political party for the office of President, or both, (iii) by the candidate of a political party for other Federal office to further his election to such office, or (iv) by an authorized committee of a candidate of a political party for Federal office to further the election of one or more such candidates to such office,

"(B) incurred within the expenditure report period (as defined in paragraph (13)), or incurred before the beginning of such period to the extent such expense is for property, services, or facilities used during such period, and

"(C) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which such expense is incurred or paid.

An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, to incur such expense on behalf of such candidates or such committee. If an authorized committee of a candidate of a political party for Federal office also incurs expenses to further the election of one or more other individuals to Federal, State, or local elective public office, expenses incurred by such committee which are not specifically to further the election of such other individual or individuals shall be considered as incurred to further the election of such candidate for Federal office in such proportion as the Comptroller General prescribes by rules or regulations.

"(13) The term 'expenditure report period' with respect to any Federal election means—

"(A) in the case of a major party, the period beginning with the first day of September before the election, or, if earlier, with the date on which such major party nominated its candidate for election to Federal office, and ending 30 days after the date of the election; and

"(B) in the case of a party which is not a major party, the same period as the expenditure report period of the major party which has the longest expenditure report period for such election under subparagraph (A).

"SEC. 9003. CONDITIONS FOR ELIGIBILITY FOR PAYMENTS.

"(a) IN GENERAL.—In order to be eligible to receive any payments under section 9006, a candidate of a political party in a Federal election shall, in writing—

"(1) agree to obtain and furnish to the Comptroller General such evidence as he may request of the qualified campaign expenses with respect to which payment is sought;

"(2) agree to keep and furnish to the Comptroller General such records, books, and other information as he may request;

"(3) agree to an audit and examination by the Comptroller General under section 9007 and to pay any amounts required to be paid under such section; and

"(4) agree to furnish statements of qualified campaign expenses and proposed quali-

fied campaign expenses required under section 9008.

"(b) MAJOR PARTIES.—In order to be eligible to receive any payments under section 9006, a candidate of a major party in a Federal election shall certify to the Comptroller General under penalty of perjury, that—

"(1) such candidate and his authorized committees will not incur qualified campaign expenses in excess of the aggregate payment to which he will be entitled under section 9004; and

"(2) no contributions to defray qualified campaign expenses have been or will be accepted by such candidate or any of his authorized committees except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006 (d), and no contributions to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(12) have been or will be accepted by such candidate or any of his authorized committees. Such certification shall be made within such time prior to the day of the Federal election as the Comptroller General shall prescribe by rules or regulations.

"(c) MINOR AND NEW PARTIES.—In order to be eligible to receive any payments under section 9006, a candidate of a minor or new party in a Federal election shall certify to the Comptroller General, under penalty of perjury, that—

"(1) such candidate and his authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidate of a major party is entitled under section 9004; and

"(2) such candidate and his authorized committees will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidate and his authorized committees certified to under paragraph (1) exceed the aggregate payments received by such candidate out of the fund pursuant to section 9006. Such certification shall be made within such time prior to the day of the Federal election as the Comptroller General shall prescribe by rules or regulations.

(d) Except as provided in subsections (b) (2) and (c) (2) of this section, no mandate of a major party, minor party, or new party, or any of the authorized committees of such candidate shall accept contributions to defray qualified campaign expenses.

"SEC. 9004. ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

"(a) IN GENERAL.—Subject to the provisions of this chapter—

"(1) An eligible candidate of a major party in a Federal election shall be entitled to payments under section 9006 equal in the aggregate to the greater of

"(A) 15 cents multiplied by the voting age population of the geographical area in which the election for such office is held, as determined by the Secretary of Commerce under the Federal Election Campaign Act of 1971;

"(B) $175,000, if the Federal office sought is that of Senator; or

"(C) the greater of $90,000, or the average expenditure of a major party candidate, determined pursuant to such rules or regulations as the Comptroller General may prescribe, in the two preceding elections for the Federal office, if the office sought is that of Representative.

"(2) (A) An eligible candidate of a minor party in a Federal election shall be entitled to payments under section 9006 equal in the aggregate to an amount which bears the same ratio to the amount computed under paragraph (1) for a major party as the number of popular votes received by the candidate for such office of the minor party, as such candidate, in the preceding election for such office bears to the average number of popular votes received by the candidates for such office of the major parties in the preceding election for such office.

"(B) If the candidate of one or more political parties (not including a major party) for Federal office was a candidate for such office in the preceding election for such office and received 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office, such candidate, upon compliance with the provisions of section 9003 (a) and (c), shall be treated as an eligible candidate entitled to payments under section 9006 in an amount computed as provided in subparagraph (A) by taking into account all the popular votes received by such candidate for such office in the preceding election for such office. If an eligible candidate of a minor party is entitled to payments under this subparagraph, such entitlement shall be reduced by the amount of the entitlement allowed under subparagraph (A).

"(3) An eligible candidate of a minor party or a new party in a Federal election whose candidate in such election receives, as such candidate, 5 percent or more of the total number of popular votes cast for such office in such election shall be entitled to payments under section 9006 equal in the aggregate to an amount which bears the same ratio to the amount computed under paragraph (1) for a major party as the number of popular votes received by such candidate in such election bears to the average number of popular votes received in such election by the candidates for such office of the major parties. In the case of an eligible candidate entitled to payments under paragraph (2), the amount allowable under this paragraph shall be limited to the amount, if any, by which the entitlment under the preceding sentence exceeds the amount of the entitlement under paragraph (2).

"(b) LIMITATIONS.—The aggregate payments to which an eligible candidate of a political party shall be entitled under subsections (a) (2) and (3) with respect to a Federal election shall not exceed an amount equal to the lower of—

"(1) the amount of qualified campaign expenses incurred by such eligible candidate and his authorized committees, reduced by the amount of contributions to defray qualified campaign expenses received and expended or retained by such eligible candidate and such committees, or

"(2) the aggregate payments to which the eligible candidate of a major party is entitled under subsection (a) (1), reduced by the amount of contributions described in paragraph (1) of this subsection.

"(c) RESTRICTIONS.—An eligible candidate of a political party shall be entitled to payments under subsection (a) only—

"(1) to defray qualified campaign expenses incurred by such eligible candidate or his authorized committees, or

"(2) to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidate or such committees) used to defray such qualified campaign expenses.

"SEC. 9005. CERTIFICATIONS BY COMPTROLLER GENERAL.

"(a) INITIAL CERTIFICATION.—On the basis of the evidence, books, records, and information furnished by the eligible candidates of a political party and prior to examination and audit under section 9007, the Comptroller General shall certify from time to time to the Secretary for payment to such candidates under section 9006 the payments to which such candidates are entitled under section 9004.

"(b) FINALITY OF CERTIFICATIONS AND DETERMINATIONS.—Initial certifications by the Comptroller General under subsection (a), and all determinations made by him under this chapter shall be final and conclusive, except to the extent that they are subject to examination and audit by the Comptroller General under section 9007 and judicial review under section 9011.

"SEC. 9006. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Federal Election Campaign Fund'. The Secretary shall, as provided by appropriation acts, transfer to the fund an amount not in excess of the sum of the amounts designated to the fund by individuals under section 6096 and such additional sums as Congress may appropriate to insure that moneys in the fund will be adequate to meet the entitlements of eligible candidates.

"(b) TRANSFERS TO THE GENERAL FUND.—The Secretary is authorized to transfer to the general fund of the Treasury such amounts of moneys in the fund as he determines from time to time are in excess of the amounts which eligible candidates are or will be entitled to receive.

"(c) PAYMENTS FROM THE FUND.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

"(d) INSUFFICIENT AMOUNTS IN FUND.—If at the time of a certification by the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary or his delegate determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amounts withheld by reason of the preceding sentence shall be paid when the Secretary or his delegate determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligibile candidates of all political parties, the amounts so withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement.

"SEC. 9007. EXAMINATION AND AUDITS; REPAYMENTS.

"(a) EXAMINATIONS AND AUDITS.—After each Federal election, the Comptroller General shall conduct a thorough examination and audit of the qualified campaign expenses of the candidates of each political party for Federal office.

"(b) REPAYMENTS.—

"(1) If the Comptroller General determines that any portion of the payments made to an eligible candidate of a political party under section 9006 was in excess of the aggregate payments to which the candidate was entitled under section 9004, he shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to such portion.

"(2) If the Comptroller General determines that an eligible candidate of a political party and his authorized committees incurred qualified campaign expenses in excess of the aggregate payments to which an eligible candidates of a major party was entitled under section 9004, he shall notify such candidate of the amount of such excess and such candidate shall pay to the Secretary an amount equal to such amount.

"(3) If the Commission determines that

an eligible candidate of a major party or any authorized committee of such candidate accepted contributions (other than contributions to make up deficiencies in payments out of the fund on account of the application of section 9006(d) to defray qualified campaign expenses (other than qualified campaign expenses with respect to which payment is required under paragraph (2)), he shall notify such candidate of the amount of the contributions so accepted, and such candidate shall pay to the Secretary an amount equal to such amount.

"(4) If the Comptroller General determines that any amount of any payment made to an eligible candidate of a political party under section 9006 was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses, he shall notify such candidate of the amount so used, and such candidate shall pay to the Secretary an amount equal to such amount.

"(5) No payment shall be required from an eligible candidate of a political party under this subsection to the extent that such payment, when added to other payments, required from such candidate under this subsection, exceeds the amount of payments received by such candidate under section 9006.

"(c) NOTIFICATION.—No notification shall be made by the Comptroller General under subsection (b) with respect to a Federal election more than 3 years after the day of such election.

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under subsection (b) shall be deposited by him in the general fund of the Treasury.

"SEC. 9008. INFORMATION ON PROPOSED EXPENSES.

"(a) REPORTS BY CANDIDATES.—A candidate of a political party for Federal office in a Federal election shall, from time to time as the Comptroller General may require, furnish to the Comptroller General a detailed statement, in such form as the Comptroller General may prescribe, of—

"(1) the qualified campaign expenses incurred by him and his authorized committees prior to the date of such statement (whether or not evidence of such expenses has been furnished for purposes of section 9005), and

"(2) the qualified campaign expenses which he and his authorized committees propose to incur on or after the date of such statement.

The Comptroller General shall require a statement under this subsection from such candidates of each political party at least once each week during the second, third, and fourth weeks preceding the day of the Federal election and at least twice during the week preceding such day.

"(b) PUBLICATION.—The Comptroller General shall, as soon as possible after he receives each statement under subsection (a), prepare and publish a summary of such statement, together with any other data or information which he deems advisable, in the Federal Register. Such summary shall not include any information which identifies any individual who made a designation under section 6096.

"SEC. 9009. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Comptroller General shall, as soon as practicable after each Federal election, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Comptroller General determines necessary) incurred by the candidates of each political party and their authorized committees;

"(2) the amounts certified by him under section 9005 for payment to the eligible candidates of each political party; and

"(3) the amount of payments, if any, required from such candidates under section 9007, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) REGULATIONS, ETC.—The Comptroller General is authorized to prescribe such rules and regulations, to conduct such examinations and audits (in addition to the examinations and audits required by section 9007(a)), to conduct such investigations, and to require the keeping and submission of such books, records, and information, as he deems necessary to carry out the functions and duties imposed on him by this chapter.

"SEC. 9010. PARTICIPATION BY COMPTROLLER GENERAL IN JUDICIAL PROCEEDINGS

"(a) APPEARANCE BY COUNSEL.—The Comptroller General is authorized to appear in and defend against any action filed under section 9011, either by attorneys employed in his office or by counsel whom he may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation he may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) RECOVERY OF CERTAIN PAYMENTS.—The Comptroller General is authorized through attorneys and counsel described in subsection (a) to appear in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary as a result of examination and audit made pursuant to section 9007.

"(c) DECLARATORY AND INJUNCTIVE RELIEF.—The Comptroller General is authorized through attorneys and counsel described in subsection (a) to petition the courts of the United States for declaratory or injunctive relief concerning any civil matter covered by the provisions of this subtitle or section 6096. Upon application of the Comptroller General, an action brought pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"(d) APPEAL.—The Comptroller General is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which he appears pursuant to the authority provided in this section.

"SEC. 9011. JUDICIAL REVIEW.

"(a) REVIEW OF CERTIFICATION, DETERMINATION, OR OTHER ACTION BY THE COMPTROLLER GENERAL.—Any certification, determination or other action by the Comptroller General made or taken pursuant to the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition filed in such Court by any interested person. Any petition filed pursuant to the section shall be filed within thirty days after the certification, determination, or other action by the Comptroller General for which review is sought.

"(b) SUITS TO IMPLEMENT CHAPTER.—

"(1) The Comptroller General, the national committee of any political party, and individuals eligible to vote in an election for Federal office, are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this chapter.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise the same without regard to whether a person asserting rights under provisions of this subsection shall have exhausted any administrative or other remedies that may be provided at law. Such proceedings shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"SEC. 9012. CRIMINAL PENALTIES.

"(a) EXCESS CAMPAIGN EXPENSES.—

"(1) It shall be unlawful for an eligible candidate of a political party for Federal office in a Federal election or any of his authorized committees knowingly and willfully to incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under section 9004 with respect to such election.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year or both. In the case of a violation by an authorized committee, and officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(b) CONTRIBUTIONS.—

"(1) It shall be unlawful for an eligible candidate of a major party in a Federal election or any of his authorized committees knowingly and willfully to accept any contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(d), or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(12).

"(2) It shall be unlawful for an eligible candidate of a political party (other than a major party) in a Federal election or any of his authorized committees knowingly and willfully to accept and expend or retain contributions to defray qualified campaign expenses in an amount which exceeds the qualified campaign expenses incurred with respect to such election by such eligible candidate and his authorized committees.

"(3) Any person who violates paragraph (1) or (2) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(c) UNLAWFUL USE OF PAYMENTS.—

"(1) It shall be unlawful for any person who receives any payment under section 9006, or to whom any portion of any payment received under such section is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(d) FALSE STATEMENTS, ETC.—

"(1) It shall be unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Comptroller General under this subtitle, or to include in any evidence, books, or information so furnished any mispresentation of a material fact, or to falsify or conceal any evidence, books or information relevant to a certification by the Comptroller General or an examination and audit by the Comptroller General under this subtitle; or

"(B) to fail to furnish to the Comptroller General any records, books, or information requested by him for purposes of this chapter.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(e) KICKBACKS AND ILLEGAL PAYMENTS.—

"(1) It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expenses of an eligible candidate or his authorized committees.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickbacks or illegal payment in connection with any qualified campaign expense of an eligible candidate or his authorized committees shall pay to the Secretary, for deposit in the general fund of the Treasury, an amount equal to 125 percent of the kickback or payment received.

"(f) UNAUTHORIZED EXPENDITURES AND CONTRIBUTIONS.—

"(1) Except as provided in paragraph (2), it shall be unlawful for any political committee which is not an authorized committee with respect to an eligible candidate of a political party for Federal office in a Federal election knowingly and willfully to incur expenditures to further the election of such candidate, which would constitute qualified campaign expenses if incurred by an authorized committee of such candidate, in an aggregate amount exceeding $1,000.

"(2) This subsection shall not apply to (A) expenditures by a broadcaster regulated by the Federal Communications Commission, or by a periodical publication, in reporting the news or in taking editorial positions, or (B) expenditures by any organization described in section 501(c), which is exempt from tax under section 501(a) in communicating to its members the views of the organization.

"(3) Any political committee which violates paragraph (1) shall be fined not more than $5,000, and any officer or member of such committee who knowingly and willfully consents to such violation and any other individual who knowingly and willfully violates paragraph (1) shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"(g) UNAUTHORIZED DISCLOSURE OF INFORMATION.—

"(1) It shall be unlawful for any individual to disclose any information obtained under the provisions of this chapter except as may be required by law.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"Chapter 96. FEDERAL ELECTION CAMPAIGN FUND ADVISORY BOARD

"SEC. 9021. ESTABLISHMENT OF ADVISORY BOARD.

"(a) ESTABLISHMENT OF BOARD.—There is hereby established an advisory board to be known as the Federal Election Campaign Fund Advisory Board (hereinafter in this section referred to as the 'Board'). It shall be the duty and function of the Board to counsel and assist the Comptroller Federal of the United States in the performance of the duties and functions imposed on him under the Federal Election Campaign Fund Act.

"(b) COMPOSITION OF BOARD.—The Board shall be composed of the following members:

"(1) the majority leader and minority leader of the Senate and the Speaker and minority leader of the House of Representatives, who shall serve ex officio;

"(2) two members representing each political party which is a major party (as defined in section 9002(8)), which members shall be appointed by the Comptroller General from recommendations submitted by such political party; and

"(3) three members representing the general public, which members shall be selected by the members described in paragraphs (1) and (2).

The terms of the first members of the Boards described in paragraphs (2) and (3) shall expire on the sixtieth day after the date of the first presidential election following January 1, 1976, and the terms of subsequent members described in paragraphs (2) and (3) shall begin on the sixty-first day after the date of a presidential election and expire on the sixtieth day following the date of the subsequent presidential election. The Board shall elect a Chairman from its members.

"(c) COMPENSATION.—Members of the Board (other than members described in subsection (b)(1)) shall receive compensation at the rate of $75 a day for each day they are engaged in performing duties and functions as such members, including travel time, and, while away from their homes or regular places of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

"(d) STATUS.—Service by an individual as a member of the Board shall not for purposes of any other law of the United States, be considered as service as an officer or employee of the United States."

(b) The amendments made by subsection (a) of this section shall take effect on January 1, 1974, except that no payments shall be made from the Federal Election Campaign Fund before January 1, 1975.

SEC. 2. DESIGNATION OF INCOME TAX PAYMENTS TO FEDERAL ELECTION CAMPAIGN FUND.

(a) Effective with respect to taxable years ending on or after December 31, 1973, section 6096 (a) (relating to designation of income tax payments to the Federal Election Campaign Fund) is amended to read as follows:

"SEC. 6096. DESIGNATION BY INDIVIDUAL.

"(a) IN GENERAL.—Every individual (other than a nonresident alien) whose adjusted gross income for the taxable year is $2 or more may designate that $2 shall be paid over to the Federal Election Campaign Fund in accordance with the provisions of section 9006 (a). In the case of a joint return of husband and wife, each spouse may designate that $2 shall be paid to the fund.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate.

Such designation shall be made in such manner as the Secretary or his delegate prescribes by regulations, except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

(b) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1972. Any designation made under section 6096 of the Internal Revenue Code of 1954 (as in effect for taxable years beginning before January 1, 1973) for the account of the candidates of any specified political party shall, for purposes of section 9006(a) of such Code, as amended, be treated solely as a designation to the Federal Election Campaign Fund.

KENNEDY-SCOTT PUBLIC FINANCING BILL—PRESIDENTIAL, SENATE, AND HOUSE ELECTIONS—SUMMARY OF PRINCIPAL PROVISIONS

1. The bill amends the existing law providing public financing for Presidential elections by extending its provisions to include public financing for Senate and House elections as well.

2. The existing law is Senator Russell Long's "Presidential Election Campaign Fund Act," known as the dollar check-off. The Act, as passed by Congress in 1971 and amended in 1973, provides public financing for Presidential elections. Except as provided in this summary, the provisions of the bill are essentially identical to the provisions of the dollar check-off now applicable to Presidential elections.*

3. The bill provides public funds for general and special elections for the Senate and House, but not for primaries or run-off elections.

4. It makes public financing mandatory for Senate and House elections. Thus, it bars the option of private financing by major party candidates.

5. It also bars the option of private financing for Presidential elections. Under the dollar check off in existing law, public financing is available as an alternative to private financing for Presidential elections. Thus, a candidate now has the option of using either public financing or private financing for his campaign.

6. It establishes a Federal Election Campaign Fund on the books of the Treasury, to be funded through the dollar check-off and general appropriations acts of Congress, and from which public funds will be made available to eligible candidates. Amendments to the check-off on the Debt Ceiling Act of July 1, 1973, have now eliminated the so-called "special accounts," and have left only a "general" account to be allocated by formula among Presidential candidates. Under the bill, the general account would be broadened to provide funds for Senate and House candidates as well.

7. It increases the amount of the dollar check-off from $1 to $2 (or $4 on a joint return).

8. It authorizes Congress to appropriate funds to make up deficits left in the general account after the operation of the dollar check-off.

9. The amendment follows the basic formula in the dollar check-off for allocating public funds among candidates of major and minor parties.

10. In Presidential and Senate elections, a candidate of a "major party"—a party that received 25% or more of the total number of popular votes received by all candidates for the office in the preceding election—is entitled to receive public funds in the amount of 15c per eligible voter.

A floor of $175,000 is provided for major party candidates in Senate elections. In Congressional elections, the entitlement of a major party candidate is the greater of $90,000 or an amount based on the average expenditure per voter in the two preceding elections in the district.

11. A candidate of a "minor party"— a par-

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*See the "Presidential Election Campaign Fund Act," P.L. 92-178, 85 Stat. 497, 562-575 (December 10, 1971), as amended by the Debt Ceiling Act, P.L. 93-53, 87 Stat. 134, 138-139 (July 1, 1973).

ty that received more than 5% but less than 25% of the popular vote in the preceding election—is entitled to receive public funds in proportion to his share of the vote in the preceding election. A candidate of a minor party may increase his entitlement on the basis of his performance in the current election

12. A candidate of a "new party"—a party that is not a major party or a minor party—is entitled to receive public funds in proportion to his share of the popular vote in the current election, if he receives more than 5% of the vote in the election.

13. Public funds will be available for expenditures made by a candidate of a major party during the period beginning with the date on which the party nominates its candidate and ending 30 days after the election. Public funds will be available for candidates of other parties during the longest period in which they are available to a candidate of a major party.

14. Individuals or committees not authorized by a candidate may not spend more than $1,000 during the campaign on behalf of the candidate of a party eligible for public funds.

15. Like the dollar check-off, the program will be administered by the Comptroller General.

16. The program will go into effect for the 1976 Congressional elections.

17. The cost of the bill is estimated at $150 million in a Presidential election year and $100 million in the off-year Congressional elections. Thus, the total cost of the program over the four year election cycle is $250 million, yielding an average cost of about $60 million a year.

By Mr. MUSKIE (for himself, Mr. ERVIN, and Mr. GURNEY) (by request):

S. 2299. A bill to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes. Referred to the Committee on Government Operations.

JOINT FUNDING SIMPLIFICATION ACT OF 1973

Mr. MUSKIE. Mr. President, on behalf of myself, Mr. ERVIN and Mr. GURNEY, I introduce, by request, a bill to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program; to simplify requirements for operation of those projects, and for other purposes.

This legislation was requested by the Office of Management and Budget and builds upon language included in title III of S. 834, the Intergovernmental Cooperation Act of 1973. I ask unanimous consent that a letter from the Director of the Office of Management and Budget explaining the need for the legislation be printed in the RECORD at this point.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 20, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting for appropriate action a draft of the Joint Funding Simplification Act of 1973. It is similar to legislation enacted by the House of Representatives in the 91st Congress, which the Administration supported and continued to support in the 92nd Congress.

The proposed bill would provide the means by which the funds, procedures and administrative requirements of related programs could be brought together simply and speedily to support a particular project or group of projects for which Federal assistance is being sought. Thus, the proposal supplements such other efforts of the Administration to streamline Federal assistance as revenue sharing and administrative reform of grant program requirements.

Over the past several years we have been conducting experiments in funding simplification under existing limited authority including our Integrated Grant Administration (IGA) experiment now being conducted in 27 jurisdictions throughout the country. The experience gained through the conduct of the IGA Program has convinced us that permanent legislative authority is desirable. It is unnecessarily difficult, expensive, and time-consuming to attempt to bring together resources from different programs to meet the expressed needs of grant recipients when we must rely almost entirely on the flexibility of individual agency authorities.

The proposed legislation would not affect the substance of existing grant programs. The identity and the purpose of each program would remain untouched. However, program funds could be applied to appropriate projects more effectively and more expeditiously under the proposed authorities.

In the past, we have supported Intergovernmental Cooperation Act proposals because they would have been useful, although not legally required, in moving forward with simplification and improvements in grant administration. At this point, however, many of the improvements have been made administratively, and additional legislative leverage is no longer necessary in view of the progress that has been made. We, therefore, have drafted the enclosed bill concentrating on Joint Funding which does require legislation.

We urge the prompt enactment of this bill.

Sincerely,

ROY L. ASH, *Director.*

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1036

At the request of Mr. MUSKIE, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1036, a bill to amend the Internal Revenue Code of 1954 with respect to legislative activity by certain types of exempt organizations.

S. 1963

At the request of Mr. BELLMON, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1963, to provide for legislative budget review by the General Accounting Office.

S. 2200

Mr. BAYH. Mr. President, I am pleased to join with my distinguished colleagues, Senators CRANSTON, BROCK, ERVIN, MATHIAS, and TUNNEY in cosponsoring S. 2200, the Right to Financial Privacy Act of 1973.

As introduced to the Senate on July 19, 1973, S. 2200 insures to our citizens, as bank customers, that disclosures of their private bank accounts, by financial institutions to Government officials, will only be made in accordance with reasonable procedural safeguards. This guarantee would seem to most of our citizens to be one that they already have—but unfortunately, this is not the case. At the present time, Government officers, investigators, and agencies are able to see an individual's bank records through informal arrangements made with financial institutions. No administrative or judicial subpena is needed for Government officers to review these records. Worse yet, the individual's consent is not needed nor in most cases is the individual even notified before the intrusion process begins. This is a flagrant disregard of a citizen's rights, and a flagrant disregard of the 4th amendment protection against irresponsible search and seizure.

I admit that it is sometimes necessary for our investigatory agencies to be able to obtain the information contained in some of the records of financial institutions to insure that they can do their jobs. I admit that these records are essential for carrying out criminal investigations—often the information revealed by personal checks, withdrawals, deposits, or loans is fundamental to a case involving criminal action. However, I cannot admit that to secure this information it is necessary to violate the fourth amendment. I cannot admit that the financial institution should be the one to determine who should view these records. I cannot admit that this is an issue that our courts need not decide. For that reason, to protect our citizens and yet allow investigators to perform their duties, S. 2200 allows government investigators to have access to these records only when one of the following requirements is met: the investigators and the bank have obtained the customer's consent, there has been an administrative subpena and summons, a search warrant has been issued, or there has been a judicial subpena. Under S. 2200 all customers must be notified before their private records are disclosed.

The premise which S. 2200 is based upon, that our citizens should be protected against unreasonable intrusion into their financial affairs, is a premise that the Bill of Rights insures. It is also a premise which the Senate assumed would be followed in 1970. The Senate Report to the Bank Secrecy Act reads:

> Access by law enforcement officials to bank records required to be kept under this title, would, *of course,* be only pursuant to a subpoena or other lawful processes that is presently the case. The legislation in no way authorizes unlimited fishing expeditions into banks' records on the part of law enforcement officials. Senate Report No. 90–1139 91st Cong. 2nd sess.

Although the Senate assumed this and the Bill of Rights insured it, the fact of the matter is that this is not the case. Obviously, a disparity exists between the way the system is supposed to operate and the way it actually works. For that reason let us enact our assumption into law. Let no doubt exist about our rights, let no gray area exist in safeguarding our private records. If our dealings are illegal they can be revealed through our records, but with the court's sanction—and not a decision rendered by a bank official or a Federal investigator.

Mr. President, too often, we in the Congress have allowed the Executive branch to exercise its own discretion in affairs concerning the rights of our citizens. Too often, we have allowed it, by default, the opportunity to pass judg-

ment on constitutional questions which ought properly to have been resolved by the courts. We see the effects of this action, or may I say nonaction, every day. By passing S. 2200, the Right to Financial Privacy Act, we give the courts back the responsibility to determine the use of the fourth amendment, as to when "probable cause" exists for search and seizure, a responsibility which they should have. Mr. Justice Powell once wrote:

> The historical judgement, which the fourth amendment accepts, is that unreviewed executive discretion may yield too readily to pressures to obtain incriminatory evidence and overlook potential invasions of privacy and protected speech.

Mr. President, I agree with Justice Powell's evaluation of the fourth amendment. It is my hope that the Senate will concur in that judgment and give the courts the power to determine when it is necessary and proper to invade the financial privacy of our citizens.

SENATE JOINT RESOLUTION 138

At the request of Mr. CURTIS, the Senator from Wyoming (Mr. HANSEN), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S.J. Res. 138, to amend the Economic Stabilization Act.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. TOWER, the Senator from Nebraska (Mr. HRUSKA) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Concurrent Resolution 41.

CIVIL SERVICE RETIREMENT—AMENDMENT

AMENDMENT NO. 448

(Ordered to be printed, and to lie on the table.)

Mr. GURNEY. Mr. President, my good friend Senator Moss and I are today submitting an amendment to S. 1866, a civil service retirement bill providing for an increase in the minimum benefit accruing to civil service retirees commensurate with the minimum benefit available for social security beneficiaries. My amendment, quite simply, would place back in the bill section 3 which has been deleted by the Senate Post Office and Civil Service Committee in the final version of S. 1866.

Section 3, in our opinion, is one of the more important parts of the bill. While the other parts of the bill are certainly laudatory, section 3 is the part that provides for a $20 per month across-the-board benefit increase for all civil service retirees who retired prior to 1969, when the Congress changed the method of computation from a base of the high 5 years of earnings to a base of the high 3 years of earnings. The $20 a month increase, then, will benefit those who retired prior to the more liberal computation method.

Mr. President, I have spoken with a number of Federal retirees on this point. It seems to be the feeling of the Federal retirees in my acquaintance that they would rather have the section 3 provision included in S. 1866, get an up or down vote on the floor and risk a Presidential veto, than they would have us pass the bill as it is currently written. This is primarily because the new supplemental security income program, which will be going into effect in January, will cover most of the tragically low-pensioned civil service annuitants. Once January rolls around, the need for S. 1866 as currently written will nearly vanish.

I would like to remind my colleagues that many, many Federal retirees receive far less in monthly annuities than Social Security beneficiaries. It was just last Friday that I placed in the RECORD an article in the Washington Star-News detailing the sad state of affairs in Miami Beach, where many senior citizens are turning to shoplifting to put food in their mouths. I do not really understand why we, in the United States of America, should find it necessary to force people who have worked their entire lives to steal in order to eat. Social security beneficiaries have received more than a 25-percent increase in benefits due to congressional action in the last year. In that same time period, benefits for civil service annuitants have risen by about 6 percent. This seems somewhat inequitable to me.

Senator Moss and I welcome the support of our colleagues.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 449

(Ordered to be printed, and to lie on the table.)

Mr. HARTKE. Mr. President, I submit an amendment to S. 2026, the Mutual Development and Cooperation Act of 1973, and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

Mr. President, the newspapers have reported that the Senate Foreign Relations Committee is considering a proposal to further subsidize exports similar to the U.S. Export Credit Development Fund proposed in S. 2026, sponsored by the distinguished Senator from Minnesota (Mr. HUMPHREY). A similar proposal was recently stripped from a foreign aid authorization bill on the floor of the House.

When the foreign aid bill is reported out of the Senate Foreign Relations Committee, it is scheduled to be referred to the Finance Committee. I introduce my amendment today to make it clear that I oppose the creation of an Export Development Credit Fund and that I intend to press my opposition within the Finance Committee and on the Senate floor.

What has so-called developmental aid done to the countries which have received it? With few exceptions, American meddling in the internal economic affairs of foreign countries has been deleterious to the indigenous cultural patterns and calamitous to U.S. national interests. With our genuine goodwill and economic resources, we have tried to steer these nations along the path once charted by the United States in its early economic development. These goals have oftentimes been strange and unknown to our foreign neighbors who, feeling American pressure, have tried to bend in the direction charted by U.S. economic advisers.

Our efforts have been in vain. They have been disruptive and disadvantageous to those peoples forced to follow our economic dictates. It would have been far better had we never decided to help these lands Americanize their economies.

Today we too as a nation feel the squeeze of a misguided domestic economic system. Rising prices, shortages of beef and other foodstuffs, and abortive controls, all aggravated by political scandal in the highest office of government. Let us turn from the presumptuous attitude of thinking we can solve the problems of the world. We must first begin to pull ourselves up by our own bootstraps.

The bill, S. 2026, to extend soft loans to the developing countries via the mechanism of a "United States Export Development Credit Fund" stems from the loftiest of humanitarian principles, but they have been tried and they have been found wanting.

A few examples of our past failures should suffice in substantiating this argument. The American AID complex in India is shutting its doors. American officials presided over the largest single attempt at providing developmental aid for several years only to admit defeat in the end. The alliance for progress, the citadel of America's Good Neighbor Policy toward Latin America, is chided by some Latin Americans as the alianza pará progresso, with stress on the second syllable in the word para which, when translated into English, means the alliance to stop progress.

It is time we stopped kidding ourselves about the whole issue of foreign aid. Let us learn the lessons of history so that we will not be forced to relive the sins of the past. The best we can do to help our foreign friends is to put our own economic house in order. Therefore, in recognizing the blunders of the past and acting on these experiences positively, I submit this amendment which would have the effect of eliminating the Export Development Credit Fund.

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

AMENDMENT NO. 449

On page 9, beginning with line 18, strike everything through page 14, line 19.

PROTECTION OF HOBBYISTS—AMENDMENT

AMENDMENT NO. 450

(Ordered to be printed, and to lie on the table.)

Mr. TOWER submitted an amendment, intended to be proposed by him, to the bill (H.R. 5777) to protect hobbyists against the reproduction or manufacture of certain imitation hobby items and to provide additional protections for American hobbyists.

AMENDMENT NO. 451

(Ordered to be printed.)

Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. Moss, Mr. MCCLURE, Mr. KENNEDY, and Mr. NELSON) proposed an amendment to House bill 5777, supra.

NOTICE OF MEETING OF SENATE GOVERNMENT OPERATIONS AD HOC SUBCOMMITTEE ON FEDERAL PROCUREMENT

Mr. CHILES. Mr. President, I want to announce that there will be a meeting of the Senate Government Operations ad hoc Subcommittee on Federal Procurement on Wednesday, August 1, 1973, at 3 p.m. in room 3302.

The subcommittee will receive a briefing by former members of the staff of the Government Procurement Commission on the recommendations of the Commission.

NOTICE OF HEARINGS ON S. 1840

Mr. BURDICK. Mr. President, I would like to inform my colleagues that the Subcommittee on Disaster Relief of the Senate Public Works Committee will hold hearings on S. 1840, the Disaster Preparedness and Assistance Act of 1973, and related measures on September 11, 12, and 13. Hearings will begin at 9:30 each morning and are to be held in room 4200, Dirksen Building. Those who wish to testify should contact Clark Norton of the subcommittee staff on extension 6176.

NOTICE OF HEARINGS ON PATENT LAW REVISION

Mr. MCCLELLAN. Mr. President, as chairman of the Subcommittee on Patents, Trademarks, and Copyrights, I desire to announce that the subcommittee has decided to reopen the hearings on the general revision of the patent law, title 35.

The hearings are being reopened for the purpose of receiving testimony on various important new issues, such as are contained in S. 1321. The hearings will include the following subjects:

First, modification of patent examination proceedings to provide public adversary hearings;

Second, the creation of the Office of Public Counsel;

Third, establishment of a system for deferred examination of patent applications;

Fourth, revision of the patent fee schedule, including the establishment of maintenance fees; and

Fifth, administrative restructuring of the Patent Office, including the proposed establishment of the Patent Office as an independent agency.

The hearings will be held on September 11, 13, and 14 in room 1114 of the Dirksen Senate Office Building and will commence each day at 10 a.m.

Anyone desiring to testify during the hearings should contact the office of the subcommittee at 202–225–2268.

NOTICE OF ADDITIONAL DAY OF JOINT HEARINGS TO CONSIDER S. 1751, "THE DEEPWATER PORT FACILITIES ACT OF 1973"

Mr. BIDEN. Mr. President, due to the heavy voting schedule of last Wednesday, July 25, the joint subcommittee established by the Committees on Interior and Insular Affairs, Commerce, and Public Works to consider deepwater port legislation was unable to hear in full the testimony of those witnesses who were scheduled to appear in the afternoon. In order for these witnesses to complete their testimony, an additional day of hearings will be held on August 1, beginning at 9:45 in room 155 of the Russell Senate Office Building. The witnesses who will appear at that time are:

First, Brig. Gen. James L. Kelly, U.S. Army Corps of Engineers;

Second, Barbara Heller, Environmental Policy Center;

Third, Eldon Greenberg, environmental council for law and social policy;

Fourth, William Futtrell, Sierra Club, task force on offshore development;

Fifth, Dr. William Gaither, dean, College of Marine Studies, University of Delaware; and

Sixth, Robert Taggart, president, Sea Transfer Systems, Inc., Fairfax, Va.

ANNOUNCEMENT OF HEARINGS ON COSMETIC SAFETY BILL

Mr. KENNEDY. Mr. President, as chairman of the Senate Health Subcommittee, I would like to announce that the Health Subcommittee will be holding hearings on S. 863, a bill to amend the Food, Drug, and Cosmetic Act with respect to cosmetic safety, which was introduced by my colleague on the subcommittee, Senator EAGLETON. The hearings will be held September 12 and 13 in the Labor and Public Welfare Committee hearing room—room 4232, Dirksen Building. All persons interested in testifying should contact the Health Subcommittee staff in room 4226, Dirksen, at 225–7675.

COSMETIC SAFETY ACT

Mr. EAGLETON. Mr. President, I am most grateful to the distinguished Senator from Massachusetts (Mr. KENNEDY) for his prompt response to the need for hearings on the Cosmetic Safety Act which I introduced in February.

In 1938 Congress moved to impose some regulations over cosmetics following reports of blindness caused by an eyelash dye and permanent baldness caused by a hair preparation. No substantive revision of this law has been made since that date, although there have been many health hazards on the cosmetic market in the past years. The National Commission on Product Safety reported that 60,000 people, mostly women, are injured by cosmetics every year severely enough to restrict activity for 1 day or require medical attention.

There can be no question that today's consumer is increasingly aware of the limited information now on labels of cosmetics and that he or she needs more product information. I was very pleased that Giant Food Co. announced today an important and noteworthy effort in the labeling of its cosmetic products. For each of these products there will now be a listing of all ingredients, and appropriate warning statements, such as would be required if the provisions of my bill were enacted. However, this breakthrough by one company does not insure that other industries and retailers will choose to follow their lead.

The Cosmetic Safety Act addresses itself to letting the consumer know what cosmetic products consist of, and that adequate safety testing is done by the manufacturer. Briefly, the bill would require manufacturers to list all ingredients on the label, as well as relevant cautionary statements. It would require that all cosmetics be tested for safety and that all test data be submitted to the Food and Drug Administration prior to marketing. In addition, it would require that all cosmetic compositions and consumer complaints be filed with the Food and Drug Administration and that all cosmetic manufacturers and packagers register with the agency.

Mr. President, I hope that all Members of Congress will take an interest in this important consumer protection measure. The hearings scheduled in September will certainly establish the need for redefinition of the Government's responsibility for insuring that cosmetic products offered for sale to the public are safe, and that consumers have available the information they need to make informed purchases and to protect themselves against unnecessary injury.

ADDITIONAL STATEMENTS

THE NEW OVERSEAS TERMINAL AT PHILADELPHIA INTERNATIONAL AIRPORT

Mr. SCOTT of Pennsylvania. Mr. President, the Philadelphia Port Corp., in its July–August issue, has published a timely and informative article about the new overseas terminal at Philadelphia International Airport and the airport's potential. In this article, Henry Reichner says this new facility "will have tremendous implications for the economy of Philadelphia and the entire region."

I ask unanimous consent that this article be printed in today's RECORD.

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

PHILADELPHIA IS A GREAT CITY

(By Henry Reichner)

Dedication of the new Overseas Terminal this Spring is just one indication that Philadelphia International Airport is on the launching pad for a flight that will have tremendous implications for the economy of Philadelphia and the entire region.

Completion of the new $22 million runway, Cargo City facilities now under construction, changes in the domestic terminal over the past few years, and commencement of additional domestic facilities are also harbingers of things to come.

There are other things going on around Philadelphia International which are just as

important but perhaps not as visible. The Sheraton Hotel and office complex at Airport Circle, the Scott Plaza Office Building, the Holiday Inn down the Industrial Highway, etc., are examples of airport-connected capital investments which should bring great dividends for the region. Even less visible is the multiplicity of air freight/air cargo activities such as distribution warehouses, truck terminals, and the like, which are mushrooming up in the general airport area.

Along with all this promise for the future, we currently pay the price of construction, confusion, and congestion which accompany change and improvement. The airport administration is doing all it can to minimize the adversities of change and deserves support and understanding as we move ahead.

Philadelphia International Airport means much to the Delaware Valley today; it will mean more in the future. The over 6.5 million passengers who arrived and departed on scheduled flights from this facility and the 102,000 tons of cargo which moved through the airport last year are only a beginning. Future growth will come and be sustained with all-out business community support of promotion and use of the airport.

Even today, Philadelphia International is a major factor in the regional economy. The operation of the airport facility alone is a multimillion dollar business. The value of the "plant" is more than $100 million today and $150 million more is being spent to improve facilities. Airport expenditures today run around $9 million a year. Philadelphia International Airport alone generates more than $10 million in revenue to the City, exclusive of the head tax. Additionally, the airline industry and other airport-oriented businesses pay annually more than $360,000 in local taxes.

These figures are modest ones which deal solely with the airport and airport-related business activity and improvement. They do not include business activity and payrolls which are here in the Delaware Valley because we have a major air facility, nor do they include those who have remained in the region because of our aviation facilities.

Philadelphia aviation is big business and good business for all of us who work towards making the region a better place to live, work and do business in.

Let's boost it and those who are doing their bit to move ahead!

A CHALLENGE FOR PHASE IV FROM THE NATIONAL COUNCIL OF SENIOR CITIZENS

Mr. CHURCH. Mr. President, on June 30 the Congress attempted to provide some measure of help to older Americans now trying desperately to stay afloat despite the relentless increase in the cost of living. We voted a cost-of-living increase, later set at 5.9 percent, to go into effect next June. This was intended as a "down payment" on the cost-of-living increase, enacted last year, which was to go into effect on January 1975.

Much as I personally had hoped that the "installment" could have gone into effect this year instead of next, I recognized the June 30 action would promise at least some relief for the elderly.

Last week, however, the Nixon administration announced its phase IV economic plan and gave the Nation's elderly some very bad news indeed. In no way does the new plan help older Americans; instead, it will tend to generate higher costs on services and products of vital importance to retired persons.

Mr. Nelson Cruikshank, president of the National Council of Senior Citizens, was prompt to criticize phase IV. He also called for a 10-percent social security increase beginning next January instead of July.

Mr. Cruikshank's arguments are powerful. I ask unanimous consent to have printed in the RECORD an NCSC news release giving Mr. Cruikshank's views in some detail.

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

NEW PHASE IV ECONOMIC PLAN PUTS BIGGEST INFLATION BURDEN ON BACKS OF ELDERLY

WASHINGTON, D.C.—"The Administration's new Phase IV economic plan puts the biggest burden of inflation on the backs of elderly Americans least able to afford it," says Nelson H. Cruikshank, President of the 3,000,000 member National Council of Senior Citizens.

Cruikshank called upon Congress to step in to protect the elderly. He said Congress should make a new attempt to pay Social Security beneficiaries a cost-of-living increase of 10 per cent beginning January 1, 1974 instead of 5.6 per cent next July. "This Administration has made no effort to protect the poor from unreasonable inflation and it is now up to Congress to keep the worker and retiree from being plowed under by big business financial machinery," said Cruikshank.

Cruikshank noted that the latest available figures from the U.S. Department of Labor indicate that the average elderly couple must budget 35.2 per cent of their income for food and medical costs and an additional 35 per cent for housing (mostly in rents). "Landlords already have free access to raid the pitiful financial resources of seniors. Under the new economic plan representatives of the food and health-care industries have been given a license to raid the senior pocketbook."

"The thrust of Phase IV," the 71-year old senior leader stated, "is the most recent example of the ongoing policy of economic repression applied against the nation's elderly. The President's record of opposition to senior citizens is long and well documented."

Cruikshank cited several examples of this record, chief among them, the shrill opposition by the President to the 20 per cent increase in Social Security benefits enacted by Congress last year.

"When the President was finally maneuvered into a position where he had to sign the benefit boost, he warned then of what was to come," Cruikshank declared. "In his statement accompanying the signing of the benefit increase legislation, President Nixon declared that he would cut back on domestic social programs in the future, and he didn't waste any time redeeming that pledge. That's about the only pledge he has kept.

"In January of this year, when the President released his new budget message, he recommended that literally hundreds of social domestic programs be either ended entirely or drastically reduced," Cruikshank noted. "Among the most blatantly political of these planned budget cuts was the President's plan to reduce the coverage available to Medicare enrollees while maintaining the payroll tax at the same rate—an additional burden of $1.2 billion for the elderly while continuing the contribution by the young workers."

"Shortly after that bombshell," Cruikshank pointed out, "the President announced that beginning in July 1973, all participants in Medicare part B (doctors insurance) would have to increase their premium payments by 50 cents a month." This plan was halted, temporarily by the imposition of the recent price freeze. Cruikshank pointed out, however, that: "With the removal of any real controls over rising health-care costs, the President will now be able to raise part B premiums by .50 cents a month or perhaps even more to help balance the budget."

"The President has not limited himself to attacks on health programs for the elderly, however," Cruikshank declared. "At the same time that he initiated the ill-fated Phase II program which included absolutely no controls upon rent increases, he also halted construction of Federally-financed low-cost housing for the elderly."

A BALANCED BUDGET

Mr. CURTIS. Mr. President, having served in the Congress of the United States for more than a third of a century, nothing in the way of legislation should surprise me. I am nonetheless, astounded at the ability of my colleagues in both Houses to keep dreaming up new spending proposals. They have been introducing such measures year after year with monotonous regularity. About the time I begin to feel the brains of the spenders have been picked dry, lo and behold, the hopper is filled with a batch of boldly imaginative and innovative schemes for scattering the hard-earned money of our constituents throughout the length and breadth of the land.

As I pointed out in remarks on Monday introducing Senate Joint Resolution 142 I took the oath as one of the Representatives from Nebraska on January 3, 1939. The budget for the fiscal year 1939, which ended 6 months later, was out of balance by $3,862,000,000 because receipts totaled $4,979,000,000 were exceeded by outlays that totaled $8,841,000,000.

Now, just compare those figures with statistics for the current period. According to the latest statistics just released, there will be a deficit of $14.4 billion for fiscal 1973 which just ended. This figure is somewhat lower than the $17.8 billion deficit I mentioned on Monday, but it is still substantial. And, as I noted then, this substantial deficit occurred in spite of the fact that receipts for 1973 will exceed expenditures for 1972.

A mid-session review of the budget, published June 1 by the Office of Management and Budget, projected a deficit of $2.7 billion for fiscal 1974. More recent statistics suggest the possibility of a balanced budget in fiscal 1974. This is, of course, encouraging, but it is still difficult to understand why we cannot achieve a surplus inasmuch as receipts in fiscal 1974 are expected to be $16.2 billion more than the expenditures for 1973.

[In billions of dollars]

Fiscal	Receipts	Outlays	Deficit
1972	208.6	231.9	23.2
1973 estimate	232.2	246.6	14.4
1974 estimate (as of June 1)	266.0	268.7	2.7
1974 estimate (as of July 27)	269.0	269.0	0

It appears to me that, with receipts increasing year after year, we should be able not only to balance the budget but to create surpluses that can be applied toward reduction of the national debt. We cannot balance the budget, let alone reduce the debt, unless and until we bring outlays under control. We have

made some progress, as the deficits have dropped, first from $23.2 billion to $14.4 billion, to $2.7 billion, with the possibility of a balanced budget for the first time in years. We would make even greater progress, however, if we did a better job of cutting spending.

While the figures I have given indicate surpluses will replace deficits if receipts continue to increase and the brakes are applied to outlays, the outlook for a return to fiscal responsibility is not very bright. The spenders will find plenty of ways to get rid of the money that comes in, no matter how large a sum the taxpayers produce. Not only will the spenders increase current authorizations and appropriations; they will find new ways of dissipating the hard-earned tax payments sent to the Nation's Capital by the millions of individual and corporate taxpayers.

Incidentally, the same taxpayers must supplement these tax payments with additional sums to State capitols and city halls in order to enable the State and local governments to match the money that flows out from Washington.

A preliminary study dealing with the cost of spending legislations introduced during the first 7 months of the 93d Congress, which has been prepared at my request, eloquently demonstrates that it will be all but impossible to achieve balanced budgets. Present indications are that the spenders will see to it that whatever billions our working population and our businesses and industries pay in taxes will be spent as soon as possible and that they will never be enough. This will mean deficit after deficit, more and more borrowing, higher and higher interest rates, more and more inflation, and higher and higher prices. When and where will it all end?

The study, which is by no means complete, includes over 360 measures which would, if all were enacted into law, call for the spending of a total of $697,393,906,000 during the next 4 fiscal years, as the following table shows:

APPENDIX A

[In thousands of dollars]

Department or agency	Fiscal— 1974	1975	1976	1977	4-year total
Department of Agriculture	495,238	462,288	392,288	397,288	1,747,102
Department of Commerce	3,708,957	395,844	324,970	70,100	4,499,871
Department of Defense (nondefense functions)	129,883	61,000	61,000	61,000	312,883
Department of Health, Education, and Welfare	24,516,952	80,970,962	125,239,408	119,730,848	350,458,170
Department of Housing and Urban Development	24,098,500	22,517,500	15,873,500	373,500	62,863,000
Department of the Interior	3,918,615	2,763,133	2,627,133	2,462,300	11,771,181
Department of Justice (and the judiciary)	3,287,750	3,056,250	4,095,775	3,814,481	14,254,256
Department of Labor	23,596,500	24,676,500	20,096,000	13,720,000	82,089,000
Department of State	81,500	25,000	25,000	25,000	156,500
Department of Transportation	11,239,900	7,240,000	5,184,000	4,705,000	28,368,900
Department of the Treasury	14,434,629	14,338,500	4,362,500	4,352,500	37,488,129
Civil Service Commission	5,000	5,000	5,000	5,000	20,000
Environmental Protection Agency	477,990	468,100	454,400	144,500	1,544,990
Federal Communications Commission	5,000	7,500	----------	----------	12,500
Federal Trade Commission	5,000	5,000	5,000	5,000	20,000
Interstate Commerce Commission	408,000	408,000	408,000	408,000	1,632,000
National Foundation on the Arts and the Humanities	161,000	280,000	400,000	----------	841,000
National Science Foundation	392,600	773,600	980,000	200,000	2,346,200
Small Business Administration	75,000	100,000	125,000	----------	300,000
Other agencies	46,530,438	20,031,081	21,053,987	9,052,718	96,668,224
Total	157,568,452	178,585,258	201,712,961	159,527,235	697,393,906

The figure for 1977 should probably be much higher, but considerable restraint was used during the compilation of these figures. Where bills stated that programs would be established for less than 4 years, projections for part or all of the remainder of the 4-year period were not made unless it was obvious that the programs would not stop once they were created.

For example, a program to provide tutorial services for homebound children authorizes $55,000,000 for fiscal 1974 and "such sums as may be necessary" for fiscals 1975 and 1976. Inasmuch as the bill calls for a 3-year program, $55,000,000 has been projected for each of the second and third years.

Let me mention another example, a bill which calls for the establishment and operation of national centers for spinal cord injuries. The measure calls for authorizations of $15,000,000, $25,000,000, and $30,000,000, respectively, for the first, second and third years of the program. Presumably there will still be victims of spinal cord injuries needing help during the fourth year, so an additional $30,000,000 has been projected.

Many bills use the phrase "such sums as may be necessary" or similar language, but no attempt was made to determine what sums would be necessary. Obviously a good many billions ought to be added to the total and it is hoped that the necessary data can be provided when supplements to the study are issued.

I should like to explain some of the difficulties a researcher encounters when he tries to attain meaningful comparability of pricetags for pending legislation. For one thing, there is a singular lack of consistency in the format of proposed legislation as regards the drafting of the spending authority.

While some bills include a specific dollar authorization for a specific fiscal year or years, other measures authorize specific appropriations but with no fiscal year limitations. Still other proposals contain only an authorization for "such sums as may be necessary to carry out the purposes of the act." This early in the Congress, estimates have not yet been made for many of the bills in the latter category. A further complicating factor is that some authorizations are 2 or 3 fiscal years, while others provide authorizations for 8 or 9 years and still others authorize a specific annual appropriation to continue year after year, ad infinitum.

Obviously, then, it becomes very difficult to obtain a single cost total. If a total for fiscal 1974 is tabulated, the real magnitude of expenditures anticipated in pending legislation is vastly diminished. If, on the other hand, a total is arrived at without regard to fiscal year limitations, it is less useful because expenditures are meaningful primarily in terms of the span of time in which they will occur. In addition, no such total can be developed with any precision since some bills authorize specific annual appropriations without specifying a cutoff date.

Certain guidelines were adopted to provide a meaningful framework in which to view the data. Cost totals were developed for each of the 4 fiscal years as well as an overall total. These totals include the projections which I discussed earlier.

The study includes a review of all bills and joint resolutions introduced in both Houses through July 24, about 12,500 measures.

Where the same or similar bills have been introduced in both bodies, or more than once in the same body, the authorization figures were included only once, using the highest funding level where variations in cost occurred.

Because the study covers only new programs or legislation vastly expanding or modifying the direction of existing ones, it excludes such important categories as the following:

First. Bills authorizing appropriations for the simple extension of existing programs.

Second. Bills relating to defense and military spending.

Third. Bills authorizing appropriations for established public works programs.

Fourth. Bills establishing repayable loan operations similar to the rural telephone bank.

Fifth. Bills providing income tax deductions, exclusions, credits, or incentives.

Sixth. Bills increasing benefits or modifying coverage under social security, veterans, civil service, and railroad retirement pension programs.

Seventh. Bills costing less than $1,000,000 for at least 1 of the 4 years.

Eighth. Bills where no specific dollar figures were included in the authorizing language and no cost estimates are yet available.

Against that framework, let us analyze a few of the study's results and implications.

The more than 360 measures included in the study represent proposed expenditures for fiscal 1974 of $157,568,452,000, which is 58.65 percent of the $268,665,000,000 budget for next year.

The Budget Outlook for 1975 and Beyond, which appears in The United States Budget in Brief, a publication of the Office of Management and Budget, indicates that outlays for fiscal 1975 will total at least $288,000,000,000. This is the figure that would result if restraint is exercised. If all the bills included in the study were enacted into law, they would add $178,585,258,000 to the fiscal 1975 total, an addition of 62.01 percent.

The granddaddy of all spending bills is the Health Security Act. While the Department of Health, Education, and Welfare has not yet estimated the cost of this proposal, it did make an estimate for the version of the legislation that was introduced in the 92d Congress. The current measure is, if anything, more liberal than its predecessor, for which reason I believe the HEW estimate of $100,200,000,000 for a full year would err on the side of conservatism when applied to the present bill. I have, however, used that figure.

Inasmuch as the benefits from the Health Security Act would not go into effect until the latter half of fiscal 1975, its costs do not show up in full in the study until fiscal 1976, with a 3-year total amounting to $250,500 million. Had the bill's provisions been in effect for the full 4-year term, covered by the study, the aggregate would have been $400,800 million for this one bill.

While we are on the subject of health, let me point out that during 1971, the last year for which figures are available, national health expenditures in this country totaled $75,011 million—$46,548 million private and $28,463 million public. In other words, the Health Security Act would cost more in 1 year than present national health spending.

Let us make some other statistical comparisons. In 1971, the assets of the commercial banks in our Nation totaled $646,300 million. Although this is an astronomical figure, it is considerably less than the $697,393,906,000 which the 360-odd bills included in my study would cost in 4 years.

Personal consumption expenditures during 1970 totaled $615,800 million, including the following items:

	Billions
Food	$114.0
Housing	91.2
Transportation	77.9
Clothing, shoes, etc	52.8
Medical care	47.3
Household furniture, equipment, and supplies	43.3
Recreation	39.0
Personal business	35.5
Electricity, gas, water, other fuels, ice, telephone, and telegraph	33.5
Alcoholic beverages	17.7
Tobacco	11.2
Private education and research	10.4
Personal care	10.1
Religious and welfare activities	8.8
Foreign travel and other, net	4.8
Domestic service	4.7
Jewelry and watches	4.0
Miscellaneous	9.6
Total	615.8

The above figures represent the market value of goods and services purchased by individuals and nonprofit institutions, and the value of food, clothing, housing, and financial services received by them as income in kind. They include the rental value of owner-occupied houses, but not purchases of dwellings.

If all of the 360-plus bills that I have referred to become law, the taxpayers, bond purchasers, and money lenders would have to come up with almost $700,000,000,000 during the next 4 years. This is a sum that absolutely staggers the imagination.

Unfortunately, it constitutes only part of the problem. Passage of such a package of bills or even a few of the more expensive ones, such as the Health Security Act, would accelerate inflation to the danger point. Inflation is a tax with no exemptions. It is exacted from everyone—young, old, and middle aged.

Accompanying the increased taxation and accelerated inflation would be more and more regimentation as the already swollen bureaucracy became even larger. Nearly every activity would be run or supervised by the Federal Government and the vastly increased number of bureaucrats would gain more and more power.

Not only would the bureaucrats wield more power, incidental to their ordinary activities, but they would also wield more and more political power as their numbers grew. Eight States already have more than 100,000 Federal civilian employees each, constituting an army of 1,260,000:

California	309,000
Illinois	110,000
Maryland	127,000
New York	179,000
Ohio	100,000
Pennsylvania	140,000
Texas	150,000
Virginia	145,000
Total	1,260,000

These States also have 212 of the 538 votes in the electoral college, thus constituting a potential balance of power in a presidential election.

Mr. President, we must call a halt to the wild spending, the increase of bureaucratic regimentation, and the concentration of political power that result from passage of more and more new governmental programs. We must end the long string of deficits that have brought about the inflation that now plagues us.

We can balance the budgets in the years ahead by simply holding the line on spending. The annual increases in receipts that are generated by our free enterprise system should not be frittered away by passage of a multitude of new proposals. Instead they should be applied to debt reduction and, hopefully toward a gradual lightening of the tax burden.

Mr. President, adoption of the resolution which I introduced on Monday will enable us to assure that future deficits will not add to the gigantic national debt we have already accumulated. As our growing economy permits us to reduce this debt, our economic health will improve and there will be more people able to meet their own needs out of their own incomes and less and less need for growing Federal bureaucracy. Sounds almost too good to be true? Perhaps, but let us try it. Maybe we will like it.

TRIBUTE TO WRIGHT PATMAN

Mr. BENTSEN. Mr. President, I take this time to commemorate our most senior Member of Congress and a dear friend of mine, Congressman WRIGHT PATMAN, as he approaches his 80th anniversary.

Congressman PATMAN was elected to the House of Representatives in 1928 and is now serving his 23d consecutive term—the dean of the Congress having served longer than any other current Member. During these many years of public service, Congressman PATMAN has captured the respect and admiration of many of the country's top leaders. A respect that has been fostered by an ever increasing sincerity and devotion to represent the people of the United States. That devotion finds Congressman PATMAN in his office at 7:30 in the morning ready to do the business of the country.

An important leader cannot afford to make a decision without fully considering its consequences, and Congressman PATMAN is a man who epitomizes this position. He is always well informed as to the makeup of any pertinent legislation. And once the Congressman decides on an issue, he will stick to it showing a consistency of cause that is truly refreshing. I have heard it said that—

Once Congressman PATMAN has committed himself to a particular piece of legislation you can bet he knows that legislation and will fight for it doggedly if he feels it will further the situation of the people.

As chairman of both the powerful Committee on Banking and Currency and Joint House-Senate Economic Committee, and vice chairman of the Joint House-Senate Committee on Defense Production, Congressman PATMAN has the ability to greatly influence the lives of all Americans. In fact, his all-persuasive influence has led the New York Times to remark that—

Patman is so frequently in the financial news that he often is the financial news.

But Congressman PATMAN bears this heavy responsibility admirably, taking the position that the job needs to be done for the people of the United States are entitled to nothing less than full representation.

We only need to look at the Congressman's legislative record to learn that he is not just a man of words—but action. He is author of the bill, which passed in 1936, to pay the veterans of World War I the remaining half of their adjusted compensation. He coauthored the Robinson-Patman Act of 1936, a key protection of small business.

He was cosponsor, in 1934, of the Federal Credit Union Act.

He sponsored all major amendments designed to upgrade Federal credit unions and was the author of the bill which created a National Credit Union Administration.

His legislative efforts have helped develop a credit union movement which today totals 23,000 credit unions with 26 million members and $20 billion in assets. Author of most major small business legislation which has passed Congress in the last two decades, Congressman PATMAN has been the sponsor of virtually all legislation dealing with banks, savings and loans institutions, and the general financial community which has passed the Congress in recent years.

This is only a small minority of the legislation that the Congressman has accomplished, and, to be sure, more vital legislation is to come in the future.

In addition to his legislative efforts, Congressman PATMAN has been a consistent champion of rural electrification and legislation benefiting the family farmer. Throughout his congressional career, he has been a fighter for plentiful credit on reasonable terms. He has consistently opposed high interest rates and tight money policies.

I have served with WRIGHT PATMAN in the House. I now serve with him as a member of the Joint Economic Committee which he chairs. My respect for him as a man and as a public servant has grown with our friendship.

All in all, I believe the late President Johnson sums up what we all know about Congressman WRIGHT PATMAN:

(Few) have served longer and with more experience than WRIGHT PATMAN. None has served better and few as well. He represents the best in America's conscience and heritage, but most of all he always votes, works and fights for what he believes is best for the folks.

U.S. VETO IN U.N. SECURITY COUNCIL

Mr. SCOTT of Pennsylvania. Mr. President, in the past, the United States has carefully and judiciously exercised its right to veto in the U.N. Security Council. Recently casting its fifth veto in 27 years, the United States rejected an anti-Israel resolution sponsored by Egypt and asserted itself in "defense of justice."

I ask unanimous consent that an editorial in the Philadelphia Inquirer strongly backing this U.S. position, be printed in the RECORD and I commend the Inquirer for its forthright stand.

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

A ONE-SIDED RESOLUTION VETOED

Casting its third veto this year, but only its fifth in the 27-year history of the United Nations, the United States had valid reasons to reject a one-sided anti-Israel resolution sponsored by Egypt. It was unfortunate, and hardly auspicious for peace prospects in the Middle East, that America stood alone in defense of justice for Israel among 15 Security Council members.

Perhaps an abstention would have sufficed, since Israel no doubt would have ignored the resolution anyway. But the Nixon Administration had a point to make and it was made forcefully by Ambassador John Scali, our chief spokesmen at the U.N.

The resolution deplored the continuing Israeli occupation of Arab territories seized during the Six-Day War in 1967 but, as Mr. Scali noted, made no mention of Israel's right to "secure and recognized boundaries" as provided by a U.N. resolution shortly after the war.

Return of occupied territories should be negotiable within the framework of a peace agreement—but it is unrealistic to expect Israel to abandon territories as a precondition to negotiations when neighboring Arab countries refuse to recognize Israel's right to exist within any boundaries and in fact threaten to drive the Israelis into the sea.

"Secure and recognized boundaries" for Israel, whatever those boundaries may be, is a crucial ingredient in any recipe for peace in the Middle East. The United Nations acknowledged as much in 1967. It should continue to do so.

CAPTIVE NATIONS WEEK

Mr. TAFT. Mr. President, on Monday of last week, Mayor Ralph J. Perk of Cleveland, Ohio, gave a very fine speech before members of military and veterans organizations in commemoration of Captive Nations Week. Since his remarks meaningfully express my feelings, I ask unanimous consent that they be printed in the RECORD.

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

REMARKS BY MAYOR RALPH J. PERK

Reverend clergy, ladies and gentlemen, members of military and veterans organizations, citizens of Cleveland, thank you for participating in this ceremony in commemoration of Captive Nations Week.

As you are aware, one of the most positive steps undertaken by the United States Congress to meet the Communist challenge to freedom was the adoption of the Captive Nations Resolution in 1959, which is known as Public Law 86-90.

The Congress of the United States issued a proclamation designating the third week in July as Captive Nations Week and invited the people of the United States to observe such a week with appropriate ceremonies.

We are assembled here this evening to reaffirm our support to this resolution and to demonstrate to the world that our will and determination to see the world free from oppression and foreign domination is as strong in 1973 as it was in 1959.

The leaders of the Soviet Russian empire have publicly declared that the Soviet objectives in the world have not altered one iota since the Bolshevik seizure of power in 1917.

The Kremlin reassures all of its Communist dictators that Soviet power will be used to promote all the so-called "national wars of liberation."

It is time now to put the whole problem of the Soviet's ideas of "national liberation wars" into true perspective.

Let us look into the past and learn, finally, a lesson from history.

In the last 55 years, the Russian Communist imperialism led to the subjugation of 40% of the world's population.

One-third of the world's land surface is in the hands of Communist dictators.

The tragedy of the free world is that these phenomenal successes have been achieved by Communists, not because of the superiority of their ideology, but primarily because we lack knowledge of their aims. We lack information. We lack foresight, and we have unwittingly given assistance to the same Soviet power. These victories were achieved by the Soviets because of our ignorance of communism's potential danger to our own Nation.

As the captive nations resolution suggest, our Nation is built on the free and creative energies of people drawn from every quarter of the globe. It is an unique historical experiment, plainly, the greatest experiment of mankind.

This Nation is a living revolution that moves the hearts and minds of freedom-loving rather than just peace-loving people everywhere.

Against this unique revolution which created the United States of America, the so-called Communist revolution is but a dressed-up phantom, shielding the most reactionary barbaric and imperialist forces of all time.

Our American society is not perfect. But by all evidence it is unquestionably one that has given so much, in so many ways, to so many, within a short span of the history of man.

An organization such as the American Nationalities Movement of Ohio is a vital force because it and its members believe in a free economic, political and personal life.

We believe individually and jointly that America's greatness is not necessarily its economic or military strengths, but rather in its historical dedication to liberty. This country has served as a symbol of hope and inspiration toward freedom for oppressed people now as in the past.

It is our duty to speak on behalf of the silent ones, on behalf of those whose future is in doubt in these changing times of shifting policies and adjustments in alignments.

There is a need now more than ever for America to be strong morally and in every way to be cognizant of its deep spiritual and historical ties to many people now captive and under yoke of communist oppression.

America today—now—must re-affirm its role of champion of the cause of the oppressed and enslaved peoples, those we call the Captive Nations.

We must take a positive stand in favor of demanding the withdrawal of Soviet troops from Central and Eastern Europe. For example, Romanian diplomats have urged that troop cuts by the Soviet Union be accompanied by assurances that the forces not be shifted elsewhere, into Hungary, which was not permitted to take part in the security talks in Helsinki, Finland even though its welfare was at stake in the talks.

If Soviet military power perils Hungary, it perils all nations and impedes the aspiration to freedom of all peoples.

Imperialistic and militaristic Soviet tactics must be vigorously denounced.

Soviet military occupation and oppression of smaller nations such as Czechoslovakia, and others, must be challenged. We must learn from the lessons of the past in order to better meet the dangers of the present and of the future. Unceasing persecution of intellectuals in countries like Lithuania, Croatia and Ukraine to name a few, does much to undercut confidence in the promise of a better future, regardless of the successes achieved in the field of international commerce.

In closing I wish to say—

We would proudly refer to the basic fact of our life—that our liberty is the product of the first successful revolution against colonialism. Our people, drawn from all nations of the world, have come to these shores in the search for freedom and the opportunity in a progressive society.

We can never forget our origins or the nature of the world we live in. This is one of the reasons that Americans must never forget the fate of those who lost liberty and would like to regain it. That is why Captive Nations Week is an important reminder.

RETIREMENT OF JIM BROWN

Mr. METCALF. Mr. President, last June 30th Jim Brown retired from Federal service. More than 80 years old Jim

must have been the oldest employee on the Hill. He started his Federal employment with the Forest Service and during the famous forest fire of 1910 he rode ahead of the flames and saved himself from the inferno by jumping off his horse and plunging into the Blackfoot River.

Born in the mining town of Philipsburg, Mont., on July 16, 1889, Jim was one of the early graduates of the University of Montana Law School in 1916. He practiced law for a time with the firm of Bickford and Murphy in Missoula and after World War I he came to Washington as an associate general counsel of the Bureau of War Risk Insurance. It was then he gained his sympathy for the concerns and problems of men in the military service, a concern that he held throughout his entire life.

He returned to Montana and became the manager of one of the largest stores in Missoula. It was in this capacity that I first met Jim when I was a student at the University of Montana. During the Depression he sold the store to a chain and returned to the law. He has worked for the National Labor Relations Board, for the Justice Department, for Civil Aeronautics Authority and again for the Justice Department.

He retired from Government 19 years ago but the retirement did not stick. Since March 1954, he has been employed as a legal assistant to the Senate Judiciary Committee, first on the Internal Security Subcommittee and until the first of July on the Immigration and Naturalization Subcommittee.

During recent years Jim Brown has begun to commit to paper some of his recollections of frontier days in Montana and Federal service spanning more than 60 years, interspersed with various stints of activities as a businessman in his native Missoula. His stories include reflections during his solo trips deep into the wilderness areas which he has continued to make each year despite the fact that he has long since been an octogenarian.

One of the great treats for many underprivileged children in the Washington area during the Christmas season has been this spry, white haired gentleman telling and reading his stories of life in the old days and his delightful comments on fellow human beings for whom Jim Brown has such deep and abiding love.

It is my hope that Jim Brown's retirement will provide him with time to set down his recollections and pass on to a younger generation the practical wisdom he has accumulated during a fascinating lifetime.

PROTECTION FOR U.S. TECHNOLOGY

Mr. TOWER. Mr. President, when the Export Administration Act of 1969 was originally being debated, I noted two potential problems with trade between the United States and Communist nations.

First, danger exists in selling high technology items to Communist countries, items which inherently have a strategic military value. Second, the Soviet Union has expressed a consistent interest in "turnkey" projects where knowhow is provided foreign nations who then operate a plant to produce a product.

I believe recent trade developments affecting integrated circuits and IC technology justify these concerns. One instance in which integrated circuit technology was provided to a Communist country, Poland, has occurred and it occurred even though the United States, with a simple "no" vote at the Coordinating Committee of the Consultative Group of Nations—CoCom—could have prevented it.

STRATEGIC IMPORTANCE OF INTEGRATED CIRCUITS

Electronics is a basic defense industry, just as steel and explosives are. Not a ship or a plane or a tank or a missile moves without electronics. Vast expenditures for research and development over the last two decades have enabled the United States to maintain a substantial lead in electronics over the Communist world. Moreover since the Soviet Union and Eastern Bloc have achieved parity with us in most of the other defense oriented technologies, electronics represents a "keystone technology" to them.

Given integrated circuit technology at low or virtually no cost, they can very soon draw abreast of or pass us militarily.

An integrated circuit is a tiny, rugged electronic device of which the active part is about the size of a pinhead that performs the same functions that dozens of large and fragile vacuum tubes used to perform. More important to military applications, integrated circuits perform these functions in a space far more limited, using far less power, and withstanding far greater extremes of temperature, shock, and vibration, than were ever possible with the older technologies. The integrated circuit helped offset the lead the Russians held with their large missile boosters in the early 1960's. The minuteman program, the Apollo guidance computer, and many classified military programs would all have been impossible without integrated circuit technology. And the capability of the MIRV—upon which we rely so heavily in the SALT I agreements on strategic offensive systems—is absolutely dependent upon integrated circuits.

WHY TECHNOLOGY IS THE KEY

Mass production of complex integrated circuits by the millions is relatively easy, once the hard-won secrets of technology are understood. Mr. Jack King of Texas Instruments who was awarded the Medal of Science by President Nixon for the invention of the integrated circuit, explains why:

All integrated circuit technology is based on an understanding of a few basic processes. The more one learns about these procedures, the easier it is to understand and build a whole spectrum of IC's, from the simplest to the most complex.

THE PROBLEM

We must be certain that any bilateral agreement with Communist countries protects our integrated circuit knowhow as well as other high technology knowhow.

The problem is made even more acute by the absence of the traditional protections. Usually, a company can protect its product technology through patents. If for example, our integrated circuit technology were protected by patents recognized by the Communist countries, they could not be produced within the Communist countries without appropriate payment to the American companies which developed the technology. These payments would fund further R. & D. which would improve existing integrated circuit technology in this country and develop new concepts. In short, the Communist countries would not be able to acquire American integrated circuit technology at the fraction of their cost to this country. They would instead be financing further American advances in the state of the art.

However, patent protection does not now exist because American companies have not made timely patent filings in Communist countries. This failure was not an oversight but rather the result of cooperation with our Government's policy during the so-called cold war.

As late as 1968, the Commerce Department was denying applications to sell transistors to Eastern Bloc nations on the grounds of national security. To have filed patents and thereby exposed the essential ingredients of integrated circuit technology to Communist nations would clearly have been against the national interest as expressed by our Government.

THE SOLUTION

Any bilateral agreement with a Communist country which allows the sale of high technology and its products must provide for commercial protection of the technology.

The only payment for technology is market share. If a one time payment for knowhow is substituted for the opportunity to sell to a market the supplier becomes a consultant instead of a manufacturer. Such a change in status would severely limit the benefits which a given technology can bestow upon our economy.

I do not presume to detail the manner in which our negotiators would provide protection for our technology. I simply wish to stress how important it is that this critical technology not be provided to Communist countries without payment adequate to protect our leadership position.

JAPAN'S COMPLEX SOCIETY

Mr. BROOKE. Mr. President, on my recent trip to Asia I had the opportunity to spend several days in Japan. While there, I was impressed by the vitality of that nation while at the same time intrigued by its multitude of contradictions. Today, in the New York Times, Richard Halloran has described Japan as both "self-confident and unsure." His excellent article cogently describes the contradictory nature of Japanese society.

Mr. Halloran outlines several fascinating characteristics of that country and its involvement in the world:

Japanese per capita income is fast approaching that of the United States. The average Japanese can afford almost all the luxuries enjoyed by his counterpart in America. On the other hand, housing in Japan is

insufficient "in extremes" for almost everyone.

Japan is an industrial giant yet its port facilities are woefully inadequate.

Japan's railroads are some of the most modern in the world, yet there is great dissatisfaction among their users because of crowded conditions on them.

The work week for the average Japanese is becoming shorter but there is little space for adequate recreation facilities to allow beneficial use of increased leisure time.

Japan has great political and social cohesion, yet experiences continuing incidences of political chaos and violence.

Internationally, Japan is recognized as an economic giant and one of the principal actors in the international system. Yet she has been unwilling to assume a high diplomatic profile in the world.

These aspects of its society and politics illustrate the complex nature of the Japanese nation and the position it finds itself in at present.

Few can argue against the crucial importance of U.S. relations with Japan. However, I am deeply troubled by the apparent lack of understanding that a viable relationship can be maintained with Japan only if we understand and adjust to the complex nature of Japanese society. I speak here of apparent administration disinterest evidenced by cutbacks in funding requests, for the various Asian study programs around the United States that have contributed so much to our understanding, not only of Japan but of the Far East in general. It is crucially important that these programs continue if we are to have a sophisticated source of information on the rapidly changing conditions in that part of the world.

I ask unanimous consent that the article by Mr. Richard Halloran, entitled "Japan at Once Self-Confident and Unsure as Nixon and Tanaka Go Into Talks," be printed in the RECORD.

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

JAPAN AT ONCE SELF-CONFIDENT AND UNSURE AS NIXON AND TANAKA GO INTO THEIR TALKS

(By Richard Halloran)

WASHINGTON, July 30.—The Japan symbolized by Premier Kakuei Tanaka as he prepares to meet with President Nixon tomorrow is a nation with more self-confidence than at any time since World War II—and a nation with little sense of direction.

The Japanese are more certain of themselves today because they have developed immense organizational, technical and financial skills; because they have acquired economic strength and affluence; because they have the political talents to run their country well and to exert considerable influence in Asia and on the world scene.

Yet they seem unsure about what to do with themselves and their power. Their leaders are unable to conjure up a cohesive vision of national objectives at home or abroad. They are unsure of how to use their strength to win the recognition of other nations to which politically articulate Japanese so clearly aspire.

Thus Japan in the summer of 1973 appears to the Western mind, as she almost always has, as a nation with a confusing personality.

It is a land in which incomes are fast approaching those of Americans and in which the days of cheap labor are gone. The average Japanese could easily own a color television set and all the other household appliances he wants or take a vacation trip to Hawaii.

UNDIGESTED ALIEN SYSTEM

At the same time he lives in cramped, almost squalid housing, breathes polluted air, rides over narrow, potholed roads and suffers from inflation even worse than that in America. His factories gleam but his ports are insufficient; his railroads run swiftly and on time but he is packed into them like a sardine; his work week is shortening but there is little space for him to find recreation.

Japan is a nation of political and social order. There is an internal discipline that keeps the crime rate of Tokyo about a tenth of that in New York. Political rights are respected and there is little threat of subversion from either right or left. The Government unquestionably enjoys the loyalty of the vast majority of the population of 105 million.

But the capital city reels quietly in political chaos. The Japanese, after a quarter of a century of their second try at parliamentary government, have yet to digest what is still an alien system. Moreover, the conservative ruling party, in power too long, is stagnant and unimaginative, and the increasingly strong Communist party threatens to rupture the consensus by which the nation is governed.

Perhaps the most noticeable force is nationalism. The Japanese openly express great pride in what they have accomplished since the devastation of the war, especially in their economy, and they are eager to have other nations accord them the prestige they believe they deserve.

A SELF-MADE MAN

On the other hand, the Japanese leaders are still unwilling to have their nation assert itself in the diplomatic sphere. They are unwilling to stand up and be counted on almost all issues, they are ever watchful of the way the wind is blowing and then shifting with it; they shy from bearing the political responsibilities of a major power.

Mr. Tanaka himself in many ways personifies the hopes and the disappointments of Japan. He came to power a year ago this month with great promise of vigorous leadership at home and an assertive policy abroad.

The Premier is built like a fire plug and has the energy of a team of sprinters. He is a self-made man, with few of the educational and family credentials of his predecessors. When he came to office, he was hailed as the first of a new breed of populist, professional politicians to become Premier.

His domestic plan was to remodel the Japanese archipelago, moving people and industries from the crowded Pacific seaboard to less-developed regions, to build up instead of out, and to restore some green living space to the people.

But his plan has never really gotten started, as Mr. Tanaka has been unable to muster the support of business and the bureaucracy and has been stopped by Opposition parties charging that the plan would only spread pollution and other social ills.

In foreign policy, Mr. Tanaka started off in a flash with a visit to Peking last fall during which he opened diplomatic relations between Japan and China. Since then, however, he has slipped back into the mold of many of his predecessors, watching and waiting and reacting, but not taking any initiatives.

Japan may not be so inexplicable as she seems, however. Her situation appears to be the consequence of three strong currents that sometimes run parallel but often cross one another.

NOW AN INWARD SEARCH

The first is the 105 years of burrowing, assimilating and rejecting things from the West. Though that confusing process continues it has largely been replaced by an introspective search into the national culture for ways to live in the modern world. The search, in turn, has produced many compromises, more in form than in substance.

Take marriage. A generation ago most marriages were arranged by parents, with little say for the prospective spouses. Today the majority of couples find each other—but do not marry without the consent of their parents.

The second current is the 28 years of reconstruction and economic expansion that have given Japan the third most powerful economy in the world and the lead in many industries such as shipbuilding.

The emphasis during those years has been on industrial production and exports. The consumer has been neglected, which accounts for many imbalances and for the growing demand that more attention be paid to the quality of life.

The third current has developed in the two years since the "Nixon shocks" of the summer of 1971 cut Japan loose from her moorings to the United States. President Nixon's abrupt shift in China policy, without consulting the Japanese, plus his sudden imposition of an import surtax and the floating of the dollar, told the Japanese that their dependence on the United States had come to an end.

ESTABLISHMENT UNPREPARED

That was undoubtedly inevitable, given nationalist desires for independence, but it came before the Establishment—the businessmen politicians and Government officials—were ready. As a result the nation is adrift, floundering almost rudderless on the international seas, and probably will be until its leaders are willing to grasp the helm and set a course.

The human resources of the Japanese are imposing. The most literate people in Asia and perhaps the world, they consume vast quantities of books, magazines and newspapers and have available a big output of television and radio programs.

Society is free of the racial tensions of America since the Japanese are ethnically unified. However, there is an outcast class, like India's untouchables, that they manage to keep hidden.

A work ethnic akin to that of Puritan New England remains strong throughout most of Japan. American officials and scholars have produced tomes trying to explain why the Japanese have done so well; it may be an oversimplification, but the fundamental reason is that they work like blazes.

The Japanese, some of their intellectuals say, are not a philosophical people, but are adept at organizing technical, human and financial resources—a people who get things done. Much of their technical skill a generation ago was imported; today it is mostly home-grown.

While much has been made of their cumbersome process of reaching decisions by consensus, long-time western observers have noted that the lapsed time from idea to execution is about the same in Japan as in the West.

As for international affairs, a basic reason for the inability or unwillingness—or both—to move to the front rank in world political affairs, despite all the personal and national self-confidence is political weakness at home.

Japan seems to have a Western-style parliamentary government, but under the surface is a fierce struggle to mesh that alien form with the substance of Japanese ways of doing things.

In the West decisions are made by majority vote, with minority rights respected. In Japan, where decisions are made by consensus, the majority cannot assert its will since that would be "tyranny of the majority" and would incur public wrath.

In the West a premier is head of government, an officer of considerable authority. In Japan the Premier is actually only first

among equals in the Cabinet, that body having collective responsibility for administration. Only an exceptionally strong and persuasive premier, experience has shown, can move things forward.

Moreover, the political parties, from right to left, are badly fragmented. The Liberal-Democratic party, which has governed since Japan regained independence in 1952, is split into five major and as many minor factions. It has shown a paucity of new ideas, new faces and new hopes in recent years.

On the left, the Japan Socialist party, which staged a comeback in the general election last December, is also split and lacks new and stimulating leadership. The vacuum has been filled by the Japan Communist party, probably the best organized, best-led and best-financed political force.

The two other parties have slipped in recent months, which may be the first step in eliminating the fragmentation and moving toward polarization.

The Democratic Socialist party lacks appeal except to a small group of labor leaders and moderate leftist intellectuals Komeito, or Clean Government party, the political arm of the Sok, Gakkai Buddhist sect, appears to have frightened off support with its aggressive ways.

REDUCTION IN RELIANCE

Like so much in Japan the attitude toward the United States is a mixture, part love and part hate, seasoned with a strong dash of practicality.

The Watergate affair has further weakened the credibility of the United States. Many Japanese wonder whether its day is past and whether the Americans are still capable of governing themselves.

That follows growing doubts about the United States' defense commitment to Japan. No thoughtful Japanese really believes that the United States will risk Chicago if Osaka is threatened with nuclear bombardment; many defense planners even worry about the American commitment in a conventional war.

The economic and trade issues, and especially the admittedly rough diplomatic style of the Nixon Administration in handling the Japanese in recent years, has reduced reliance on the United States.

On the other hand, many Japanese have expressed admiration for the American system and the way it has risen above Watergate. They have spoken appreciatively of the Congressional investigations and the role of the press—and a few have said wistfully that they wished the sort of thing would happen in their country.

On the defense issue, many Japanese complain about the presence of American bases, but they take a deep breath at the suggestion that the Yankees go home and leave Japan to defend herself—and to pay for it.

Similarly though many Japanese dislike the way the Nixon Administration has dealt with them on economic issues, the United States market takes about 30 per cent of Japan's exports each year and is the principal supplier of Japan's food imports and many other items. So, the Japanese reason, the best course is to patch things up and keep going.

That appears to be Mr. Tanaka's attitude as he approaches his meeting with Mr. Nixon. The premier, as he was when he and Mr. Nixon met in Hawaii last September, may be more independent in tone and style. But he has openly expressed the view that Japan, in her own interest, must stick with the United States.

TRIBUTE TO SPENCER M. SMITH, SR.

Mr. JACKSON. Mr. President, one of the outstanding conservation leaders of the Nation is Dr. Spencer M. Smith, Jr., the secretary for the Citizens' Committee on Natural Resources, which has its offices here in Washington, D.C. Dr. Smith's father recently passed away in Ottumwa, Iowa, and Dr. Smith subsequently wrote a letter to the editor of the Ottumwa Daily Courier expressing some thoughts about his father.

Mrs. Victoria Smith Barrett, of Painesville, Ohio, the daughter of Dr. Smith, forwarded me a clipping of the letter. In her accompanying letter, Mrs. Barrett beautifully evaluated the significance of her father's expression:

This article not only reflects the great love and respect he had for his father but offers an insight into the small town and its citizens which are the fabric of America. The optimism that more good men exist than bad men is a thought that not only my grandfather believed in but which my father has grown to believe in also. In these troubled times, I'm inclined to believe that there is something special in that belief.

At this point, Mr. President, I ask unanimous consent that this fine article from the Ottumwa Daily Courier of July 2, 1973, appear in the RECORD.

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

GOOD MEN MAKE GOOD TOWNS

Editor, the Courier:

Memories are strange—some elusive, while others are clear and undimmed by time.

I recall my father's often repeated comment regarding someone who had passed on, "A good man; the town will miss him." The person may have been an employe, farmer, businessman, civic leader—well, the list was long.

With the irreverence of youth I said, "Dad, do any bad people ever die?"

Ignoring the sarcasm and with customary patience, he replied that he was sure this happened, but, fortunately, it was more rare than we thought. He said, "Most people don't become president, discover electricity, or become heroes. They work hard, raise better kids than they think, and contribute to the community in many important if not dramatic ways. Therefore we are lucky that there are so many good ones."

As I view his reply in retrospect, our luck makes Ottumwa "a good town," and fortunately there are a lot of "Ottumwas" in the United States—because of good men.

Another "good man" passed away last Wednesday. He was Spencer Smith.

SPENCER M. SMITH, Jr.

PRACTICAL FOREIGN RELATIONS IN SPRINGFIELD, VT.

Mr. AIKEN. Mr. President, I would like to call the Senate's attention to a column that appeared in this morning's Washington Post.

Marquis Childs has recently spent time in Vermont and has reported on a very successful "foreign relations" activity involving the United States and the Soviet Union.

For the information of the Senate, a leading machine tool company in Springfield, Vt., has recently completed a $5.5 million contract to sell its machines to the Soviet Union for use in producing parts for a tractor plant in the Ukraine.

The negotiations were long and tedious, but fruitful. As a result not only have Vermont machine tool experts gained a better understanding of their counterparts in Russia, but the contract between the company and the Russians, referred to by Mr. Childs, has also provided employment and better living conditions for many people in Springfield and the neighboring towns up and down the Connecticut River Valley.

I am glad that Mark Childs was able to witness firsthand the ingenuity of Vermonters and their ability to help make this a better world to live in.

I commend to the Senate Marquis Childs' column entitled "Practical Foreign Relations in Springfield, Vt.," and ask that it be printed in the RECORD.

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

PRACTICAL FOREIGN RELATIONS IN SPRINGFIELD, VT.

(By Marquis Childs)

SPRINGFIELD, VT.—That slightly absurd term "foreign affairs" ordinarily connotes the corridors of power in world capitals and ministers of state flying off to summit meetings. Here in the green hills of Vermont is a working example of what foreign relations can mean when practical men come together for a common good.

Springfield has long been the center of a machine tool industry that does about 15 per cent of the nation's business in machine tools. The three principal companies have the kind of advanced technology that is one reason for America's great productivity. They now have contracts with the Soviet Union for tool-making machines that increases their total output and employment by a substantial margin.

For a reporter who spends a great deal of time interviewing solemn diplomats in the corridors of power, it is a welcome change to talk to men who, with their advanced technology, have forged a small but significant link with another world. They have discovered in going back and forth between Moscow and Springfield how different the two worlds are and, yet, how much they have in common in technology and the problems of production.

A delegation of Russian machine tool specialists visited Springfield two years ago after they had seen the products of the Jones and Lamson Company, a subsidiary of Textron, at a machine tool show in Chicago. That was the start of long and detailed negotiations that ended with a contract as thick as a good sized telephone book.

The principal machine the company is selling the Russians is, to one who knows next to nothing about machine tools, a marvel of advanced technology. A cylinder of unprocessed steel is put into it, buttons are pushed, and the operation is carried out by a tape previously programmed by computer. In a matter of minutes, as the tape ends, the crude steel has been transformed into a handsomely forged machine part complete with grooves for ball bearings. The product is accurate to one-thousandth of an inch.

The machines sold by Jones and Lamson will be installed in a tractor plant at Kharkov, in the Ukraine. They will turn out 72 pieces an hour. The cost of each machine is $165,000; the contract totals roughly $5.5 million.

What the Americans have learned about the Russians—and presumably the learning process has worked the other way, too—is almost as important as the end result. John L. Jensen, chief of engineering in the Jones and Lamson plant, has made 10 trips to Moscow to work out the deal. He found his opposite numbers very knowledgeable about machine tools, shrewd yet friendly. Once they had been convinced, by watching a demonstration in Springfield, of the machine's capability, they were ready to negotiate. The Russians wanted certain guarantees which the

company could not give, since when the machines were installed their operation was no longer under the control of the men who devised and produced them. Once this hurdle was over the deal moved forward rapidly.

In the different approach to production problems that Jensen observed, one was conspicuous. The Soviets wanted a complete plant layout so that machines would move the parts on the production floor from start to finish. No American company would make a similar investment, since the cost could not be justified by a saving in labor costs. Under the Soviet system, however, it is not the outright cost of, say, $100 a month for each worker but the social cost in housing, education, entertainment, etc., that the state provides the worker. The company replied that their best performance was in making a single machine, but if that was what Kharkov wanted, they would provide it. The contract specifies the complete operation.

This is a very small deal compared with some of the pie-in-the-sky deals for Soviet natural gas and oil trumpeted by high-powered promoters. But it is a demonstration of how people-to-people understanding can mean practical achievement. And to one escaping briefly from Washington, it is good to see men like Robert S. Jones, head of the company, who worked his way up from machine operator and who has been twice in Moscow, directing the kind of production that has made the nation strong.

Slowly understanding can grow. It can mean peaceful competitive co-existence, a phrase so often invoked. That is the reality rather than the loud rhetoric of the politicians.

MIDWEST AND NORTHEAST RAIL CRISIS

Mr. HARTKE. Mr. President, on Friday of last week, the Senate passed S. 2060, a bill which deals with the impending railroad crisis in the Midwest and Northeast. Some of the press reports of the floor debate which took place on that bill indicate that its impact was not fully understood in all respects.

A question was raised during the debate about the treatment of the previous $125 million loan to the Penn Central under S. 2060. In a colloquy with the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), I noted that a portion of the $210 million authorized by S. 2060 could be used to defray any hypothetical default on that loan to the Penn Central. In other words, if the Penn Central were to default on that loan—and there is no present indication that they will—the provisions of S. 2060 would make available up to $125 million to defray that default.

By our passage of S. 2060, however, the Senate did not offer to bail out the railroad on a default of a Government obligation. For every dime offered under S. 2060, there must be a paid-for contractual service. For example, if the Penn Central defaulted on $50 million of its loan, the Department of Transportation could pay the $50 million, but only by requiring the Penn Central to perform $50 million in services by Government contract for otherwise stranded shippers and rail passengers. That is the correct meaning of my statement, which appears on page S26292 of the RECORD:

Under the pending bill, that $125 million would be included in any service contract entered into with the Penn Central.

Mr. President, I thank my colleagues for affording me this opportunity to emphasize a point in last Friday's debate which has been overlooked.

THE 1973 WHEAT CROP

Mr. BELLMON. Mr. President, as a representative of one of the country's largest wheat producing States, I have been greatly concerned about the movement of the 1973 wheat crop during the heavy harvest season. For the last several months I have been in close contact with the principal railroads, to make certain that every reasonable effort was made to get the grain to storage with a minimum of loss.

This year, Oklahoma has harvested the largest wheat crop in its history. Due to the extraordinary efforts of the railroads and a high degree of cooperation between local shippers, trucking industry, and the railroads, it appears Oklahoma farmers had only a minimum amount of difficulty in moving the wheat.

Mr. President, many critical comments are made about railroads. The fact is that this country's transportation system has moved a record quantity of grain over the last 12 months. While there have been problems, the fact is that the job has been handled in an expeditious and effective manner. Speaking for the State of Oklahoma, I would like to publicly compliment and thank railroads and truckers who have moved Oklahoma's grain for the remarkably efficient job they have done under trying conditions.

Should foreign demand for American agriculture commodities remain high, the strain in the Nation's transportation will likely continue for some years. Congress, as well as the executive branch of Government needs to take note of the needs of these industries and give them the incentive and the support they need to expand services to meet this new and growing need.

Mr. President, I ask unanimous consent that letters from William J. Dixon, president of the Chicago, Rock Island and Pacific Railroad Co., and Mr. L. Cena, vice president, operation, of The Atchison, Topeka and Santa Fe Railway Co. be printed in the RECORD.

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

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD CO.,
Chicago, Ill., July 5, 1973.

Hon. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: While your letter of June 29 regarding the demand for grain cars in the Oklahoma, Kansas, and Texas wheat belt does not ask for a reply, I would like to tell you something about what we are doing and the circumstances contributing to this very abnormal year.

It is a fact that there are fewer cars available to the Southwest than would be the case in a normal year. We have some 1200 fewer covered hoppers in this area than last year. But there is a good reason for this.

Because of a late spring and so much rain, the farmers did not order fertilizer until long after they usually do. Thus many of our cars that would normally be free at this time to haul grain are still moving fertilizer. And because the fertilizer is still moving, the cars we would normally lease from fertilizer companies (their privately owned equipment) during the peak season are still being used by these companies for their own movements and are therefore not available to us. We obtained 500 cars from just one of these companies last year.

Another drain is occasioned by the continued demand for cars on the north end of our system. In normal years, the requirements for grain cars in Iowa and other northern states is very low at this time. I need not tell you that these states are continuing to offer grain and, of course, we cannot refuse them their fair share.

That is just a part of the difficulty. But we are trying to offset it. We are currently taking delivery of 500 additional covered hoppers and have used local truckers in substituted service to the greatest extent possible. Here are the figures of substitute trucks loaded in your area up to July 1st (1973 versus 1972):

1972	998
1973	4,480

This breaks down as follows:

	1972	1973
Oklahoma area	995	3,408
Amarillo area	3	818
Wichita area	0	141
Hutchinson area	0	113

The 700 open-top hoppers we had earlier from eastern lines were taken back and put in train movements of grain to go out through the East Coast ports. Now, however, we are starting to get some of these back. We will take as many as we can lay our hands on. They will be used in shorter hauls where opportunities for exposure are less.

Although our limited resources should possibly be used for other much needed work, I have just ordered a number of our heavy bad order covered hoppers restored to service.

I just want to assure you that on our side, we are really trying. It serves no purpose here to complain now of the fact that CCC could have moved its grain while we had cars stored but put it off until we were behind, or that incentive per diem has drained off huge sums we could have used to put cars in service.

I appreciate the opportunity your letter afforded for me to bring you up to date on our efforts to meet this year's extraordinary requirements.

Sincerely,

WILLIAM J. DIXON.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY CO.,
Chicago, Ill., July 12, 1973.

Senator HENRY BELLMON,
U.S. Senate, Committee on Agriculture and Forestry, Washington, D.C.

DEAR SENATOR BELLMON: This will acknowledge your letter of June 29, in regard to car supply for the winter wheat harvest and with particular reference to grain stored on the ground.

You are correct that I maintain close surveillance of wheat on the ground and, of course, am concerned that it has been necessary for Santa Fe shippers to place wheat on the ground for the first time in many years. Believe you are familiar with the circumstances that have created this situation this year but, if not, shall be glad to write you in greater detail.

Am particularly interested and concerned about your comment that the grain stored on the ground is suffering damage resulting in great losses and that a portion of the record wheat crop will be lost because of inability to move it in an orderly manner. I have heard such comments only from a particular area of the Oklahoma-Texas Panhandle. This is contrary to advice I have received from others to the effect that there

will be little or no damage if the wheat does not remain in the open for more than two or three weeks.

We are taking every possible means to supply the maximum number of cars for the wheat and are hopeful that we will have it all under cover by the latter part of this month, if not before.

Very truly yours,

L. CENA,
Vice President—Operations.

THE REAL TRANSPORTATION CRISIS

Mr. MONDALE. Mr. President, I would like to call the Senate's attention to an article which appeared in the July 4, 1973, issue of Construction News. This article, entitled "The Real Transportation Crisis," analyzes America's rural transportation system and points out the inadequacy of rural roads, rail lines and waterways to handle present and future traffic volume. With greatly expanded agricultural production this year and the administration's recently announced decision to bring an additional 19 million acres back into production in 1974, rural America is headed for a transportation crisis in attempting to move commodities over abandoned track, neglected roads and clogged waterways.

Urgent action is needed to prevent costly bottlenecks in the immediate months ahead, but we must also take long range steps to assure that our Nation is served by a fully adequate rural transportation system.

Last May I introduced a bill designed to alleviate the crisis in rail transportation by reversing the continuing abandonment of rural branch lines. This measure, S. 1749, would require a 5-year prior notification before the Interstate Commerce Commission could consider most abandonment requests, and it would also establish a program of loans and loan guarantees to assist local communities or nonprofit user groups to maintain rail service if an abandonment cannot be prevented.

As evidence of the need for action to upgrade not only rail, but all modes of transportation serving rural areas, I submit for the consideration of the Senate the July 4 article from Construction News.

Mr. President, I ask unanimous consent that the full text of the following article be printed in the RECORD.

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

THE REAL TRANSPORTATION CRISIS

Sandwiched between other national crises plaguing the U.S. is another potential debacle which until recently has been lost in the shuffle. And yet its reverse impact on the economy could, unless checked in time, be the most harmful of all our current and impending problems.

At a time when we are matter-of-factly producing space hardware to explore the moon and orbit the earth, the paradoxical truth is that this nation doesn't have adequate transportation wherewithal—rail, highway or waterway—to get its bulk farm commodities to the marketplace.

An immediate, housewife-documented consequence is higher food prices. Perhaps even more serious, in the long run, is our inability to efficiently move millions of tons of wheat, feed grains and soybeans to our ports for overseas shipment. This is crucial because agricultural exports offer the best and perhaps last hope for achieving a more favorable balance of trade and rejuvenating the U.S. dollar.

No one questions the capability of our farmers to raise the crops. And the government can and has put millions of set-aside acres back into production for the stated purpose of hiking agricultural exports from the present $8.1-billion annual level to as much as $18-billion by 1980. But, as long as our transport facilities remain in disrepair and disarray, this productive potential is at least partially academic.

Helping focus national attention on this problem was testimony submitted to the Congress last March by Associated Construction Publications Ray Metzger Jr., publisher of Construction News and Construction Digest editor Art Graham told the House Transportation Subcommittee that there is a direct and obvious link between skyrocketing food prices and (a) abandonment of thousands of miles of rail trackage serving rural areas and (b) hundreds of thousands of miles of deteriorating primary, secondary and farm-to-market roads suffering from 30 years of accumulated neglect.

Since then there has been a rapid-fire series of developments:

On April 5, Transportation Secretary Claude S. Brinegar announced establishment of a full-time DOT task force to deal with the freight car shortage. "Outside of the northeast," he explained, "the most serious railroad problem is the shortage of freight cars especially for grain loading. We are very much aware of the difficulties this poses for shippers trying to move grain to meet contractural commitments."

Concurrently, The Road Information Program (TRIP) launched a press media campaign to explain the impact of inadequate roads on the cost of transporting farm commodities and, ultimately, on retail food prices.

At the invitation of Gov. Dan Walker of Illinois, farm and transportation leaders from 12 states participated in a Mid-American Agricultural Rail Transportation Crises Conference at Chicago, April 9–10. "Farmers have been asked by the Nixon Administration to put millions of additional acres into grain production, but what good will this do if they can't get the grain they've already produced to market?" Walker asked, adding: "Poor movement of grain products has the same effect on food prices that limited supplies of red meat has on consumer prices."

Representatives of 17 states which account for about 85 per cent of the nation's wheat, soybean and feed grain production convened again in Chicago May 16–18 for a Midwest Grain Movement Conference co-sponsored by Illinois and Nebraska. This seminar resulted in a dozen-odd major resolutions demanding immediate, priority cause cure consideration of the grain shipment impasse. Governor Walker in turn submitted these recommendations to the National Governors' Conference at Lake Tahoe, Nev., June 3.

Meanwhile, on April 30, Sen. Hubert H. Humphrey (D-Minn.) introduced a joint resolution instructing the Secretary of Transportation to make "a full and complete investigation and study of farm-to-market roads, railroad beds and availability of operational rail lines serving rural areas in the U.S. for the purpose of determining the condition and adequacy of such roads and rail lines to carry the volume and weight of agricultural and other commodities from rural areas necessary for the nation's economy." A report on the findings of this study, together with DOT's recommendations for remedial action, would be submitted to the President and Congress not later than next December 31.

A week later, Minnesota's other Democratic senator, Walter F. Mondale, introduced legislation (S. 1749) to establish within the Department of Transportation a Rural Rail Transportation Administration with authority to make loans or loan guarantees to maintain and/or reestablish rail service for major agricultural areas. Explaining that in his state alone there will be 304 communities isolated from operational railroad facilities by 1980, and that a third of these cities and towns presently must rely on secondary roads restricted to less than 9-ton carrying capacity, Mondale said he was afraid that "many of our rural communities will be left to die" unless they are provided adequate transportation access. He also referred to the world demand for farm products as "the major hope of preventing a sharp deterioration in the U.S. balance of payments" which, he said, makes it "doubly critical not only to the agricultural community but also to the nation's overall economic future that we maintain rural rail lines."

Why this sudden furor? Essentilaly, what we have had for many years is an inevitable crisis waiting for a time to happen.

More than 46,000 miles of railroad trackage—principally those lines traversing sparsely populated rural regions—have been abandoned in the past 40 years. Railroads today are functioning with 30,000 fewer locomotives and 840,000 fewer cars than they had during their peak years in the 1930s. This loss equates to 13 mine line railroads, stretching from coast to coast, each located 100 miles apart and each having 2,300 locomotives and 64,000 cars.

When the nation launched its expanded roadbuilding program in 1956 the emphasis was, with justification, on the planned interstate expressway network and on modernization of heavily-traveled federal-aid primary routes. Although these two systems represent only 7 percent of our total highway mileage, they now carry 50 percent of all automobile and truck traffic.

As a result, however, much of the remaining 3.6-million miles of roads and streets have gotten only cursory attention. Except for routine minimal mintenance, most of the 2-million miles of non-federal-system rural roads have gone untouched and unimproved for 30 years or more. As an example, of the 373,000 highway bridges built before 1935, 343,000—almost 90 percent are on county secondary and other rural roads. And some 88,900 bridges, or one out of every six in the U.S., are now classified as "critically deficient."

These combined conditions provided the ingredients for what Governor Walker has referred to as the grain shipment "time bomb—one of the nation's major domestic problems that has been swept under the rug too long."

The fuse was three precipitating factors: a bumper grain crop in 1972, the sale in the past 12 months of more than 700 million bushels of wheat, feed grains and soybeans to Russia, and record floods which closed the Mississippi and Missouri rivers to barge traffic for weeks this spring.

"It is no wonder then that we find ourselves faced with great difficulties," Robert C. Liebenow, president of the Corn Refiners Assn., told the second Chicago conference in his keynote address. "Movement of grain and grain products so far in 1973 exceeds 1972 loadings by almost 50 percent. Total grain to be exported in fiscal 1973 is almost 75 million metric tons compared with 50 million metric tons in fiscal '72. And this massive increase in demand for transportation came on the heels of a peak year in 1972.

"Implications of the present railroad car shortage extend beyond the plight of shippers," he added. "Shortages of transportation inevitably will result in price list dislocations in various markets. Thus, we face a price impact on food products at a very time when this nation is engaged in

serious efforts to moderate food price increases to the ultimate consumer."

Liebenow, who is a former president of the Chicago Board of Trade called on the government to "openly assume responsibility of dealing with this problem because after all, it bears direct responsibility for the crisis situation because of the Russian grain sales."

Acknowledging that the accumulated "structural problem" impeding the flow of farm commodities will require fundamentally new policies and long-range legislation, Liebenow went ahead to emphasize that "I don't believe this country can await the resolution of this underlying problem. Legislation of this kind cannot come quickly enough. More immediate action is required."

His recommendation was that the President promptly commission an inter-agency study, under auspices of the Cost of Living Council, to determine what steps can be taken that would promise quick relief to the American consumer. This commission would examine and report on such questions as:

Could a more liberal admixture of trucking and rail transportation provide significant short-term relief?

Can the government perhaps including the Defense Department ease its claim to an inadequate supply of freight cars?

Could the government profitably use emergency authority to coordinate truck, rail, and shipping transportation?

Should emergency legislation be sought on a temporary basis, leaving open the question of appropriate long-range solutions?

Later, the conference approved a somewhat parallel resolution drafted by Metzger and Graham which calls on the National Governors' Conference to take the initiative in formation of an ad hoc committee to deal with the problem.

Serving on the committee would be appointees from the Midwest Grain Movement and Governors' conferences, chairmen of the Senate and House public works and transportation committees and representatives from the Departments of Transportation and Agriculture.

"Much of the specific data on abandoned and inadequate rail facilities and substandard roads and bridges has already been compiled," Metzger said, "and the impact of this transportation bottleneck on grain movement and food prices has been confirmed.

"It would be the responsibility of the committee to evaluate this information, pinpoint the best and most practical short- and long-range solutions to the problem, and then to make recommendations and draft legislation to help overcome these transportation inadequacies."

Although the overall financial position of the nation's railroads seriously impairs their capability to make capital investments in new rolling stock and improvement of facilities, it would be unfair to imply that there hasn't been a major effort by most companies during the past decade to cope with increased carloading demands, not only for grain but for lumber, aggregates, automobiles and other bulk commodities and manufactured products.

As was pointed out by representatives of the Assn. of American Railroads during the grain movement conference, U.S. railroads established an all-time record of 778-billion ton-miles of freight service in 1972, an increase of 5.2 per cent over the previous year. And grain car loadings—including those for both domestic and export shipments averaged 32,660 per week for the first 10 weeks of this year, an increase of nearly 44 per cent over the corresponding period in 1972. This was accomplished despite the fact that there were 40,000 fewer freight cars in service last year than in 1969, when the previous all-time rail traffic record was set.

Since 1960, when virtually all rail grain shipment was in boxcars, railroads have been adding an average of about 11,000 covered hopper cars to their fleets annually. They and private shippers now operate 190,000 of these large hopper cars, and another 5,000 were on order as of last March 1.

It is generally true that, as a group, railroads still rank well down the list in terms of management, operational and labor efficiency. But gains also are being made in this area. A special AAR task force already is well along in a design study for a greatly expanded computerized freight car information program, while improvements are still being made in the basic system now in use. And various individual railroads are continuing to develop new and highly sophisticated computer programs within their own systems.

These stubborn facts remain, however: (a) railroads still do not have sufficient rolling stock to handle loading volume requirements, and existing fleets are not being utilized with maximum efficiency; (b) thousands of miles of rural area rail trackage are no longer in use, and more abandonments are in the offing, and (c) as much as half of the roadbed mileage still in service is inadequate and unsafe for today's 100-ton hopper car loadings.

Without a sustained, multi-billion dollar infusion of funds for new rolling stock and for needed improvement of roadbeds and other physical facilities. U.S. railroads will be extremely hard pressed to meet mounting demands for movement of grain and other basic commodities in the immediate future, let alone handle their subsequent burden of an overall national freight load which, according to DOT predictions, will double by 1985.

As was repeatedly emphasized at the two grain movement seminars, this situation also mandates immediate attention to the other modes of transportation, i.e. rural and farm-to-market roads and inland waterways.

Although over-the-road shipment of heavy bulk farm commodities for distances of more than 50 miles has, in the past, been considered prohibitively expensive, many rail-isolated farmers and suppliers are now left with no alternative. In Illinois alone, because of the lack of railroad lines and/or cars, truck hauling of grain increased by nearly 19-million bushels in 1972.

This extended truck-hauling trend will continue to accelerate. And, even within the prescribed 50-mile radius, the movement of grain to elevators and the equally important transporting of fertilizer, feed grain and heavy equipment to farmers is being choked off or made much more expensive by horse-and-buggy secondary roads and dilapidated, unsafe bridges.

It was this fact which prompted Rep. William H. Harsha (R-Ohio) to comment, during recent floor debate on the Federal-Aid Highway Act of 1973, that actual and proposed abandonment of thousands of miles of rail trackage is putting "an inordinate burden on our already overburdened highway system and leaves highways—many of them inadequate—as the sole source and method of moving goods and services in and out of many of our rural communities." Harsha went ahead to point out that this is a significant factor in steadily rising food prices.

Overdue improvements and expansion of the nation's waterways system have been almost equally slow in coming. Commercially navigable inland channels were extended by a scant 290 miles, or only slightly more than 1 per cent, in the 1960–70 decade, and stop-and-go funding of Army Corps of Engineers programs has stalled dozens of needed lock and dam and navigation projects.

A case in point is the old Lock & Dam 26 on the Mississippi River at Alton, Ill. The 41-million tons design capacity of these locks was reached and passed five years ago, and barge tow delays of as much as 18 hours are not uncommon.

There is no practical alternative route for these barges and, in addition to the present delay-loss to shippers and consumers of millions of dollars a year, there exists the possibility of structural failure which would immediately deprive all cities on the upper Mississippi and Illinois rivers of through-barge transportation.

Testifying before Congressional appropriations committees in mid-May, James B. Meanor Jr., manager of the Metropolitan St. Louis Chamber of Commerce transportation department, warned that "with the railroad car shortage becoming even more serious, loss of barge service to and from the upper midwest area would result in extremely serious conditions for its people and industry.

"In this connection, grain exports, much of which move south by barge, are extremely important to improving our balance of trade deficit," he added.

Meanor urged quick release of funds for replacement of Lock & Dam 26, explaining that, even if construction were to start immediately, the new facility would not be fully operational for another seven or eight years.

Sen. R. Vance Hartke, chairman of Senate's Surface Transportation Subcommittee, sums up the total picture in this manner: "The situation, simply put, is that our needs for fast, safe and efficient ways to move people and goods are far in excess of the capacity of available systems.

"Our rail system is in disrepair. The waterways are nowhere near their full potential as useful carriers. And, despite tremendous strides made in recent years, many of our roads and streets are still either unsafe or inadequate for the traffic volumes they are required to handle."

A number of other influential Congressional leaders are now speaking out on this problem and the enigma of more and more bypassed and isolated "ghost towers" in the hinterlands contrasting sharply with people-packed transport-jammed urban areas.

"Our population distribution today is badly unbalanced, with 80 per cent of all Americans living on 5 per cent of the nation's land area," explains Rep. John A. Blatnik (D-Minn.), chairman of the House Public Works Committee. "Half of all our people live on the perimeter of the mainland within 50 miles of the Atlantic, Pacific, the Gulf of Mexico or the Great Lakes.

"We can and we must reverse this flow, and in so doing we can do much to reduce the population pressures that are at the root of today's urban congestion," he stated, adding: "One way to get people back to countryside America is through the development of adequate highways that will encourage industry to locate in rural and small town areas.

"In our concern over the undeniable transportation crisis of our cities," Blatnik concluded, "we cannot afford to overlook or minimize the vital transportation needs of rural America."

Rep. Don Clausen (R-Calif.) echoed the same logic when he said that "if there is ever going to be a change in the quality of life in America, it's going to be brought about as a result of creating either new economic growth centers or revitalizing and diversifying some of the more sparsely populated areas in the U.S.

"If we are going to reverse or slow this outmigration from our rural sections, and if we're going to stop the stacking of people on top of one another in the big cities, then we must stop giving total consideration to allocating funds where the population is without giving some consideration to where the population can be," Clausen pointed out.

The grain shipment impasse is, obviously just one important symptom of a number of

interlocking problems from which the only key is a carefully conceived, adequately financed and quickly implemented national transportation plan.

SBA—20 YEARS OLD AND STILL GROWING

Mr. JAVITS. Mr. President, since 1953, when the Small Business Administration was established by a concerned Congress, the Agency has recognized the importance of keeping the small business community alive and thriving.

The essence of the American economic system of free enterprise is open competition and the establishment of SBA 20 years ago by the Eisenhower Administration was due recognition of the primary role small business plays in our economic system.

For nearly two decades, the Agency has sought to fill the major needs of the Nation's more than 8 million small businesses. This period has opened a dramatic surge of individual initiative in a competitive atmosphere where small businesses is such a dynamic force in our economy.

SBA has provided small firms financial assistance through loans and long-term equity financing, help in obtaining Government prime and subcontracts; and management and technical advice and counseling. The Agency also helps victims of disasters, and in a substantial way, broadens opportunities for individual imagination, initiative and enterprise.

The Agency places increased emphasis on identifying and analyzing small business problems, and has coordinated the combined efforts of public and private sectors to fulfill their needs.

SBA's role continues to be one of leadership in stimulating and coordinating all possible sources of assistance needed to develop new concerns and strengthen the competitive position of these already in existence.

Although the SBA originally was established as a temporary agency with a 2-year life span, the Congress in 1958 made it a permanent fixture in the Federal establishment. The wisdom of that decision is clearly evident in the Agency's record of performance and in the growth and strength of small business.

I want to recognize officially the SBA's 20th anniversay year and to commend its dedicated employees and Administrator Tom Kleppe through whose efforts the small business community is helped to continue to be such a vital force in our national economy.

SPANISH-SPEAKING CITIZENS IGNORED

Mr. KENNEDY. Mr. President, the first annual report of the HEW Advisory Committee for the Education of the Spanish-Speaking and Mexican Americans, catalogs the past failures of this administration.

The report notes the continued high dropout rate among Spanish-speaking high school students, while the requests for bilingual education funds have been held at a totally inadequate level, less than the authorized level of $135 million.

In addition, the committee, which was appointed by President Nixon, states that 10 of the 16 points in the 16-point equal employment plan announced by President Nixon on November 5, 1970, have not been implemented. The failure to fulfill the promise of equal opportunity in the Federal Government cannot be allowed to continue. The Federal Government must be the leader in the effort to assure an equal employment opportunity to all Americans.

I believe the recommendations of the advisory committee represent steps which should have been taken long ago and I urge their consideration by my colleagues.

Mr. President, I ask unanimous consent that the summary of the findings of the Advisory Committee and its recommendations be printed in the RECORD.

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

RECOMMENDATIONS

IV. SUMMARY OF FINDINGS

1. The Committee has found the following situations to be in demand of immediate action for remediation or elimination as the case may be:

a. The drop-out rate among Spanish Speaking high school students is among the highest.

b. Curriculum has not been developed specifically to meet the needs of Spanish Speaking children to any noticeable degree in programs especially as related to early childhood development, counseling and guidance programs, psychological services and guidance training.

c. Not enough teachers have been trained to work with Spanish Speaking children or parents.

2. The President's 16 Point Plan is not being implemented insofar as it is failing to comply with numbers 2, 3, 4, 5, 7, 8, 9, 13, 14, 15, which read:

"2. Begin an intensified drive to recruit Spanish surnamed persons, particularly for identified public contact positions, in areas of heavy Spanish Speaking population, including the Southwestern states and in Chicago, Detroit, and New York, and certain other major metropolitan areas."

"3. Use specialized recruitment teams, to include Spanish Speaking persons, for college recruitment, particularly at colleges with heavy Spanish Speaking enrollments."

"4. Begin work immediately with OEO, DHEW, HUD, Labor to find ways to enhance opportunities at all levels for Spanish surnamed Americans in programs dealing with the Spanish Speaking population as well as in other programs and in key occupations."

"5. Step up recruitment for Cooperative Education Program at colleges with significant numbers of Spanish Speaking students to permit entry from FSEE registers without necessity of written examination."

"7. Hold an EEO conference of Federal managers and equal opportunity officials in the Southwest designed to assure equal opportunity for Spanish Speaking Americans."

"8. Develop plans for Federal agencies under CSC area office leadership to work with high schools in Spanish Speaking areas to make known job opportunities in the Federal Government and to counsel and to encourage students to stay in school."

"9. Hire for summer employment in Federal agencies high school and college teachers from schools serving Spanish Speaking students to give them understanding of the Federal Government which they can relate to students."

"13. Provide additional training programs on EEO and personnel management for Federal managers in areas of Spanish Speaking population."

"14. With the Department of Labor, explore the feasibility of establishing an Intergovernmental Training Facility for upward mobility and skills training for Federal, state, and local careers in the Southwest, probably in San Antonio."

"15. Collect necessary data and broaden analysis of minority statistics to bring out special information relating to employment and upward mobility of Spanish surnamed persons in the Federal Government."

3. The same failure in appropriately designed courses of study that meet the needs of the Spanish Speaking is found at institutions of higher learning.

4. Insufficient official support and inadequate funding of programs in bilingual bicultural education as evidenced by recent reduction in the various discretionary appropriations. A recent letter to Senator Fannin of Arizona from the Office of the Secretary, DHEW, contained the following paragraph which substantiates the importance of the bilingual bicultural programs:

"Our view that the Bilingual Program better meets the needs of the Spanish Speaking rests in our belief that non-English speaking children need to be instructed in their native language to insure that concepts are learned while at the same time providing English as a second language instruction to enable them to learn through that language as well. Additionally, the utilization of both languages as mediums of instruction provides the children the opportunity to develop pride in the culture that each language represents, thus creating a better learning situation. Since the Bilingual Program focuses on the primary grades it insures that children, through proper educational programs, remain in school rather than waiting until they have dropped-out and then providing them with a remedial program."

5. Significant low reading scores among the Spanish Speaking represent a serious obstacle in the academic achievement for these children.

6. Career education and long range planning for further study have fallen very short of meeting the needs of the Spanish Speaking in public schools. Inadequate vocational and academic counseling and planning have kept Spanish Speaking students uninformed about their occupational and academic possibilities.

7. Many Spanish Speaking high school graduates are either denied college entrance or failed during their freshman year because of their low academic standing due to inappropriately designed secondary education.

8. The cost of a college education, both public and private, has soared to an inacessible degree for the majority of Spanish Speaking candidates. Varied financial aid plans i.e., Federal Grants, work study and loans are so limited that too many eligible students are forced to drop out before the end of the school year.

9. Many local school authorities are uninformed about the needs of bilingual bicultural education in their areas at all levels.

10. Widely diverging practices in the education, accreditation and certification of Spanish Speaking students and professionals who have "foreign degrees", from Latin American secondary schools and universities demand the establishment of valid guidelines to be followed by colleges, universities and state departments of education. While some states and institutions grant credit at a Master's degree level to Doctor of Education degrees from Latin American universities, still others require a minimum of 21–24 "convalidating" *undergraduate* credits for certification at a bachelor's degree level and even then do not allow Latin Doctors of Education thus certified, to teach at the university. For instance, a full master's degree program of 30–36 credit hours is required of Cuban

professionals in Florida, without any waiver in consideration of number of university degrees or of professorships held or experience had in teaching at the university level in their own country.

A case in point also is the so called Hardin Report. A careful study of Dr. Hardin's *evaluating Cuban Education,* School of Education, University of Miami, which was done under a grant from the USOE in the early sixties seriously misconstrues Cuban university degrees and credits. In an effort to equate them to American college studies and university courses, and to make them conform to the American college credit system, the very nature and content of the courses is ignored and the individual's rights are grossly denied. An example of this is Dr. Hardin's evaluation of the *Professor of Languages* degree in which only 81 credit hours are recognized when in fact all students are required to finish a total of 120 hours before being accepted as candidates for graduation.

Similar instances of improper evaluation and accreditation of foreign degrees can be found in all areas.

Migrant children are not being adequately served due to insufficient number of programs available in their respective areas. In places where programs existed they do not last long enough to accomplish their goal even halfway. Most Head Start Migrant programs last only six weeks.

V. RECOMMENDATIONS

The right of every child to an equal education is the fundamental law of the land. However, the existence of inequitable school facilities or a differentiated curriculum poses serious strains upon the Constitution and laws of the United States under the "equal protection" and the procedural "due process clause"; as well as the Civil Rights Act of 1964 (42 U.S.C. 2000d, 2000d1) The denial of said Constitutional guarantees is tantamount to the denial of justice. The discriminatory practice of administering with design by the inequitable distribution of public moneys a school system that fails to provide for the full development of the Spanish Speaking child's innate potential because of a different language and culture, which inevitably results in lower IQ tests, is a violation of the aforementioned constitutional rights and privileges. Hence, the Advisory Committee on the Education of the Spanish and Mexican Americans submits the following recommendations which correspond with findings previously listed.

1. (a) That programs in bilingual bicultural education in both Spanish and English be established in every school whose Spanish Speaking membership is 20% or higher, of its total school enrollment. Minimally, in those schools where there is a sufficient number of Spanish Speaking students at any level a warrant group instruction in basic skills, instruction in Spanish Language Arts & Culture must be provided, along with English as a second language. Optimally, a program in bilingual bicultural education should be designed for both Spanish Speaking children and native English Speaking children and include instruction in both Spanish and English in all curriculum areas. Efforts should be made to provide instruction in Spanish as a second language to native English Speaking children so that they may interact in Spanish with Spanish Speaking peers as early as possible. It is the opinion of this Committee that education for the Spanish Speaking be designed, not only to enable them to move quickly and efficiently into the American mainstream, but also to retain their Spanish language and those attributes of their hispanic culture which have contributed so much to the culture of America. It is through bilingual bicultural programs that this goal is best achieved, without damage to the self-image of the Spanish Speaking child enrolled in an American school. It will then be possible to eliminate the high drop-out rate among Spanish speaking high school students, to meet the special academic needs of all Spanish-Speaking students and to provide programs in vocational education, community participation, psychological and guidance services and curriculum counseling that will enable all Spanish Speaking children to achieve their full potential within American education systems.

(b) That an essential component of any program in bilingual bicultural education must of necessity include the training of teachers to work with both Spanish and English speaking children in both languages.

(c) An effort needs to be made to encourage local school authorities in areas of high concentration of Spanish Speaking to explore the actual needs of this population. Dissemination of information pertinent to bilingual bicultural education needs to be more systematically carried on by DHEW.

2. That the Office of Education enforce and fully comply with the entire President's 16 Point Program and make available a progress report of all pertinent information on what is being done to employ more Spanish Speaking.

3. According to the President's concern, more programs for the Spanish Speaking that utilize technological innovation and that lead to career education need to be stimulated.

4. That a study be made on the teaching of beginning reading to Spanish Speaking children so that its findings may be attached to all guidelines for submitting proposals relative to educational programs designed for such children at the elementary level. The advantages of beginning reading instruction in Spanish, with reinforcement in English, need to be established through experimentation.

In the meantime, the acquisition of reading, especially of decoding skills, in English, should not depend on "Look and Say" or "sight" approaches, such as commonly used by basal developmental reading series, commonly used in American Schools. A linguistic approach to reading based on the alphabetic principle and sound symbol correspondences would do away with the interferences that Spanish Speaking children generally have to cope with in learning to read in a language (English) whose spelling system is so different from theirs.

5. That transitional or "Zero Year" college programs be provided to enable high school graduates who have academic deficiencies to cope with standard freshman courses.

6. That "night" and "week-end" two-year mobile college programs be provided to enable migrants to work toward attaining a college degree while earning a living.

7. That financial aid programs, i.e., The Educational Opportunity Grants Program, The National Direct Student Loan Program, College Work-Study Program, be substantially increased in accordance with the increasing cost of a college education.

8. That programs that waive "Test Scores and Grade Point Averages" to admit Spanish Speaking students to graduate and professional schools be increased. (The Universities of Stanford and Michigan have such programs).

9. That a conscientious indepth comparative study of Latin American and North American educational systems be made by recognized, well informed authorities in their respective areas so that "advisory interpretations or opinions" issued upon request by the Institute of International Studies may be accurately based and non-damaging to Spanish Speaking students and/or professionals seeking recognition of their academic or professional status in this country.

The degrading practice of forcing professionals holding Latin American university degrees to go through various "re-training programs" that either duplicate already acquired experiences or provide "academic" content of absolutely no value in the practice of the profession must be made to cease in all sections of the country.

State certification practices in regard to graduates from institutions in Spanish Speaking countries must be made to conform to validly established guidelines, rather than to the personal appraisal of state department of education officials.

10. That statistics on Spanish Speaking be kept in all programs and systematically disseminated to all school systems and interested agencies and groups.

11. That information regarding grants awarded to private companies for the development of educational materials for Spanish Speakers be disseminated to all school systems and interested agencies and groups.

12. That specific amounts of discretionary funds be made available for continuance of programs in greatest needs affecting the Spanish Speaking.

13. That migrant children be guaranteed educational continuity specially in relation to early childhood programs.

14. That the Advisory Committee become known as the National Advisory Committee on the Education of the Spanish Speaking and as such, be made a permanent Statutory Presidential Committee. Its members should become advisors to all divisions of USOE concerned with the Education of the Spanish Speaking throughout the nation.

A TRAGEDY AT LOGAN INTERNATIONAL AIRPORT

Mr. BROOKE. Mr. President, this morning, while approaching Logan Airport's runway, No. 4, Delta Airline flight No. 723 crashed into a retaining wall.

The DC–9 out of Burlington, Vt., via Manchester, N.H., flipped over and instantly burst into flames. At this moment the fate of the 83 passengers and 5 crewmembers is not certain. However, reports from the scene indicate there will be few survivors.

The people of Boston are stunned by this tragedy. Our city has been spared similar tragedies in recent years and the pain is particularly great. Our resources are mobilized to do all we can to heal the survivors and search for and identify the victims and help their families.

There is no solace to be found in such suffering. The immense loss of life is staggering and grief spreads far across the land.

It may be some time before we learn what caused this frightful crash. According to the flight recorder, the crash occurred at 11:09 a.m. Yet, so much happened before and after this moment. For too many the tragedy will long endure.

From here in Washington all we can offer is prayer and our determination to do all we can to prevent further air tragedies. To those brave men and women at Logan Airport and in the hospitals throughout Boston, a word of thanks is due for a valiant and noble effort on behalf of their fellow man.

COURT DECIDES ON BEHAVIOR MODIFICATION

Mr. ERVIN. Mr. President, behavior modification has been coming to congressional attention more and more often both through the news media and in letters from American citizens, because of

its extreme potential for encroachment upon individual rights. Certainly there could be no more offensive violation of a person's privacy than a manipulation of his relationship to the world around him. There could be no greater abuse of one's freedom of thought than to alter the very manner of his thinking.

In my statement to the Health Subcommittee during their hearings on human experimentation in March 1973, I discussed the matter of behavior modification in our prisons and mental institutions. At that time, there had been no definitive court case having to do with this practice. On July 10, 1973, the Wayne County Circuit Court, in the State of Michigan handed down such a case. Since John Doe against Department of Mental Health for the State of Michigan is the first of what is likely to be a series of decisions relating to the alteration of behavior and individual rights, it is worthy of discussion in the RECORD for the information of Senators and American citizens.

The plaintiff was committed to the Ionia State Hospital as a "criminal sexual psychopath." He had been charged with the murder and subsequent rape of a student nurse at the Kalamazoo State Hospital while he was confined there as a mental patient. After his arrival at Ionia, he agreed to participate in a "study for the treatment of uncontrollable aggression." The study had been proposed by Drs. Ernst Rodin and Jacques Gottlieb of the Lafayette Clinic, a facility of the Michigan Department of Mental Health.

John Doe against Department of Mental Health turned on the issue of whether informed consent can be given by an involuntarily detained mental patient for experimental psychosurgery. The court first noted three elements of informed consent: the person must have the capacity to consent, the consent must be knowing, and it must be voluntary. Because the risks of experimental psychosurgery are so great, the court decided that it is not possible to gain consent from an involuntarily confined mental patient, for it could not be competent, knowing, and voluntary.

The court found that the capacity of an individual in the plaintiff's situation is reduced by his mental condition, the deprivation stemming from involuntary confinement, and from the effects of "institutionalization." A knowledgeable consent, said the court, is "literally impossible," since the facts surrounding any brain surgery are so uncertain. Also, the court stated that the consent of a mental patient confined against his will to experimental psychosurgery cannot be voluntary, for he lives in an environment that is inherently coercive. His privileges, indeed, his release from the institution may depend upon his willingness to cooperate with the authorities; he cannot reason as an equal with doctors and with administrators over whether he should undergo psychosurgery. The court concluded, then, that the three basic elements of informed consent could not be determined with sufficient certainty to warrant resort to such an "invasive procedure."

The opinion states that since adequate consent cannot be obtained in these circumstances, a doctor performing psychosurgery on an involuntarily confined patient would be liable to him in a civil action for battery. Furthermore, according to the court, State action in such a situation violates the first and fourteenth amendments and is an unconstitutional invasion of privacy.

The court said that the freedom to generate ideas is a necessary prerequisite to any freedom to express ideas. Therefore, the former freedom must be constitutionally protected:

> To allow an involuntarily-detained mental patient to consent to the type of psychosurgery proposed in the case, and permit the State to perform it, would be to condone State action in violation of basic first amendment fights of such patients, because impairing the power to generate ideas inhibits the full dissemination of ideas.

The court cites several cases as authorities for the right of privacy, including *Olmstead* v. *United States*, 277 U.S. 438 (1928); *Griswold* v. *Connecticut*, 381 U.S. 479 (1962); *Stanley* v. *Georgia*, 395 U.S. 557 (1969); *Rowe* v. *Wade*, 41 L.W. 4213 (1973). The court asserts that—

> [T]here is no privacy more deserving of constitutional protection than that of one's mind. Intrusion into one's intellect, when one is involuntarily detained and subject to the control of institutional authorites, is an intrusion into one's constitutionally-protected right of privacy.

Of course, the decision of a Michigan county court is not controlling precedent in other jurisdictions. Even so, the case is the first significant one having to do with experimental psychosurgery on persons institutionally confined. As such, the court's analysis and conclusions will undoubtedly be given serious consideration in subsequent cases, regardless of jurisdiction.

The court's reasoning with regard to the consent issue applies not only to involuntarily confined mental patients, but to all persons involuntarily confined; in particular, our Nation's thousands of prisoners. In my statement to the Health Subcommittee last March, I asked;

> [C]an an inmate freely volunteer for a program to alter his mind when he is in a prison setting?

At least with regard to experimental psychosurgery, the Michigan court has rendered a negative response to that question.

I take this opportunity to renew my plea for greater congressional oversight of programs involving the alteration of the human mind. The Constitution did not withhold its guarantees from prisoners or from the mentally ill. It is our duty to assure that constitutional freedoms are afforded to all citizens, including those who are institutionally confined.

THE COURTS SUSTAIN CONGRESS ON IMPOUNDMENT

Mr. HUMPHREY. Mr. President, the massive impoundment of congressionally appropriated funds by the present administration is as illegal today as it was in January of 1973. It is still an item veto today, as it was in January of 1973. It is still as wrong and as much a threat to the congressional control over power of the purse today as it was in January 1973. It is still having a devastating effect on people-oriented programs in the cities and on crucial health research in cancer or lung diseases.

Fortunately, Mr. President, it is apparent the judicial branch of this Government has agreed with the congressional view of impoundment: it is illegal, an overstepping of executive authority, and it must be stopped. In case after case, the court has said to the President of the United States: You must spend what the Congress appropriates. You do not have the right to an item veto. You do not have power over the purse.

Mr. President, the Washington Post has reported the latest court decision on the impoundment question. It notes that the President's attempt to subvert the appropriations process suffered another setback in the U.S. district courts in Washington, D.C., when two judges ruled that funds for school construction and hospital maintenance must be released for their intended destinations in Massachusetts and the District of Columbia. These intended cuts are a blatant example of the politically motivated, socially irresponsible policies upon which impoundment is based, and I am pleased to see that sensible rulings by the courts will preclude the implementation of such backward programs.

Another article appearing in the New York Times concerns the withholding of nearly $1.1 billion in funds Congress had intended for major health programs. Chairman HARLEY O. STAGGERS of the House Commerce Committee, which detected the huge discrepancies between funds available and funds spent on various health programs, expressed his outrage at this arbitrary action on the part of the administration. STAGGERS said in a correspondence to Caspar Weinberger, Secretary of Health, Education, and Welfare:

> I am dismayed that you have felt it appropriate to impound the billion dollars your letter describes.

He continued:

> I am not convinced that this is legal, necessary, or in the best interests of the people of our nation.

Mr. President, I can only echo the sentiments of Chairman STAGGERS in my opposition to this failure of the administration to meet the needs of its people. We must continue to press forward in our efforts to stop the President from defying the intent of the Congress.

I ask unanimous consent that these two articles be printed in the RECORD.

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

A BILLION IN HEALTH FUNDS FOUND UNSPENT BY HEW

(By Harold M. Schmeck, Jr.)

WASHINGTON, July 26.—During the last year the Nixon Administration did not spend nearly $1.1-billion in funds Congress had intended for major health programs, according to figures obtained by the House Commerce Committee.

The total withheld was more than one-

fifth of the roughly $4.759-billion allotted to the Health Services and Mental Health Administration and the National Institutes of Health, the two largest health-related agencies of the Department of Health, Education, and Welfare.

The discrepancies between funds available for spending and funds spent were found in the mass of data sent to Congress by the department.

This led to an exchange of letters between the Commerce Committee chairman, Representative Harley O. Staggers, Democrat of West Virginia, and Caspar W. Weinberger, Secretary of Health, Education and Welfare.

"I am dismayed that you have felt it appropriate to impound the billion dollars your letter describes," Mr. Staggers said in the latest letter, which he made public. "I am not convinced that this is legal, necessary, or in the best interests of the people of our nation."

He asked the Secretary for program-by-program justification for not spending the money that was allocated in the continuing Congressional resolution under which the department's spending was authorized during the 1973 fiscal year.

The funds authorized by the resolution were, in effect, appropriations. They were handled through the resolution mechanism because of the President's veto of the health appropriation bill for 1973.

In a letter to Mr. Staggers, Secretary Weinberger defended the withholding of the funds as legal, but a spokesman for the Commerce Committee said there had not yet been a reply to the request for a program by program analysis.

A detailed breakdown of the unspent funds showed that even some of the programs given special public emphasis by the President were affected. For example, the National Cancer Institute left $58,895,000 unspent in a total budget authority of $492,-205,000

The National Heart and Lung Institute left spending level of $300 million.

Most severely hit were Federal mental health programs of $743,723,000 available, $199,209,000 was unspent.

The Administration's decision not to spend such large sums that had, in effect, been appropriated was criticized sharply today by Representative Paul G. Rogers, chairman of the Commerce Committee's Health and Environment subcommittee.

Mr. Rogers, Democrat of Florida, said the Administration was not carrying out the laws passed by the Congress and was thus distorting the constitutional premise of the separation of powers.

Saying he considered it a "very serious situation," Mr. Rogers suggested it might be necessary to hold hearings on the subject and even to call for the resignations of officials who refuse to carry out the laws involved.

In his letter to Secretary Weinberger, Mr. Staggers said the programs in question had been created to meet specific needs, such as protection from disease, health manpower, biomedical research and improved health services of many kinds.

"Unless these needs in fact do not exist, or have been met, or are being met by alternative superior programs, then these impoundments must be considered a sad failure of our Government's commitment to serve its people," the letter said.

A spokesman for the Department of Health, Education and Welfare said there would be no comment until Mr. Weinberger had replied to Mr. Stagger's latest letter.

JUDGE ORDERS HEW SPENDING

The Nixon administration's economy drive, which has come mostly in the form of attempts to impound congressionally authorized funds, suffered two more setbacks in U.S. District Court here yesterday.

Judge Oliver P. Gasch ordered the release of about $1.1 million in school construction funds for the District of Columbia and Massachusetts.

Judge John H. Pratt granted an injunction that prohibits the closing of eight Public Health Service hospitals.

Both orders were directed at the Department of Health, Education and Welfare.

Gasch found that HEW must release funds, part of $50 million appropriation under Title III–A of the National Defense Education Act, because the law "requires the Commissioner of Education to allot among the states" the money appropriated by Congress. Education Commissioner John Ottina had allotted only $2 million of the funds.

The money had been reserved June 29, pending the judge's ruling, so that it would not revert back to the federal treasury the next day, at the end of the 1973 fiscal year.

Massachusetts will get about $1 million and the District about $100,000.

Pratt agreed with the Seafarers Union, which sought the injunction against the hospital closings, that there is "even more reason today" to grant the injunction than last week, when he had issued a temporary restraining order.

In the meantime, Congress restated its desire to keep open the hospitals, which have served merchant seamen, American Indians and government employers for more than 180 years. The Nixon administration sought to shut down the facilities in favor of comparable care elsewhere.

THE TAPES—AND MR. COX

Mr. STEVENSON. Mr. President, the Attorney General has suggested that I "misunderstand" the assurances contained in his document of May 21, 1973, entitled "Duties and Responsibilities of the Special Prosecutor."

The record and Mr. Cox's charter are incapable of misunderstanding.

The President has denied the special prosecutor access to the tapes of conversations about the Watergate case. The guidelines given the Senate on the President's express authority say the special prosecutor shall have "full authority" for "reviewing all documentary evidence available from any source, as to which he will have full access."

Executive privilege is not applicable. That doctrine is rooted in the doctrine of separation of powers. Separation of powers is inapplicable in this instance because the powers are not separate. Mr. Cox is a member of the executive branch at the insistence of the administration. He is not a member of the judicial branch. Mr. Cox is seeking judicial enforcement of his subpena, but only because the White House has denied him "access" to the tapes. Having forced Mr. Cox to seek a remedy in court, the White House cannot now assert that the doctrine of separation of powers is applicable, because a court is involved.

If later, after gaining access to "all documentary evidence," Mr. Cox determined that certain evidence was relevant and sought to introduce the evidence in a criminal proceeding, the President would have an opportunity to interpose objections based on the doctrine of separation of powers. That question is not now before us, nor is the question of whether the Department of Justice or the White House has final authority to assert on behalf of the executive branch objections based on the separation of powers. If these questions did arise later, they would not, I believe, justify the suppression of relevant evidence in a criminal proceeding.

The President appears to take the position that Mr. Cox is not, after all the assurances to the contrary, independent. In his letter of July 23 to Mr. Cox, Charles Alan Wright, on behalf of the President, suggested that if Mr. Cox is part of the executive branch—as Mr. Cox has acknowledged:

> You are subject to the instructions of your superiors, up to and including the President, and can have access to presidential papers only as and if the President sees fit to make them available to you.

The President may be taking the position that Mr. Cox is dependent—an employee of the executive branch and, therefore, subject to orders. That position would be totally at variance with the assurances of independence given the Senate by Mr. Richardson on the President's behalf.

In his letter of May 21 to me, expressing his hope that the guidelines issued on that date would resolve "any remaining doubts about the impartiality of the independent investigation and prosecution," Mr. Richardson said:

> Hopefully, as you so aptly pointed out, justice delayed can now proceed with dispatch.

But Mr. Cox has not been permitted to proceed with dispatch. The President is delaying the investigation by obstructing Mr. Cox's access to "all documentary evidence from any source."

If the President persists, the investigation will bog down in a morass of charges and countercharges and abstruse arguments over unreal issues. The investigation will drag on and on toward inconclusive and untimely results, and the Congress could in time be confronted with the choice of either confessing the bankruptcy of the system, by doing nothing, or of commencing impeachment proceedings. My purpose in imploring the President to give Mr. Cox access to all relevant documentary evidence, including the tapes of conversations relating to the Watergate case, is to avoid that choice of intolerable alternatives and get this grim matter closed and behind us as quickly as possible.

H.R. 8947, PUBLIC WORKS APPROPRIATION BILL

Mr. WILLIAMS. Mr. President, yesterday the Senate passed the conference report on H.R. 8947, which appropriates funds for the Nation's needed public works and other undertakings, including the Tocks Island conservation project, on the Delaware River bordering our Garden State of New Jersey.

When this matter was before us last year, I made clear that my support for this authorized multipurpose undertaking, which undoubtedly will benefit many millions of people, was contingent upon resolution of questions raised by CEQ concerning eutrophication or pollution control of its waters.

I am now pleased to point out this matter is well on its way to resolution, following enactment of the new Federal

Water Pollution Control Act of October 18, 1972. As explained by its conference manager, this new act authorizes Federal programs and EPA financial assistance "to control any potential water quality or eutrophication problems of the authorized Tocks Island Reservoir."

Pursuant to this new landmark law, on May 31, 1973, all of our four Delaware River Basin State Governors and Secretary Morton for the United States, "after consultation with all State and Federal water pollution control agencies" concerned, unanimously agreed in their DRBC Resolution 73–5 to take all steps necessary "to afford adequate—water pollution—protection of the reservoir."

I particularly point out this resolution specifically includes the Governors' commitment to manage all agricultural or "nonpoint sources of water pollution in the area, and drainage areas tributary thereto," in accordance with EPA policy and regulations relating to erosion and sediment control, fertilizer use, and land disposal of animal wastes.

Other suggestions made during the past year, to insure that this project's needed environmental benefits to New Jersey will be provided without adverse side effects, have been and should be implemented well before Tocks Island's completion in the early 1980's. For example, also last May 31, 1973, each of our four Delaware Basin State Governors and Secretary Morton for the Federal Government also adopted their DRBC resolution No. 73–6, reducing the planned level of recreation development at Tocks Island Lake and its surrounding recreation area to a maximum of 4 million visits a year, or 42,000 a day. In addition to reducing impact on the project environment, this also reduces its effect on highways.

Mr. President, the need for this project's benefits is known; the effort to minimize or avoid its adverse environmental effects is well underway. I extend my statement in support of H.R. 8947 to include the following letter from a former Governor of our State concerning New Jersey's need for the Tocks Island conservation projects.

I ask unanimous consent that the letter be printed in the RECORD.

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

JULY 10, 1973.

Hon. HARRISON A. WILLIAMS, Jr.,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR PETE: I understand the House recently approved the Administration's full appropriation recommendation for Tocks Island. This important matter should then come before you soon.

You will recall the need for Tocks Island; you played an articulate role in the demand for its authorization, and again for its acceleration during and after our drought disaster of the sixties.

The current State and Federal re-evaluations reaffirming the need for Tocks Island are impressive. That need is long established. It was affirmed in the 1931 and 1954 Supreme Court Delaware River allocation cases, for example. The Report of the Special Master underlying the 1954 Decree raising New York's allocation emphasized that New Jersey has "increased water needs for substantial quantities", that "New Jersey must obtain its additional supplies from the Delaware", and that New Jersey may do so if there are new storage releases to the mainstem to compensate for its increased withdrawals from the Delaware.

This same need was established through all of the Incodel, DRBC and other interstate efforts that followed—and most vividly during the protracted Delaware drought crisis of the recent sixties. As Governor of New Jersey and Chairman of the Basin States' emergency efforts throughout that crisis (during which, despite conservation, we were actually reduced to proposed tank car water delivery for New Jersey), I assure you no computer is required to prove the need for Tocks Island—to meet the new far greater water needs of this and other Delaware Basin States.

That harrowing crisis established beyond question that Tocks Island, up on the tri-State boundary, is required to supply the conservation storage needed to permit greater diversion of New York's authorized allocation from the Basin above, as well as augmented flows needed for increased downstream New Jersey-Pennsylvania needs and to hold the Delaware's salt line below Philadelphia's intakes.

Governor Cahill's study, and all others under the Northeast Water Supply Act of 1965 which Congress enacted to prevent repetition of that drought disaster, also affirm Tocks Island's necessity—as well as its environmental superiority over any of its alternatives—to meet the known human water supply, flood protection, energy supply, recreation, and other requirements of the people dependent on the Delaware.

The suggestion that all land purchased for this authorized multipurpose undertaking be used only for recreation does not seem responsive to those known human needs. The case against that proposal was succinctly stated last year by Secretary Morton—making clear that the limited waters of this great interstate stream must be used for all public purposes, including recreation. That proposal also ignored the fact that the needed development it would destroy is the foundation of a well-considered plan for forever preserving the Delaware's entire upper 75 miles as a wild and free-flowing scenic recreation River, conserving its seasonal high flows in Tocks Lake for mainstem flood control, water supply, energy supply and recreation, preserving the 75 square mile region around it as a national recreation area, and supplying sustained Lake releases needed to improve the low-flows and water quality of the mainstem's remaining 165 free-flowing miles and Delaware Bay.

The adjustments suggested to assure Tocks Island serves New Jersey's needs without adverse side effects are under way and will be implemented well before its completion. The new Federal Water Pollution Control Act of last October contains special provisions and financial assistance to assure its water pollution control, the Delaware Basin State Governors have now unanimously agreed to provide such before Tocks' completion, and its recreation level is now reduced to 42,000 daily visitors (21,000 New Jersey) to minimize highway impact.

New Jersey's water supply, energy and other environmental needs for Tocks Island are established beyond question, and are mounting. Its Federal carrying costs are mounting. I thus urge your full and favorable consideration of this important Delaware Basin Project matter when it comes before you.

Warm personal regards,
Sincerely,

RICHARD J. HUGHES.

TIME FOR A NEW CUBA POLICY

Mr. FULBRIGHT. Mr. President, there appeared recently in the Washington Post an uncommonly thoughtful and perceptive article on the all but forgotten subject of Cuba by Congressman CHARLES W. WHALEN, Jr. of Ohio. Representative WHALEN develops the thesis that our Cuban policy remains "one of the last vestiges of our cold war posture." Latin American leaders, he points out, "no longer take seriously our anti-Cuban exhortations," because, in their judgment, "If the United States can switch on China, they can switch on Cuba." Calling for a United States-Cuban détente, Representative WHALEN cites the benefits which would accrue in the entire hemisphere. Eliminating the Cuban issue, he points out, would "enable the OAS to focus attention in more urgent priorities such as trade, economic development and regional integration."

Mr. President, I ask unanimous consent to have Congressman WHALEN's excellent article printed in the RECORD.

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

TIME FOR A NEW CUBA POLICY

(By Charles W. Whalen, Jr.)

The recent Nixon-Brezhnev summit and the less visible OAS meetings now being held in Lima, Peru, raise logical questions about our Cuban policy, one of the last vestiges of our cold war posture. Although a low priority on the agenda, Cuba undoubtedly was discussed by President Nixon and General Secretary Brezhnev. In the Lima sessions delegates are considering "proposals to revamp the inter-American system." Within this change, Peruvian or Chilean representatives undoubtedly will offer a resolution permitting OAS member states to resume relations with Cuba (a similar motion, offered by Peru in 1972, lost by a 7–13–2 margin). At both of these forums of private and public diplomacy one can visualize the discomfort of the United States spokesmen in attempting to justify a Cuban policy which is clearly outdated and inconsistent with the international détente which the President, himself, has so effectively fostered.

Although Brezhnev may not have pressed the Cuban issue with the President, there is reason to believe that the Russians are interested in a U.S.-Cuban rapprochement. This is strongly suggested by recent authoritative articles in the Soviet official press. These news reports stem, perhaps, from Russian frustration with the limited returns on their $1.5 million per day investment in Cuba. Or perhaps they reflect a growing disenchantment with Castro. Regardless of the Soviet's view of Cuba, one thing is clear: a reduction of the Soviet military presence on that island is in the best interests of the American nations. Further, a triangular U.S.-Cuba-Soviet dialogue could lead to positive negotiations on this issue.

At the Lima meeting, an extremely close tally on the Cuban issue is likely. Panama and Venezuela hold the key to the vote outcome. Although both of these countries have given strong indications that they plan to normalize relations with the Cuban government, whether they will do so in the context of the OAS is uncertain. Argentina is the latest entrant to the fold of those nations which have reestablished diplomatic relations with Cuba, joining Mexico, Peru, Chile, Guyana, Barbados, and Trinidad and Tobago.

This crumbling of the 1964 OAS ban, when member countries collectively severed commercial and diplomatic ties with Cuba, is unmistakable and irreversible. Cuba's subversive activities have lessened perceptibly in the hemisphere since Che Guevera's unsuc-

cessful 1967 efforts in Bolivia. Thus, in the eyes of most Latin governments, Cuba no longer poses a serious threat to their existence. Furthermore, while there are those in the United States who minimize the "analogy of the Nixon approach to Peking," this rationale for a possible Washington policy shift is not lost on our neighbors to the south. As one of our diplomats recently noted, most Latin ministers and presidents say to themselves: "If the United States can switch on China, they can switch on Cuba." These Latin officials, therefore, no longer take seriously our anti-Cuban exhortations. Moreover, they have no desire to be embarrassed as were the Japanese with our China shock.

How long will it take for us to realize that our Cuban policy is nonproductive? My discussions with certain administration representatives lead me to believe that they are told *not* to think about a change in our Cuban doctrine. Rather, they apparently are being encouraged by their superiors to search for other dubious reasons to support our present hardline. The traditional justifications for preserving activities, the Soviet military presence, our present stance—Cuba's subversive and the "obligations" of the OAS ban—obviously are weakening in substance and are being de-emphasized by high officials. The charge that Castro is not interested in improving relations (in contrast to Mao Tse-tung's and Chou En Lai's receptive attitudes when we opened relations with China) now is used increasingly to justify our intransigence.

Fidel Castro's May 1 speech did exude hostility to the United States. Yet his talk contained some interesting new twists. Castro indicated that: (1) Cuba is willing to cooperate with *any* Latin American nation, not just socialist countries; (2) Cuba would consider joining a regional organization whose membership did not include the United States; and (3) Guantanamo is not the "main thing." While one must admit that Castro's predictability is suspect, United States' officialdom, to avoid possible future embarrassment, should not ignore his latest comments.

Why are we so inflexible in terms of our Cuban policy? There are those who believe that the President is very sensitive to the Cuba matter. Some claim that the President's unfavorable impression of Castro, stemming from his 1959 private conference with the Cuban leader at the U.N. still lingers. Others maintain that the President is strongly influenced by his Cuban-American neighbors in Florida. Still another version has it that the President does not take kindly to the savage treatment accorded him in the Cuban press. Whatever the reason, I believe that the time is ripe for the President to come to grips with this nagging issue.

The most important reason for improving relations with Cuba lies in the unity of the inter-America system. A more relaxed political atmosphere and improved hemispheric relations most assuredly will occur if a U.S.-Cuban détente is reached.

The Cuban issue has divided OAS member nations in recent years. Its discussion has dominated much of this organization's deliberations, thereby severely limiting its effectiveness. Defiance of the OAS ban by other Latin countries will further exacerbate hemispheric relations, accelerate the erosion of the OAS, and embarrass the United States and those nations which adhere to our intractable position. Thus, removal of this cancer is imperative.

Eliminating the Cuban issue not only will reduce tension among American states but will permit re-direction of hemispheric policy. It will enable the OAS to focus attention in more urgent priorities such as trade, economic development and regional integration. A significant contribution toward the realization of these objectives will occur if the United States conforms its Cuban attitudes to our new, pragmatic approach to China and Russia.

A NEED FOR A SWEDISH-AMERICAN THAW

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of Senators an editorial in yesterday's Minneapolis Tribune supporting Senate Resolution 149.

The Tribune makes an excellent point: Now is the time for the President to end the diplomatic cold war between the United States and Sweden. The time has come to welcome a Swedish Ambassador in Washington and to send our Ambassador to Stockholm.

Mr. President, nothing can be accomplished by continuing our present policy which is rooted in resentment and hostility. The United States and Sweden can only drift further apart. We need dialog, but we have diplomatic isolation which takes us further away from the exchange which solves problems between nations. As the Tribune ably argues, our relations with Sweden at least deserve to be on the same level as those we have established with other governments which have been extremely vocal in their criticism of the United States.

Mr. President, I ask unanimous consent that the editorial from the Minneapolis Tribune be printed in the RECORD.

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

NEED FOR A SWEDISH-AMERICAN THAW

President Nixon should seize the opportunity for a bold foreign-policy initiative offered to him recently by his one-time rival for the presidency. "The time has come to normalize our relations with Sweden," Sen. Hubert Humphrey said last week. We agree. So would most Sweden-watchers, who think the time for containing Sweden has passed.

His long record of opposition to alien ideologies gives Mr. Nixon the chance to mend the breach without risk of being called soft on socialism. We recognize that the administration has been rankled by Swedish criticism of American involvement in Indochina, but we hope the President remembers that such criticism has also come from some of his friends abroad—Leonid Brezhnev, for example, and Chou En-lai.

Diplomatic obstacles impede normalization. The United States has had no ambassador in Stockholm since last August; Sweden recalled its ambassador from Washington last January. Under those circumstances, a covert visit by Henry Kissinger to Prime Minister Olof Palme might be a first step in reopening top-level communications. Later, there could even be a Stockholm summit. It is not beyond reason to suggest that Americans might one day see and hear, by satellite relayed television, the Star Spangled Banner being played in Stockholm's Kungs-tradgarden near the royal palace.

Humphrey describes the administration's actions as "infantile petulance." That may be a bit strong, but surely it is time to drop the pretense that the Scandinavian middle kingdom does not exist.

GENOCIDE: THE IMPORTANCE OF INTENT

Mr. PROXMIRE. Mr. President, article II of the International Convention on the Prevention and Punishment of the Crime of Genocide explicitly states which acts constitute genocide:

In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

(a) Killing members of the group;

(b) Causing serious bodily or mental harm to members of the group;

(c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

(d) Imposing measures intended to prevent births within the group;

(e) Forcibly transferring children of the group to another group.

There has been some question as to the meaning of certain terms, that is, "in whole or in part," "group," and "mental harm." So that there would be no misconceptions in this regard, the Senate Foreign Relations Committee recommended that two understandings be added to this article. These read:

(1) That the U.S. Government understands and construes the words "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such" appearing in article II to mean the intent to destroy a national, ethnical, racial, or religious group by the acts specified in article II in such a manner as to affect a substantial part of the group concerned.

(2) That the U.S. Government understands and construes the words "mental harm" appearing in article II(b) to mean permanent impairment of mental faculties.

Thus it is seen that perhaps the most critical element used to determine whether or not an act is genocidal is intent. As the committee stated:

Basic to any charge of genocide must be the intent to destroy an entire group because of the fact that it is a certain—group, in such a manner as to affect a substantial part of the group.

This means, then, that the controversial school busing and birth control clinics would not fall within the jurisdiction of the Genocide Convention since the key element of intent is lacking.

Because it is crucial that intent be present in order to punish someone for the crime of genocide, it is clear that ratification of this treaty will not result in a rash of charges of genocide. Mr. President, the Senate should ratify the Genocide Convention now.

CAMBODIA

Mr. FULBRIGHT. Mr. President, as a result of discussion this morning in the Committee on Foreign Relations, Secretary of State Rogers has been invited to appear before the committee in public session on Thursday, August 2, to discuss the Cambodian situation. Recent news reports from Phnom Penh indicate a continuing deterioration in the position of the Lon Nol government despite intensive U.S. air action and the reported introduction of U.S. advisers. The advent of a possible crisis in Cambodia suggests the desirability of a clear statement and an open discussion of the administration's intentions with regard to the American role in Cambodia in the days immediately ahead.

The committee's experience in its dealings with the administration over

Cambodia has been an extremely unfortunate one. Both Congress and the American people have repeatedly been misled with regard to the administration's actions and intentions in that country.

In early April 1970 the Secretary of State described to the committee efforts which he said the administration had taken to insure respect for Cambodia's neutrality. With regard to past U.S. actions he gave the committee his complete assurance that the United States' "hands are clean and that its heart is pure." He stated that the administration had no intention of widening the war and that our best policy was to avoid any action which would appear to violate the neutrality of Cambodia. Unknown to the committee or the public at the time the Secretary spoke was the fact that thousands of B–52's had bombed Cambodia during the preceding 13 months. The Secretary of State, as it now appears, was a party to that decision.

On April 27, 1970, as indications of possible U.S. involvement in Cambodia became stronger, the Secretary again appeared before the committee.

In response to almost unanimous counsel of the committee that the United States avoid any involvement in Cambodia the Secretary assured us that he and the President shared our desire to avoid a possible repetition of our experience in South Vietnam. With regard to the possibility of U.S. combat or support activities in Cambodia the Secretary promised that he would try to consult with the Congress before any action was taken. Three days after these statements were made massive U.S. air and ground forces moved against Cambodia.

In announcing the invasion of Cambodia to the American people on April 30, 1970, the President had this to say:

> For 5 years, neither the United States nor South Vietnam has moved against these enemy sanctuaries because we did not wish to violate the territory of a neutral nation. Even after the Vietnamese Communists began to expand these sanctuaries 4 weeks ago, we counseled patience to our South Vietnamese allies and imposed restraints on our own commanders.

This statement must also be reevaluated in the light of our recently acquired knowledge that between March 1969 and April 30, 1970, American B–52's had flown 3,630 missions and dropped 100,000 tons of bombs on Cambodia. We also now know that during the period to which the President referred we had also regularly sent Special Forces teams into Cambodia supported by fighter bombers.

It is the knowledge of these facts that induces the committee at this critical juncture to call upon the Secretary to make clear the administration's intentions. The negotiations which were supposed to have been taking place now turn out to be nonexistent. The bombing which was claimed to be necessary in order to secure a cease-fire, now appears to be ineffective even in maintaining a minimal defensive effort.

I hope that the Secretary of State will accept our invitation and that he will be able to assure us that the laws which the President has signed will be respected and that the American military role in Cambodia will at long last be terminated, not later than August 15, 1973.

THE COURTS AND SPEEDY TRIAL—OUT TO LUNCH

Mr. ERVIN. Mr. President, a recent article which appeared in the New York Times strikingly underlines the speedy trial dilemma facing the criminal courts in this country. The article, based on studies by the Economic Development Council and the Judicial Data Processing Office of the city of New York, provides a statistical analysis of the amount of time that New York State Supreme Court justices handling criminal cases in New York City actually spend on the bench each working day. Among other interesting statistics, the study by the Economic Council notes that the justices sitting in Manhattan spend an average of 3 hours and 21 minutes per day on the bench. This amounts to approximately 52 percent of their nominal working day. The Judicial Data Processing Center survey cited in the Times article found that State supreme court justices in Queens and the Bronx spend an average of 17.1 percent of the court day in recess and 24.2 percent of the court day in recess and 24.2 percent at lunch.

While I, as a former jurist, can view the statistics generated by these studies with the benefit of an understanding and sympathetic eye, it nevertheless appears to me that the trial delays and underutilization of court facilities noted in these surveys go somewhat beyond that which can be characterized as normal or acceptable. The Economic Council report cited several factors which apparently played a major role in causing court delays.

> Late court reporters, delays in fetching prisoners, late prisoner deliveries, absence of tardy attorneys, late jurors in pending trials, a missing interpreter or sometimes the late arrival of the judges themselves, often cause a part to be shut down.
>
> Many of these staff problems could be alleviated by better supervision and where outside parties or agencies are at fault, the adoption and enforcement of sanctions and policies designed to insure proper function of the court.
>
> When any delay occurred and the judge left the bench there was frequently a progressive breakdown until the part shut down for the day. When a part closed at any time in the afternoon, the court staff usually disappeared. We could not determine their location or how they might be reassembled if new work were to be found.

In summary, the Economic Council study ascribes the delays noted in its survey to—

> The failure of the judiciary to schedule its work load properly and to discipline lawyers and other court personnel who were absent or tardy.

The problems of court delay in the State Supreme Court of New York City are similar to those being experienced in the Federal courts. I have proposed a solution to court delay in the Federal courts in S. 754, the speedy trial bill. The Economic Council calls for sanctions and policies to insure proper function of the court. S. 754 includes such sanctions and policies. The bill requires automatic dismissal with prejudice of any case which is not brought to trial within its mandatory time limits. This sanction should effectively curtail the extensive pretrial delays which frequently occur in the Federal court system. The dismissal sanction provides a selfish motive for the criminal defendant to seek a speedy trial and provides a harsh penalty for any unjustifiable delay by the prosecution or the courts in bringing a case to trial. S. 754 also provides that each Federal court district prepare a plan detailing its requirements for additional staff and resources which will be needed to achieve the ultimate goal of commencement of trial within 60 days of arrest. Faced with a stiff dismissal sanction and the availability of sufficient administrative assistance under the provisions of S. 754, Federal judges will no longer be able to allow the type of activities which frustrate speedy justice in the State Supreme Court of New York City.

For too long the Congress has relied on the Federal courts to put their own house in order. For a variety of reasons, the hoped-for improvements have not been forthcoming. What is now necessary is a national statement of policy that the Congress will no longer tolerate business as usual in Federal criminal trials. Only strong legislation such as S. 754 will provide the momentum and the pressure to achieve speedier trials and insure that we never have to read an article that says that Federal district judges spend almost a quarter of their working days at lunch.

Mr. President, I ask unanimous consent that the full text of the New York Times article be printed in the RECORD.

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

JUDGES FOUND ON BENCH ONLY 52 PERCENT OF DAY

(By David Burnham)

During a sample week, the State Supreme Court justices handling criminal cases in Manhattan were on the bench an average of 3 hours and 21 minutes a day, or 52 per cent of their nominal working time, a study by the Economic Development Council has found.

The study by a task force of management specialists concluded that the two major causes of what is called the "substantial under-utilization" of the courts was the failure of the judiciary to schedule its work load properly and to discipline lawyers and other court personnel who were absent or tardy.

23 MINUTES SHORTER

Although other sections of the council's examination of State Supreme Court were released last summer by Presiding Justices Harold A. Stevens and Samuel Rabin, the highly critical reports concerning the handling of criminal cases in Manhattan never were publicly distributed.

The court-utilization study, dated Nov. 28, 1972, and a brief follow-up study dated January of this year, were done without cost for the courts by a team of eight management and system specialists working full time.

For the first study the task force monitored 19 Manhattan courtrooms from Feb. 28 to March 24 last year, when it found that the average on-the-bench time was 3 hours and 44 minutes. During the follow-up study, which covered the week of last Dec. 11–15,

the on-the-bench time declined to 3 hours and 21 minutes.

The general rules of the Judicial Conference, the umbrella organization of state courts, say the courts in the state shall open "not later than 10 A.M." and close "not earlier than 5 P.M." and that daily session "shall total not less than six hours."

Supreme Court Judge Edward R. Dudley, who administered the courts during the period covered by the council study, said the report was "full of half truths," partly because it "gives no idea of what goes on in the back room or the chambers." He also complained that the management specialists who did the study at the request of Judge Stevens, the presiding justice of the Appellate Division, First Department, "never talked to me."

Neither Judge Stevens nor Gerald Stern, director of administration of the courts in the first department, could be reached for comment about the report.

Discussing the major causes of the "down time" of the courts, the council report said that with the exception of the decentralized narcotic parts, "there appeared to be no procedures for transferring work or obtaining additional cases when a fully staffed part was on standby basis or about to close in the afternoon for lack of cases."

The report said the lack of procedures to coordinate the courts was aggravated "by poor staff support both from within and outside the court."

SEVERAL FACTORS CITED

"Late court reporters, delays in fetching prisoners, late prisoner deliveries, absence of tardy attorneys, late jurors in pending trials, a missing interpreter or sometimes the late arrival of the judges themselves, often cause a part to shut down," the report continued.

But the council said these staff failures did not exonerate the judges. "Many of these staff problems," the report said, "could be alleviated by better supervision and, where outside parties or agencies are at fault, the adoption and enforcement of sanctions and policies designed to insure proper functioning of the court."

"When any delay occurred and the judge left the bench," the report said, "there was frequently a progressive break-down until the part shut down for the day. When a part closed at any time in the afternoon, the court staff usually disappeared. We could not determine their location or how they might be reassembled if new work were to be found."

The council's first report, which monitored the Manhattan courts during most of March 1972, provided an hour-by-hour breakdown of the activity recorded by the monitors. "While the court was officially open at 10 A.M., only limited bench activity was apparent," the report said, noting that judges were on the bench in only 58 per cent of the parts.

From 11 A.M. to 1 P.M. the council found that judges were on the bench in 71 per cent of the courts, the high point of their work day.

During the period from 1 P.M. to 2 P.M., the normal time for lunch, the average proportion of judges on the bench dropped to 7 per cent; it jumped back to 53 per cent from 2 P.M. to 3 P.M. and 61 per cent from 3 P.M. to 4 P.M.

Of the period from 4 P.M. to 5 P.M., the report said: "Substantially less was accomplished during this hour than any of the previous hours. Utilization by judges active on the bench dropped to 38 per cent of capacity."

Although the council report involved only Manhattan judges, other studies have found similar problems elsewhere in the city. An analysis for the Judicial Data Processing Office from June 16 to Aug. 4, 1970, in the Bronx and Queens, found that 17.1 per cent of the court day was spent in recess and 24.2 per cent for lunch.

The report on the on bench activity of the Manhattan judges became available at a time when the courts' performance has been criticized by several officials, including Mayor Lindsay, former Police Commissioner Patrick V. Murphy and Paul J. Curran, the former chairman of the State Commission of Investigation who earlier this week became the United States Attorney for the Southern District of New York.

The Mayor's Criminal Justice Coordinating Council said in its annual report three weeks ago that the backlog of felony cases in the State Supreme Court meant that "its ability to deter crime is negated."

Another problem is the large number of arrested persons awaiting trial in jail because they cannot meet bail requirements. Though there are many different reasons for pre-trial detention, there were 1,310 defendants awaiting supreme court action in Manhattan as of the last week in May, and to the city Department of Correction.

WILBUR COHEN'S PROPOSALS TO IMPROVE SOCIAL SECURITY

Mr. CHURCH, Mr. President, former Health, Education, and Welfare Secretary Wilbur Cohen has been a longtime friend of the Senate Special Committee on Aging.

He was the first witness when the Subcommittee on Aging—predecessor to the present Committee on Aging—began its hearings in 1959.

Since then, Mr. Cohen has given invaluable assistance on several important projects, including the economics of aging study of a few years ago.

Mr. Cohen, now dean of the School of Education at the University of Michigan and cochairman of the Institute of Gerontology at that university and Wayne State University, has once again performed an invaluable service to the committee.

At a July 25 hearing on future directions in social security Dean Cohen described the next steps that, in his view, should be taken to improve our social security system still further. Impressed as he is by steps taken by the Congress in 1972 and 1973 to improve social security, he nevertheless offers challenging ideas for next steps and for long-range action.

Mr. President, the prepared statement on which Dean Cohen based his presentation is rich in ideas and wisdom. 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:

FUTURE DIRECTIONS OF SOCIAL SECURITY

(By Wilbur J. Cohen)

1. The Social Security program is the largest and most effective public program to prevent dependency and poverty. It keeps some 10 million persons out of poverty. If the social security program were abolished, the number of persons in poverty in the United States would increase by about 40 percent—from 25 million to 35 million persons.

2. The Social Security program has other important objectives in addition to preventing dependency and poverty. It enables individuals to have greater freedom of choice when certain hazards arise. It enables them to plan ahead. It helps employers, the economy and the Congress to allocate resources to meet human needs in a compassionate yet orderly, responsible, and effective manner.

3. The Social Security program is much more than a retirement program. It is the largest life insurance program, the largest disability insurance program, the largest health insurance program, as well as the largest retirement program in the nation. The face value of the life insurance in force under the social security program is approximately equal to all the private life insurance in force in the nation.

4. However, only about one-half of all contributions paid under the program are currently for cash retirement benefits. About 30 percent of the cost of cash benefits under the Social Security program is for survivors and disability insurance benefits.

5. Poverty due to the death of the breadwinner in the family has been virtually eliminated in the United States. Whereas this was a major cause of poverty some 50 to 75 years ago, it has been virtually eliminated as a cause of poverty. The social security program was one of a number of factors which helped to achieve this result.

6. The Social Security program is a form of social insurance. It is different from private insurance, but it is a form of insurance. There is a pooling of the risk and premiums are made into a fund from which benefits are paid. The Social Security program is a form of group insurance which provides a high degree of protection at a relatively low cost. The right to social security benefits is legally enforceable in the courts as are the contractual provisions of private insurance.

7. The cash benefits paid under the Social Security program take into account both equity and adequacy. The marriage or balancing of these two conflicting goals is part of the genius which the Congress has incorporated in the program. If one factor were to be given weight to the total exclusion of the other, it would undoubtedly necessitate a basic structural change in the financing of the program and its acceptance by the American people.

8. The Congress has been very responsible in operating the program on a financially sound basis. The long-range financial schedule in the law gives as realistic assurance in this uncertain world as is possible of the financial long-range soundness of the program. The law requires public disclosure on the financial operations of the program, past, present, and future.

9. The Social Security program has been significantly improved since 1965 as a result of the 1972 and 1973 amendments. Social Security is now on a "dynamic" basis related to changes in wages and the cost of living. In this respect it is superior to many fixed contractual private retirement programs in affording beneficiaries a greater degree of protection in the future.

10. The "dynamic" character of the program should be further improved and extended. Social Security should be improved as productivity and earnings increase. It is not sufficient to increase social security benefits to retired individuals solely in relation to cost of living increases. It is recommended that a special study be made of social security systems in other countries where benefits are automatically related to changes in earnings in the economy.

11. Administrative costs of the Social Security system are very low. The preliminary figures for the fiscal year 1973 show that such costs as a percentage of contributions were as follows:

	Percent
OASI	1.5
Disability insurance	4.2
Medicare, part A	2.4
Medicare, part B	11.7
OASDHI	2.4

12. The Social Security cash benefit and Medicare programs are basically sound and have been administered in an efficient manner. They should remain nonpolitical and be subject to independent review every fifth year by an Advisory Council of distinguished

individuals with respect to both contributions, benefits, and administration.

13. The Social Security and Medicare programs enjoy a high degree of support from the general public, organized labor, the Congress and other groups. Although dissatisfaction and criticism is rather widespread with respect to many aspects of our established institutions, these do not generally apply to Social Security and Medicare. That is not to say that there are not bona fide criticisms of the present program, but on the whole these do not go to the fundamental aspects of the program by any substantial sector of the nation. Although some economists have made a number of criticisms of the financing of the program, these views are not so widely shared by the beneficiaries or taxpayers. While these criticisms should be considered, it would be unwise to make basic structural changes in a system which has been so successful and widely accepted, unless there is very clear evidence of the wisdom of such changes.

14. The Social Security and Medicare program has been well accepted by the American people in large part because it is a universal program which provides for eligibility to benefits as a matter of statutory right with a minimum of administrative discretion, covering the rich and the poor as well as the middle-income, irrespective of race, color, creed, or sex, as a national program not dependent on State or local discretion with Congress acting as the Board of Directors of the enterprise. The Congress, irrespective of political affiliation, has shown a high degree of responsibility in carrying out its functions under the Social Security program.

15. A key aspect of the Social Security and Medicare system has been its incremental improvement which has permitted the changes to be successfully inaugurated with careful planning, widespread acceptance by individuals affected, participatory involvement of groups with special concerns, and gradual adaptation of costs by the economy.

16. If consideration is to be given to any administrative changes in the program, then one possibility would be to reestablish something like the original Social Security Board to administer the program. This Board would consist of three persons nominated by the President, with the advice and consent of the Senate, for six years rotational terms with not more than two members from any one political party.

17. The benefits of Social Security should be further improved. Among the changes which should be made are: some additional "drop-out" years of low or no earnings so as to increase the average earnings on which benefits are based, an increase in the maximum earnings limit for contributions and benefits, and payment of disability benefits commencing with the fifth month of disability and to individuals unable to engage in their customary occupation.

18. A difficult social policy question arises with respect to the "retirement test." This provision in the law has been criticized and amended more frequently than almost any other. There are good reasons, however, for going slowly on any further changes in this program. The law was amended this year again to increase the allowable limit from $2100 a year to $2400 for next year. This results in a favorable situation where a retired couple can draw $5000 a year in tax-free social security benefits plus $2400 in earnings plus some income from investments and private retirement without paying any Federal income tax—or a very small income tax. If any further consideration is to be given to liberalization of the retirement test, then an increase in the 1% increment to 2%, after age 65, should be given priority. The repeal of the retirement test would be an undesirable use of several billion dollars worth of funds which are more urgently needed for higher priority needs. Only the small number of individuals who were working would benefit from the repeal of the retirement test with no improvement in the benefits for the millions who cannot work.

19. Women who perform household and family duties should be able to contribute to the insurance program on an amount equivalent to the self-employment rate on the average earnings of all women working four quarters in the latest prior year. Women would then receive benefits in their own right with the provision that a married woman would always receive at least one-half as much as her husband. Special consideration should be given to assuring equal treatment for women and men in the program.

20. General revenues are already approaching one-third of the overall social security system. In the calendar year 1972, total outlays for the OASDI, Medicare, and Public Assistance programs were $70.7 billion, and general revenues (Federal and State) were 29 percent of the total. This total was divided as follows:

	Billions	*Percent*
Employer contributions	$25.5	36.1
Employee contributions	24.6	34.8
General revenues [1]	20.6	29.1
Total	70.7	100.0

[1] Public assistance, payments to uninsured individuals and contributions toward Part B of Medicare.

The outlays for 1974 will be substantially larger overall and for each of the three sources. As the components of the social security system are modified, we should consider reallocating the general revenue portion in a more satisfactory way than at present.

While there is merit to the idea of reducing the impact of the payroll tax, such action should not be taken without full consideration by the Congress of its impact on present and future programs, including national health insurance.

A basic change in the financing of the social security system might open the possibility that a future Administration or Congress would change the program to include an income and/or assets test. The strong public support for the social security system is that most individuals want to have their benefits come to them without any such investigation which they associate with the "welfare" system. When you have a delicate mechanism working well and paying 30 million people every month, we should be sure we don't tinker with it in a way which may destroy its psychological and political acceptance.

21. The financing basis of social security should be modified so as to reduce the burden on low-income earners and make the financial incidence less regressive. The proposal advocated by Senator Russell Long to refund to low-income individuals 10 percent of their earnings—roughly the combined social security contribution, warrants support.

22. In addition, a federal contribution out of general revenues should be considered for meeting the cost of benefits paid to individuals with less than 40 years of contributions which were not covered by the combined employer-employee contributions.

23. The maximum earnings base for contributions and benefits should be increased so that the coverage is approximately the same as when the Congress adopted the $3000 limit in 1939. A maximum base of $20,000 should be established for 1975.

24. An immediate step should be taken to include high cost continuing prescription drugs in the Medicare program and to provide hearing aids and glasses with appropriate co-sharing of costs.

25. Part A and B of Medicare should be combined so as to relieve the aged person of contributions to Part B after retirement.

26. The Secretary of Health, Education, and Welfare should be authorized to establish a local, regional or State fee schedule for some or all procedures where this would be deemed to be necessary or desirable to the effective operation of the program. The Secretary would be required to hold a public hearing on the proposal in the area covered by such a schedule.

27. Many allegations have been made about the increase in incomes of physicians under the Medicare and Medicaid programs. There have been individual cases of fraud and abuse which should be stopped. There should be continued monitoring of the fees and costs and any irregularities rectified. But on the whole, there is no evidence so far that physicians as a group have reaped rewards out of line with the increased cost-of-living and earnings in other areas or that they have suffered any injustice under the program in terms of their incomes. A sound program of health insurance necessitates that all providers of care receive reasonably adequate compensation commensurate with their education, skill, experience and responsibility.

28. The recent action of the Congress in establishing Professional Standards Review Organizations for Medicare and Medicaid (PSRO) is sound. Professional responsibility for professional judgments should be encouraged. In addition, the Congress should seek to develop other measures to assure consumer advice in the medical program in appropriate ways.

NATIONAL HEALTH INSURANCE

29. A national health insurance plan covering all persons in the nation should be adopted on an incremental basis which would become effective over a period of about five years in order to enable administrative implementation to be effective, efficient, and appropriate to conditions throughout the nation.

30. A basic improvement in the Medicaid program should be taken along the lines suggested by Senator Long. Basic medical benefits would be supplied to low-income individuals through the Medicare program. The cost of these benefits would be met by the federal government thus relieving the States of part of the present costs of Medicaid.

31. A second change would be to add to the Medicare program a major medical benefit which would provide hospital coverage after 30 days, and physicians and related services after a cost of $1000. The legislation would provide that after two years the amounts would be reduced to 15 days and $500, and after two additional years these amounts would be repealed so as to assure full coverage.

32. Another change would be to add to the Medicare program maternity benefits—prenatal and post-natal medical service. This program would include medical benefits for the child during the first year of life, including all remedial medical benefits necessary to assist in the correction of any defects.

SUPPLEMENTARY SECURITY INCOME

33. The establishment of the Supplementary Security Income program in the 1972 amendments was an important and historic step in the right direction. This completely federally financed and administered program should be further improved so that income poverty will be abolished for all aged, blind, and disabled persons in the nation. The changes recently enacted by the Congress were sound.

34. The Supplemental Security Income program should be amended by reducing the age from 65 to 62 and then in two additional years to age 60 and in two additional years to age 55.

35. With the changes proposed above, the number of persons in poverty in the United States should be reduced from about 25 million to between 15 to 20 million persons. A

program of public service employment could bring this total down to less than 15 million persons by 1976. The number of persons in poverty would then be less than 7.5 percent of the population. It would be possible by 1980–85 to virtually eliminate poverty in the United States if additional measures were taken by the Congress. These measures are outlined in a separate statement.

Private Retirement Plans

36. The Social Security and private retirement systems are not a burden on the economy. They are a key element in a free, competitive and dynamic economy and a compassionate society. They provide a major incentive to the saving which is required for the investment which makes it possible for our economic system to grow, expand, and innovate.

37. Private pension plans should be continued and strengthened. They can and should be a useful and important supplement to social security. They can never be the basic plan unless the Congress were to compel every employer to provide some specific level of protection and then repeal the social security program. That is not a realistic approach.

38. Every major business enterprise should be required to provide a minimum supplementary protection to social security which is financed through a private plan. Such a plan would be a requirement for federal tax purposes and would require some vesting of benefits, reinsurance of the program, full reserves after a period of years, and complete public disclosure of investments, liabilities, and expenditures.

39. Congress should establish a nonpartisan Commission to review various proposals and experience, with particular reference to the Congressional debate on the welfare reform proposal recommended by President Nixon, and to present to the Congress in 1977 proposals which, if adopted, would abolish poverty in the United States by 1982.

40. The $2.5 billion limit on federal expenditures for social services established by Congress in 1972 should be re-examined. Special consideration should be given to expanding social services to the aged, in early childhood, for the mentally retarded, and for family planning. A cost-of-living increase in the limit should be considered.

41. I believe that the productive genius of our nation will continue to result in improvements in the real income of the people of this nation. The increased income must be shared in some appropriate and acceptable way among all those who helped make the increase possible. A social security system is one way to assure that the aged, the disabled, and widows and orphans share in the increased affluence.

42. One of the important and perplexing questions involved in retirement policy is whether there should be any "normal" retirement age in social security and whether the present "normal" retirement age of 65 should be lowered, increased, retained or whether there should be several ages at which individuals are eligible for benefits.

The original idea of a single normal retirement age of 65 embodied in the 1935 law has now been changed by Congress to a variable or flexible retirement age.

If a person is unable to work due to disability, he or she may retire at any age and draw full benefits.

A widow may begin to draw her benefits at age 60, while a disabled widow may begin drawing benefits at age 50.

While "full benefits normally begin at age 65, individuals may draw an actuarially reduced benefit at age 62. In addition, an individual may receive an increased benefit if he or she retires after age 65.

At age 72, an individual may draw full benefits and full wages.

There are, therefore, several options and choices for the individual. Many people are not aware of this policy in the law. The older Americans Act should be amended to provide retirement counseling to persons beginning at age 50 so they can intelligently plan their retirement and so we can dispel the idea of a single retirement age. Individuals differ in their health, occupation, strength, attitudes, interests, and experiences. They should be free to choose that combination of benefits and circumstances which best suits them. That is meaningful freedom of choice.

The idea of "complete retirement" at a given age is becoming more unacceptable. Two related developments are occurring more frequently: "phased retirement" and "work and retirement."

This approach can best be explained by utilizing some possible examples from University employment:

At age 62 a faculty member might "retire" and draw one-half of his private retirement benefit and teach one-half of the year. He could elect whether to draw the actuarially reduced social security benefit for that part of the year when not working, or defer the benefit to age 65.

At age 65 such an individual might draw two-thirds of his private retirement benefit and teach that proportion of the year which entitled him to draw his normal social security benefit.

At age 67, he or she could draw the full private retirement benefit and the full social security, increased by 2 percent if the benefit were delayed until age 67.

The individual might work until age 72 and draw the full social security benefit increased by 7 percent.

While such flexibility and options might not be immediately suitable for manufacturing or assembly-line work, it may prove acceptable in professional, service, and related activities which are growing in our economy. Employers and unions should be encouraged to consider this approach.

43. The Congress—our economy—the nation is faced with several important social policy decisions in the future as our gross national product increases. If we assume that in the future our gross national product will increase at about the same rate as it has in the past, how shall the increase be distributed, for instance:

1. In increased incomes to those who work and their immediate families:

2. In increased income to those who have retired, or are disabled, or are widows;

3. In increased educational services to the young as well as to the individuals throughout their lifetime;

4. In increased funds for medical research, and access of high quality health and medical services to all the people;

5. In increased payments to reduce or eliminate poverty;

6. In increased payments for the control of environmental pollution.

7. In some decreased taxes.

We will probably do some of each of all seven during the coming decade. The Congress should develop a ten-year plan to accomplish this.

44. If we are to have increased income growing out of an increased gross national product, before we lower the retirement age or reduce the working week too much, we should consider a policy of providing a 16-week "sabbatical." Thus, instead of reducing the work week from 40 hours to say 35 hours, we could have a 37½- or 36-hour week, and a periodic sabbatical for every worker every 10, 7, and or 5 years. A 16-week sabbatical would make it possible for an individual to return to a community college or university and take such courses as might prepare him or her for a second career, retirement, or a college degree. This alternative should be fully explored before we make decisions utilizing our available resources all in one direction.

45. The retirement deduction in the Federal income tax should be changed into a retirement tax credit. This would be more favorable to low- and middle-income individuals. It could be done at no net cost to the Federal Treasury.

46. If general revenue sharing is continued, a condition for receipt of Federal funds to States and localities should be a rebate of property taxes to older persons with low incomes. Such a requirement could be added to any other appropriate Federal Grant to the States.

47. Consideration should be given to termination of the General Revenue Sharing law when its five-year duration terminates. The $30 billion authorized under that law should be devoted to higher priority needs of our economy with a specific determination by the Congress of what these priorities are.

48. Federal-State relationships under the public assistance, maternal and child health, and social service provisions of the Social Security Act have greatly deteriorated in the past four years. A complete re-examination of this important relationship should be undertaken with a view to making changes in the Federal law and administrative and organizational relationships.

CUTTING AND USE OF TIMBER

Mr. METCALF. Mr. President, the latest in a long series of indictments of administration handling of our forests has appeared in a report of the General Accounting Office.

Dated July 30, 1973, the GAO report is entitled "Increased Use of Felled Wood Would Help Meet Timber Demand and Reduce Environmental Damage in Federal Forests." It tells of waste of valuable resources, inadequate research into new ways of utilizing all felled timber, and inadequate and inefficient processing capacity in our mills.

The GAO report examined the performance of the three Government agencies involved in selling standing timber contracts; Agriculture's Forest Service and Interior's Bureaus of Land Management and Indian Affairs. The vast bulk of the timber comes from Forest Service land.

One study, based mainly on the Forest Service's own research, states that in 1969, about 400 million cubic feet of usable felled wood—equivalent to one-fifth of the entire 1972 nationwide timber harvest on the land of all three agencies—was left in sale areas in Oregon, Washington and California. Furthermore, GAO was told the abandoned timber was physically suitable for plywood, lumber, or fiberwood.

Mr. President, I charge again that the Nixon administration is interested only in getting trees cut—and let the consequences be hanged. It is one thing to deliberately subvert the long-standing mandate of Congress that weight be given to multiple uses of timber lands. It is adding insult to injury to concentrate almost solely on cutting trees while slashing funds for the research which would make wood fibers go farther, and impounding funds earmarked for reforestation or firefighting.

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

[Comptroller General's Report to the Congress]

INCREASED USE OF FELLED WOOD WOULD HELP MEET TIMBER DEMAND AND REDUCE ENVIRONMENTAL DAMAGE

(Department of Agriculture, Department of the Interior B–125053)

WHY THE REVIEW WAS MADE

Each year Agriculture's Forest Service and Interior's Bureaus of Land Management (BLM) and Indian Affairs (BIA) sell standing timber under contracts to thousands of purchasers.

The agencies require purchasers to cut down designated trees in timber sale areas. The purchasers decide which felled wood to remove and have left large volumes in the sale areas.

Because unremoved felled wood often creates environmental problems and because shortages in timber supply are expected, GAO made this review to learn whether unremoved felled wood was usable and, if it was, to evaluate what the three agencies were doing or could do to insure maximum desirable use of wood felled in future sale areas.

GAO reviewed these matters in Washington, D.C., Oregon, Wisconsin, Georgia, Utah, and Louisiana.

Photos throughout the report illustrate various aspects of the felled wood problem.

FINDINGS AND CONCLUSIONS

To help insure the maximum desirable use of wood felled in future Federal timber sale areas and thereby help meet the growing demand for wood and lessen the undesirable economic and environmental effects of leaving too much felled wood in the forests, the agencies needed to take action to:

Insure that purchasers remove all felled wood that, on a sale-area basis, can be economically marketed;

Insure that, in determining what is marketable and in setting the minimum selling price, adequate consideration is given to the various economic and environmental benefits that the Government could realize if more usable felled wood were removed from the sale areas and used; and

Explore ways of increasing wood-processing capabilities to insure optimum use of felled wood.

Background

The three agencies manage about 121 million acres, or about 95 percent, of the total commercial forest land managed by all Federal agencies. This land contains about 40 percent of the Nation's commercial timber.

During fiscal year 1972, about 14.1 billion board feet of timber was harvested from land managed by the three agencies. Of this, 11.7 billion board feet came from Forest Service land. The agencies collected gross timber sale revenues that year totaling about $451.5 million, including about $38 million collected by BIA for the sale of Indian-owned timber.

The President's Cabinet Committee Task Force on Softwood Lumber and Plywood said there could be a gap between timber supply and demand in 1974 which could result in higher prices and fewer houses built.

Effects of leaving felled wood in timber sale areas

Although the agencies did not have specific data available on the amounts of economically marketable felled wood that had been left in their sale areas, information obtained from the Forest Service showed that the large volumes of unremoved felled wood have included large quantities physically suitable for making wood products.

For example, a Forest Service researcher, who reported that more than 400 million cubic feet—equivalent in volume to about 2.4 billion board feet—of usable felled wood was left in the three agencies' sale areas in California, Oregon, and Washington in 1969, told GAO that this wood had been physically suitable for lumber, plywood, or fiberwood products. He did not estimate, however, what portions were suitable for each of these products or how much the purchasers could have economically marketed.

Other Forest Service reports published in 1965 and 1972 indicated that the felled wood left in Federal, State, and private logged over areas on the Pacific coast had included large quantities of logs of the size normally used to make lumber and plywood, for which there is a strong demand.

Felled wood remaining in sale areas:

Often caused delays in planting new trees and problems in applying cultural practices to speed their growth.

Created serious fire hazards resulting in damages considerably greater than in areas where felled wood was not present.

Caused air pollution (from unintentional fires or intentional ones to reduce the fire hazard and facilitate replanting), water pollution, and damages to natural beauty, and

Often led to cost increases in various forest management practices, such as fire protection, fire suppression, tree planting, and tree thinning.

Conditions not conducive to optimum use of wood

Although specific data was not available on how much unremoved felled wood could have been economically marketed, GAO identified two conditions not conducive to obtaining the maximum desirable use of wood felled in Federal timber sale areas.

First, under timber sale contracting procedures:

The agencies designated which trees were to be felled and set minimum selling prices for wood meeting minimum merchantability standards but did not require that purchasers remove all wood meeting the minimum standards. Therefore, the purchasers were not prohibited from moving from one sale area to another after removing only the best timber.

No provision was made for considering, in establishing minimum merchantability standards and setting the minimum selling price, the economic and environmental benefits to the Government if more usable felled wood were removed and used. Therefore, some usable felled wood was not considered merchantable and not included in the selling price determination, although the benefits to the Government from removing and using it may have been greater than any price reductions that might have resulted from including it in the sale.

Second, in many locations the absence or limited capability of such wood-processing facilities as sawmills, plywood plants, pulp mills, and particleboard plants made it impractical to remove all usable wood included in a sale.

The agencies had not explored whether, where, and how Federal financial and other assistance might be provided in increasing wood-processing capabilities.

Compared with Federal agencies, some large private companies which own and manage land for timber production have far less felled wood left on their land after harvesting. Although differences in age and quality of trees appear to be contributing factors, these companies are able to use more felled wood from their land because:

They are not faced with contractual problems confronting Federal agencies.

They consider benefits to be gained by increased removal.

They have integrated wood-processing facilities that can produce a variety of wood products.

The Forest Service adopted action plans in June 1972 directed at increasing the use of wood felled in its sale areas. The plans, however, did not deal fully with conditions identified by GAO as not conducive to the maximum desirable use of felled wood.

Resolving such problems will require changes in contracting methods, procedures, and requirements and may warrant Federal assistance in establishing or improving wood-processing facilities.

RECOMMENDATIONS

The Forest Service, BLM, and BIA should:

Modify timber sale procedures to insure that purchasers are required to remove economically usable felled wood that can be processed by facilities in the sale area vicinity (for example, an appraisal zone);

Establish methods and procedures under which economic and environmental benefits to the Government from increased use of felled wood will be recognized in determining the amount to be removed from the sale area, considering the feasibility of shipping wood outside the sale area vicinity;

Ascertain, and set as a national goal, the optimum level for use of wood felled in sale areas that can be attained under the best timber-processing technology available; and

Identify areas where local processing facilities are inadequate to insure optimum use and explore whether and how Federal assistance should be provided to increase timber-processing capabilities.

AGENCY ACTIONS AND UNRESOLVED ISSUES

Agriculture substantially agreed with these recommendations and said plans were being or would be developed to implement them. In May 1973 Agriculture announced that, as one of several steps to be taken to increase timber supply, the Forest Service would change its timber sale contracts to require that purchasers remove specified wood from sale areas.

Interior said GAO's recommendations might not be fully appropriate for Indian-owned land managed by BIA. It cited several problems and conditions—including the need to carefully consider major policy changes—which it believed would have to be considered in implementing GAO's recommendations with respect to BLM land.

Agriculture also cited problems and conditions—primarily supply and demand imbalances for fiberwood products—but it proposed actions to deal with them within the basic framework of GAO's recommendations.

GAO believes the two Departments should coordinate their efforts to bring their expertise and knowledge to bear on the complex problems involved.

Such coordination should provide for uniformity in developing modified policies, procedures, and contractual requirements to increase the use of felled wood. Uniformity is important because the agencies sell timber in the same market areas.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Some changes in the Federal agencies' traditional policies and methods of appraising and selling timber will be needed if the agencies are to achieve the maximum desirable use of felled wood to help meet the growing demand for wood and thereby reduce undesirable effects of leaving too much felled wood in Federal timber sale areas.

ACTIONS NEEDED TO INCREASE THE USE OF WOOD FELLED IN FEDERAL TIMBER SALE AREAS

Forest Service research studies and other information show that each year timber purchasers leave large volumes of trees and parts of trees felled in Forest Service, BLM, and BIA timber sale areas. Actions are needed to increase the use of wood felled in future timber sale areas because unremoved felled wood in past sale areas:

Included large quantities that could have been used for lumber, plywood, and fiberwood products, assuming that it could have been marketed;

Often caused delays in planting new trees and problems in carrying out cultural prac-

tices to speed up their growth, and thereby resulted in loss of timber growth;

Created a serious fire hazard;

Caused environmental damages, such as air pollution (from burning), water pollution, and marring of natural beauty; and

Often increased the costs of various forest management and protection practices, including fire protection and suppression and tree planting and thinning.

The agencies did not have specific data on the amounts of economically marketable felled wood that purchasers had left in Federal timber sale areas. We identified two basic conditions, however, that were not conducive to the optimum use of wood felled in such areas.

Under their contracting procedures and methods, the agencies neither required purchasers to remove all merchantable felled wood nor provided for adequately considering, in determining what was merchantable and setting the minimum selling price, the various economic and environmental benefits that could have been realized if more usable felled wood were removed from the sale areas and used.

Under the circumstances, the agencies did not prohibit a purchaser from moving from one sale area to another after he removed only the best timber. Further, some usable felled wood was not considered merchantable and not included in the selling price determination although the benefits to the Government from removing and using it may have been greater than any price reduction that might have resulted from including it in the sale.

The lack, or the limited capability, of wood-processing facilities in some locations reduced purchasers' capability to profitably market usable felled wood.

Solving these problems will require innovations in the agencies' contracting procedures and methods and may warrant Federal assistance in establishing more wood-processing facilities or in increasing the capability of existing facilities.

Forest Service and BLM officials have recognized that leaving felled wood in sale areas is a major problem. In August 1971, the Chief of the Forest Service assigned a special committee of Forest Service personnel to evaluate the problem. In June 1972 the Forest Service adopted several recommendations and action plans proposed by the special committee and assigned various Forest Service organizations the responsibility for implementing them within specific target dates. Those recommendations were directed at increased use of wood felled in Forest Service sale areas. The action plans, however, did not deal fully with the conditions we identified as not conducive to optimum use of felled wood.

Usable felled wood left in sale areas

Timber purchasers have left large volumes of felled wood in Forest Service, BLM, and BIA sale areas in many different timber-producing regions. The agencies must dispose of unremoved felled wood to reduce the fire hazard and facilitate regrowth of trees.

According to Forest Service research studies and other information, much of the felled wood left in the sale areas was physically suitable for lumber, plywood, and fiberwood products. The agencies did not have specific data, however, on how much of the felled wood could have been economically marketed.

A Forest Service research study report and supplementary information obtained from the research analyst who made the study showed that in 1969 about 400 million cubic feet of usable felled wood—equivalent to about one-fifth of the 1972 nationwide timber harvest on Forest Service, BLM, and BIA land—was left in Forest Service, BLM, and BIA sale areas in Oregon, Washington, and California. The Forest Service research analyst told us that the felled wood was physically suitable for plywood, lumber, or fiberwood. The analyst's study did not include estimates of what portions of the total volume were suitable for each of these products or how much could have been economically marketed by the purchasers.

Forest Service reports published both before and after the research study indicated, however, that substantial volumes of such wood were of the size normally suitable for lumber and plywood, for which there is a strong demand. For example:

A 1965 Forest Service report on U.S. timber trends stated that nearly 400 million cubic feet of logging residues, including 1.5 billion board feet of wood included in the sawtimber (timber suitable for making lumber and plywood) inventory, had been left behind annually on Federal, State, and private logged-over areas on the Pacific coast.

A 1972 Forest Service report on forest statistics for the United States showed that about 525 million cubic feet of logging residues, including about 1.6 billion board feet of wood included in the sawtimber inventory, was left on Federal, State, and private logged-over areas on the Pacific coast during 1970.

The above reports did not state why the timber purchasers did not remove the felled wood. The research report stated, however, that, as economic and technological changes occur, felled wood being left in sale areas may represent a substantial base for increases in paper and board production with no additional drain on the timber resource.

Forest Service officials in the Intermountain Region told us that the volume of felled wood left in Forest Service sale areas in that region—which includes national forests in Wyoming, Idaho, Utah, and Nevada—was significant, but that no studies for determining that region's overall volume had been made. One Forest Service research study showed that felled wood left in a typical lodgepole pine sale area in Wyoming would amount to about 3,600 cubic feet per acre. Regional officials told us that nearly all of the felled wood left in Forest Service sale areas in that region was physically suitable for fiberwood products and that some was suitable for lumber.

Information obtained from a Forest Service research official in the Forest Service's Northern Region—which includes national forests in North Dakota, South Dakota, Montana, Idaho, and Washington—indicated that large volumes of felled wood had been left in sale areas in that region. Forest Service researchers had surveyed several sale areas in two national forests in western Montana and estimated that an average of more than 100 tons of felled wood per acre had been left in the areas. The researchers estimated that 90 percent of this felled wood was 4 inches or more in diameter at the small end. Forest Service officials stated that felled wood of that size is suitable for fiberboard, pulp, or lumber, depending upon its quality.

Forest Service officials in the Eastern Region, which includes national forests in 12 States, and the Southern Region, which includes national forests in 13 States, told us that, although the problem in those regions was not as great as in other Forest Service regions, about 2 to 10 percent of the felled wood which met merchantability standards for lumber, pulp, and fiberwood products was left in sale areas in their regions. They stated that other felled wood left in the sale areas was below the standards but was physically suitable for lumber, pulp, or fiberboard products.

TRIBUTE TO SENATOR TALMADGE

Mr. NUNN. Mr. President, it is with pleasure that I bring to the attention of my colleagues an article which appeared in the summer edition of Dixie Business entitled "It Seems to Me" by Max Lockwood.

The article is an excellent tribute to my distinguished colleague from Georgia, Senator HERMAN E. TALMADGE.

As chairman of the Senate Committee on Agriculture and Forestry, as second ranking majority member of the Senate Finance Committee, and now as a member of the Select Committee on Presidential Campaign Activities, Senator TALMADGE has ably demonstrated his knowledge of the problems which face our Nation and their possible solutions. Senator TALMADGE, now in his 16th year in the U.S. Senate, is serving his State and his Nation with honor and dignity.

It is with great pride that I ask unanimous consent that this article be printed in the RECORD.

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

IT SEEMS TO ME

(By Max Lockwood)

Herman E. Talmadge, Democrat, of Lovejoy, Georgia; born Telfair County, near McRae, Georgia on August 9, 1913, son of Eugene and Mattie Thurmond Talmadge, now serving as the distinguished Senior United States Senator from the State of Georgia, is my candidate as the next president of the United States.

Senator Talmadge has a long career of public service, unequaled by many of those whose names have been prominently mentioned for that high office. There is no doubt in my mind but that the Senior Senator from Georgia is as knowledgeable and understanding of that which constitutes the best interests of the people of the United States as does any other figure in public office in our country today.

He stands as an equal to men like Humphrey of Minnesota, Jackson of Washington State, Wallace of Alabama, Connally of Texas, Goldwater of Arizona, Church of Idaho, Percy of Illinois, Bayh of Indiana, Kennedy of Massachusetts, Muskie of Maine, and the host of other contenders.

There is no doubt but that Governor Wallace has opened the door of the White House to outstanding southern leaders who find themselves capable and qualified to seek the office of the Presidency. Herman Talmadge has distinguished himself as the Chief Executive of the State of Georgia and his service in the United States Senate has not been without recognition on the part of his peers, where he is held in high esteem.

As the very able Chairman of the Senate Committee on Agriculture and Forestry, the Senator finds himself at the center of the stage in an era when our nation's capacity to help solve the food and fibre crisis facing the world may become the only workable solution to many of the problems which face our nation.

As the second ranking majority member on the Senate Finance Committee, Senator Talmadge has a working understanding of the budget, and is perhaps one of the most knowledgeable men in the United States today on economic affairs and matters of fiscal responsibility as relates to the workings of government.

Long a fighter for the military and economic protection of our Nation, Senator Talmadge has stood against the tide of those who would destroy our armed services and who through ignorance more so than design, would destroy our agricultural economy which is in fact the very basis of our survival in the free world.

As a member of the Joint Committee on Internal Revenue Taxation and as a member

of the Joint Economic Committee, he has shown the good sense to caution those who would buy now and pay later that their thoughtless actions could well lead our nation to economic disaster.

He has worked long hours to convince our nation's leaders that we must turn our attention to the needs of our rural areas if our cities are to survive. His leadership has not gone unnoticed and the result of his hours of research and labor have been rewarded with passage of the first meaningful legislation in this area in more than three decades.

Even now, as the leadership of the United States seeks out its best to sit in judgement of the leadership which occupies the White House itself, the Chairman of that distinguished Committee turns to Herman Talmadge of Georgia to take a leading role. He does so now, with dignity and courage befitting such a call to service.

Senator Herman E. Talmadge is a great Georgian, an outstanding American. He is Presidential Timber of the highest sort. Those of us who know him best, perhaps appreciate his greatness least. Let's begin now, to sound the call.

TRAGEDY AT LOGAN INTERNATIONAL AIRPORT

Mr. KENNEDY. Mr. President, this morning a tragic plane crash at Logan International Airport in Boston, Mass., took the lives of 88 people. My heart goes out to the families of those lost, and I am sure that I express the sympathy of all Members of this body on the sudden loss of those loved ones.

Moments after the tragic crash, the city of Boston Police Department and Fire Department had taken action to provide emergency assistance. Massachusetts General Hospital and the Boston City Hospital immediately responded to provide crucial service. All of the men and women who worked so efficiently and quickly are to be commended for their efforts.

Mr. Alexander Butterfield, the Administrator of the Federal Aviation Administration has informed me that Isabel A. Burgess of the National Transportation Safety Board has already arrived on the scene to investigate the cause of the crash.

Once again, let me express the heartfelt sympathy of the Members of the Senate to the families of those who died this morning, and let them know that our prayers are with them.

INTERNATIONAL SPACE HALL OF FAME

Mr. DOMENICI. Mr. President, today I would like to go on record by saying that the city of Alamogordo, N. Mex., has announced that they will establish an International Space Hall of Fame, with an appropriate shrine to be supported by the historical foundation of the city. A charter for this International Space Hall of Fame was proclaimed by resolution of the Alamogordo Chamber of Commerce and City Commission. Following this, the Governor of the State of New Mexico issued an official proclamation designating Alamogordo as the site for an International Space Hall of Fame.

Dr. Charles Stark Draper, president of the National Academy of Astronautics, has been contacted and offered the services of the academy in selecting nominees for the Hall of Fame. Dr. Draper is best known as the prime inventor of the inertial test-guidance system for navigation of space vehicles.

Plans for the International Space Hall of Fame will be presented at the next meeting of the academy at Baku, Russia, in October by Dr. Draper and by Dr. Ernest Steinhoff, a delegate to the meeting from Alamogordo, N. Mex. This international academy was founded by distinguished pioneers in space research in 1961 for promotion of international cooperation and communication among the various space scientists throughout the world.

Recently a symposium of international space laboratories was held, under the auspices of the academy, in Cloudcroft, N. Mex., in the fall of 1969. This symposium coincided with the dedication of the new Sacramento Peak Observatory telescope. Distinguished scientists from all over the world attended the conference and toured the facilities of the Tularosa Basin.

It is planned that contributions from Holloman Air Force Base, White Sands Missile Range, and NASA Apollo Sites will be major tourist attractions in the Tularosa Basin. In addition, exhibits provided by Wernher von Braun and Associates, which directed the first successful American orbital experiment and many other pioneer space contributions, will be featured.

Alamogordo is located on U.S. 54–70, between El Paso, Tex., and Albuquerque, N. Mex., and historically on the route of the old Santa Fe Trail, which today is near the Trinity Site, location of the first atomic fission explosion in July 1945.

Upon receiving notification of this historic moment, I contacted Dr. James Fletcher, Director of NASA, and asked that his agency provide the necessary cooperation to make this venture successful. It is a policy of NASA that all relics and artifacts of our space exploration program are donated to the Smithsonian Institute, but upon request could be loaned out to the International Space Hall of Fame in Alamogordo.

I am very confident that the city of Alamogordo has the necessary ingredients and attitude to make the International Space Hall of Fame a reality.

MILTON EISENHOWER IS RIGHT—RADIO FREE EUROPE AND RADIO LIBERTY SHOULD CONTINUE

Mr. HRUSKA. Mr. President, I wish to address a few words on the subject of continued funding for Radio Free Europe and Radio Liberty. In August of 1972, President Nixon established a Study Commission on International Radio. The Commission, after thorough study, submitted its report this year. Its findings speak loud and clear for the continuation of Radio Free Europe and Radio Liberty. The Commission also recommended the creation by congressional action of a Board for International Broadcasting to receive appropriated funds for allocation to Radio Free Europe and Radio Liberty.

Despite the Commission's findings, there have been arguments that Radio Free Europe and Radio Liberty are no longer needed. These arguments point to the bettering of relations between the Soviet Union and the United States and seek to end the operations of the radios on the grounds that they are "throwbacks" to the cold war era.

Naturally, all of us are pleased with the recent events that have occurred in United States-Soviet relations. Insofar as they lead to peace, they are good. President Nixon's trip to the Soviet Union in May of 1972 and the recent June visit of Leonid Brezhnev to the United States are evidences of that progress.

But such arguments which link the improved relations between the United States and the Soviet Union to the discontinuance of Radio Free Europe and Radio Liberty miss the basic thrust of the Commission's Report on International Radio. The thrust of the report is that the very progress that has been made in United States-Soviet relations does not diminish the need for Radio Free Europe and Radio Liberty. In fact, progress toward détente increases the value of Radio Free Europe and Radio Liberty.

Observing that "it is unfortunate that the spirit of détente has not filtered into Soviet internal policies for their peoples and for the citizens of Eastern Europe," the Commission report goes on to state that:

> It would be a mistake for us to assume that Detente will bring an end to tight internal security of the Soviet Union and Eastern Europe. Soviet security leaders fear the dissemination of the free flow of news. So long as they continue to do so there is an apparent need for Radio Free Europe and Radio Liberty.

Recent reports do not indicate that internal security in Eastern Europe and the Soviet Union has been reduced to any significant degree. The free flow of news and ideas has yet to become a reality in the Soviet Union and in Eastern Europe. Soviet citizens are perhaps the most isolated of all peoples on this earth when it comes to the free flow of information. A Western newspaper in the Soviet Union is a rarity. Even Communist newspapers from the West are screened and censored if they are critical of particular developments in the Soviet Union or Eastern Europe.

Were it not for Radio Free Europe and Radio Liberty, the peoples of the Soviet Union and Eastern Europe would receive only the news that their governments choose to give them. The Commission report states:

> Whether we like it or not, we must recognize that detente in relations with the outside world is for the communist governments by no means congruent with relaxation of restrictions, censorship, and all other inhibitions which impede the right of their own people to be informed.

Nor has détente reduced the amount of Soviet shortwave broadcasting. In fact, quite the contrary seems to be occurring. Two Soviet stations—Radio Moscow and Radio Peace and Progress—maintain the largest foreign radio serv-

ice in the world. During the period from 1962 to 1972 Soviet shortwave broadcasting increased from 1,000 program hours a week to nearly 1,900 program hours a week. Soviet and Eastern European broadcasts directed at North America and Western Europe now total about 1,350 program hours a week.

There is a great need on our part to insure that the peoples of Eastern Europe and the Soviet Union continue to receive much needed news and information. The particular advantage that Radio Free Europe and Radio Liberty have is that they are not considered by the people who listen to them to be official government radios.

Broadcasting in the languages of Eastern Europe and the Soviet Union, Radio Free Europe and Radio Liberty devote major attention to Soviet and East European domestic affairs. They fill in news that the government chooses to leave out. A people who are informed can never be totally controlled. Immeasurably, Radio Free Europe and Radio Liberty have fostered détente by giving the peoples of the Soviet Union and Eastern Europe information.

Hopefully, an informed citizenry in the Soviet Union and Eastern Europe can provide the pressure needed to make East-West détente a workable reality.

As we know, détente is a two-way street. Unfortunately, the Soviet Union continues to reject the premise of the free flow of information. As long as this is the case, Radio Free Europe and Radio Liberty have a job to fulfill by providing information to the peoples of the Soviet Union and Eastern Europe.

BEEF SUPPLY CRISIS

Mr. HRUSKA. Mr. President, it has been nearly 2 weeks since the President announced his phase IV program of economic controls. At the time of his announcement, I commended the President for his efforts to bring this inflation under control and get our economy back to its rightful operation under the laws of supply and demand.

At the same time, I recognized the difficulties the administration faced in choosing the right combination of controls for phase IV. I expressed disappointment that the administration chose to retain the price ceilings on beef. It is unrealistic to have a national policy that singles one product out as being inflationary. Although there is definite relief in sight with the announced end of controls in September, I am vitally concerned with the effect this singling out will have on all phases of the beef industry.

Mr. President, in the last 2 weeks it has become abundantly clear that my concerns have proven correct—the beef industry is in turmoil. I rise today to respectfully urge the President to reconsider his phase IV policy with regard to the price ceiling on beef.

Reports to my office in the past week have been grim. Shortages in the supply of beef will surely result if the freeze is continued. The beef packing industry is in a calamity. This can mean only one thing: much higher prices once the ceilings on beef are removed come September 12. Should the price ceiling on beef be retained as is, the damage to the beef industry will be acutely felt by every American consumer for months to come.

Mr. President, I should like to insert in the RECORD several items which clearly point out the gravity of the situation.

Reports coming from Nebraska indicate that some meat packing plants are closed; some are operating at less than full capacity; others are anticipating close downs.

First, I submit a letter for every Member's reading which sets forth the problem that has been created by this freeze on beef prices. I particularly urge the President's advisers to consider two key sentences:

It takes 2 years to develop choice beef in the size and quality that the American public demands. It cannot be turned off and on, such as in the case of the automotive and steel industries.

Next, I should like to insert at this point several stories which have appeared in Nebraska's largest newspaper, the Omaha World Herald. These articles testify to the severity of the problem.

I call upon the President to remove the price ceiling on beef immediately. While prices can be expected to rise in the immediate future, it can only be balanced when the supply is satisfactory enough to meet the demand. That is what the farmer wants. That is what the meat processor wants. That is the only real way to meet the wants of the American consumer.

Mr. President, I ask unanimous consent to have these items printed in the RECORD.

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

AMERICAN BEEF PACKERS, INC.,
Omaha, Nebr., July 25, 1973.

Senator ROMAN HRUSKA,
U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR HRUSKA: This letter sets forth my thinking on Phase IV and in effect on the beef industry. Let me preface my remarks by saying that I have no crystal ball—I can only give you my opinion of the situation.

First, postponing the lifting of price ceilings altogether and allowing a free economy whereby the law of supply and demand would ultimately prevail was a terrible mistake. Singling out beef in the manner in which it was done is causing a calamity among beef packers. Any time a definite date is given (such as September 12), feeders will hold their cattle until that date or until they are offered enough money that they feel the price will be no more on that date. As of today, we have August Futures at $53.67. This has created a situation whereby a feeder can sell his cattle to the Futures Market for delivery on August 7 or anytime thereafter and doesn't have to wait until September 12. This was done in great volume on July 24 across the country. The least the government could have done was suspend trading in August Futures, as we have a built-in new competitor—the Mercantile Exchange.

It is my understanding that the Agriculture Department has been stating publicly that "cattle could not be held over two weeks and then there would be plentiful supplies." I have been in this business approximately 35 years and I have seen farmers hold cattle 60 to 90 days with no problems.

The government created chaos in the cattle feeding industry by putting a freeze on, as a large amount of cattle are placed on feed from June through October. Consumption of beef is quite heavy from October through February, with the highest rate of consumption falling in January. It takes two years to develop choice beef in the size and quality that the American public demands. It cannot be turned off and on, such as in the case of the automotive and steel industries. Ranchers and feeders program their production and must think in terms of six months to a year ahead. Radical changes in government policies such as we have had in the past few months are making them jittery along with the bankers who finance them.

To give you some economic explanation of the meat packing business, a reasonable price for slaughter cattle would be $48 cwt. to be able to sell beef at 71 cents to 72 cents per lb. This is a mythical ceiling for most packers that sell conventional dressed beef. Today they are asking 50 cents lb. to as much as 51½ cents lb. for their beef, which is $80 to $81 cwt. cattle. Beef packers are closing all over the country. Women are buying beef, poultry and pork like it was going out of style and the industry is in chaos.

One thing I think we dearly need in order to have reasonably priced beef, pork and poultry in this country is export quotas on corn milo and soybeans. We should determine animal numbers in the U.S. and retain adequate supplies to fatten them out for our own markets. Otherwise, I can see the Japanese and many other countries buying up our grain and soybeans and indirectly running up the price of our meat. All livestock feeders weigh the cost of their ingredients against the estimated market value of the fat animal and then determine if it is economically feasible. We need reasonably priced corn to have reasonably priced meat—it falls hand in glove and there is no way to separate it.

Thank you for listening to my thoughts on this matter.

Yours truly,

FRANK R. WEST,
Chairman of the Board and President.

PACKER SAYS BEEF PRICES MAY ROCKET

If the beef price ceiling isn't lifted soon, there'll be a "price explosion" when it does come off, the executive vice president of the National Independent Meat Packers Association said Tuesday.

John Mohay said: "The beef market will be in a first-class mess" if the ceiling isn't lifted before its scheduled Sept. 12 ending.

The "only solution" to avoiding beef shortages "is the immediate removal of the ceiling price on beef," Mohay said. The association has been telling that to the Nixon Administration for some time now, and hand carried the message to the White House again Tuesday, he said.

Some stores won't have beef for sale in about 10 days unless quick action is taken to lift the ceiling, he added.

PHONE INTERVIEW

"The beef supply will dry up in two weeks time, and there will be serious dislocations (shortages) in retail stores next week," Mohay said.

He commented in a telephone interview from Washington as a World-Herald check showed at least 19 per cent of the employes in Nebraska's meat processing industry are out of work and more may be soon.

Mohay, whose association represents packers doing 65–70 per cent of the U.S. beef business, said he doesn't have statistics on how many plants now are closed or workers laid off. Many are closing and reopening for short periods across the nation he said.

"Almost all have cut back substantially and probably none are operating at more than 70 per cent (normal)," Mohay said.

The number of beef cattle at the 11 major markets Tuesday (including Omaha, Sioux City and Sioux Falls) was down 25 per cent

from a week ago and 55 per cent from two weeks ago, he said. Monday's total was 30 per cent below a week earlier and 50 per cent under two weeks earlier.

PLANTS TO REOPEN

In the Midlands, one firm announced it was reopening but, generally, industry spokesmen said they expect more plants to close.

At Spencer, Ia., Spencer Foods Inc., said it will reopen its plants at Spencer and Schuyler, Neb., today, on a temporary basis.

The firm laid off all production and maintenance workers Monday, saying it couldn't get cattle because of Phase 4 regulations. Tuesday, President Jerry Kozney said the company has received a limited amount of cattle, the Associated Press said.

"It's going to get worse. It's only a matter of time until most all the meat packing plants close down" unless the ceiling is lifted, said George Davis, manager of the American Stores Packing Co. in Lincoln, where as many as 125 of the plant's 700 employees have been laid off.

LAYING OFF

There is no central office collecting information on how many slaughterers and processors are shut down in the state, but telephone checks showed plants closing or laying off workers in several cities.

In Omaha, for example, Union Packing Co. has laid off about 100, half its force, and may have to close, President Carl Frohm said.

John Roth and Son of Omaha, which employs 60, shut down.

Greater Omaha Packing Co., which shut down last week, remained closed, * * * which employs 55, would reopen as soon as the ceiling is lifted.

At Sioux Beef in Omaha, the work force has been halved, laying off about 25, said spokesman Elmer Hoff.

At Dakota City, the Iowa Beef Processors plant remained closed.

STRIKE

About 1,600 members of the Amalgamated Meat Cutters and Butcher Workmen Local 22 have been on strike a week, and no progress was reported from a session with a federal mediator Monday night.

Company spokesman Dennis Gaukel said the beef ceiling was one factor in the strike. Iowa Beef's Mason City, Ia. plant also has shut down, laying off more than 100 persons, he said.

SHUTS WEDNESDAY

Flavorland Industries of Sioux City, Ia. said it will close Wednesday for an indefinite period. The shutdown comes four days after the company told the Nixon administration that keeping controls on beef prices would endanger meat supplies.

Similar problems are reported in smaller, outstate plants.

* * * Co. manager Bill Mahar said the plant is open this week, but isn't buying cattle for next week and may close then.

Nebraska Agriculture Director Glenn Kreuscher said in Lincoln more closings are likely.

Many feeders will hold cattle off the market until the Sept. 12 ceiling deadline, hoping to get a "significant gain in prices," he said.

THEN A GLUT

But if all do that, the market then will be glutted and prices "could go the other way," he said.

Kreuscher said he wished the Nixon administration had continued its Phase 2 program. "Things were going fairly well in Phase 2, and with a few adjustments" the situation would have improved, Kreuscher said. "It's been all mixed up since then."

BEEF PINCH FELT; SWIFT TO CUT BACK

(By Frank Santiago)

A beef pipeline that appeared to get smaller by the hour Friday is threatening to drain meat supplies to the food counter.

Swift & Co. announced it will close beef packing plants Monday at Grand Island and Des Moines, reducing the company's production 30 to 35 percent.

The packer joins other major meat processors stopping operations in the Midwest. They blame the Phase 4 beef price freeze.

The announcement was among a series of developments:

A spokesman for Safeway in Phoenix told the Associated Press the chain may be forced to lay off its retail butchers if a shortage of beef is not improved. Safeway officials in Omaha were unavailable for comment. However, Neil Shaver of Shaver Food Marts told The World-Herald he "didn't know yet" if a shortage would result in a payroll cutback. "There is the possibility," he said.

Charles A. Monasee, president of the American Community Stores Corp., operators of Hinky Dinky stores, said shoppers may find some "dislocations" or shortages of beef in coming days, but it won't be widespread. Beyond a week, however, the supply is questionable, he said. "We don't see any long supply ahead."

Officials of 25 major independent meat packers mapped out strategy Thursday in a meeting at the Hilton Hotel for a scheduled session early next week with the Cost of Living Council in Washington. The packers, according to United Press International, said their kill floors are running about 60 per cent capacity and the situation will get worse next week.

A spokesman for the American Meat Institute said Friday that Agriculture Secretary Earl L. Butz agreed to meet representatives of the beef industry next Wednesday in Washington.

The packers meeting here speculated that a shortage will intensify unless enough pressure is put upon the Nixon administration to lift the freeze and open the beef market prior to the scheduled Sept. 12 life date, said UPI.

Shortages have emerged in wholesale beef with some companies in Omaha distributing the meat to their customers, including institutions and restaurants, on an allotment basis.

Arthur Kulakofsky, general manager of the Ak-Sar-Ben Beef Co., described the wholesale market as "in utter chaos."

He said "we've been rationing for a week."

One hotel manager called, he said, and pleaded for beef. He was turned down "completely," said Kulakofsky. It was the third or fourth place the manager had called in an effort to find meat.

The Swift announcement said the shutdowns will idle 500 workers. The work forces at the plants are about equal.

The Swift spokesman blamed abnormal beef markets for the shutdown and said the plants will remain closed until the supply increases.

MORRELL HALTS BEEF OPERATION

SIOUX FALLS, S. DAK.—John Morrell & Co., South Dakota's largest meat packer, announced Friday it is halting all beef slaughter operations until further notice and laying off 200 persons.

General Manager Bob Atkins said the action was taken because of the government ceiling on beef prices.

BEEF PLANTS CLOSE ACROSS MIDLANDS

(By John Taylor)

At mid-afternoon Friday word hadn't yet got around to folks in Rock Port, Mo.

Even at John Carter's barber shop it wasn't the prime topic of conversation.

"I'm just like all the rest of them," Carter said in a telephone interview. "I hate to see it done. Folks haven't heard much about it but what does know about it sure hates it."

The word was, that in the town of 1,300 about 400 would be out of work come Monday: casualties of Phase 4.

Murle Schraeder, plant manager for the Missouri Beef Packers in Rock Port, said that the firm will be shutting down all operations Monday morning.

FREEZE BLAMED

He blamed the closing on the continued freeze of beef prices which is part of President Nixon's Phase 4 economic guidelines.

"We've been down three times since the ceiling has been imposed," he said.

The freeze will hit Rock Port especially hard, Schraeder said.

"Other than this plant there's no place to work around here. And every time this happens we lose a few people. It's very costly to us because we have trained them.

"It's pretty disheartening. I know the problem will go away when the ceiling is lifted."

The plant probably will remain closed until Sept. 12, the date the beef price freeze is lifted, he said.

FEW BRIGHT SPOTS

There were few bright spots in Midlands beef industry, as one after another, beef processors either closed Friday, announced they would close or would curtail operations.

No one, including the U.S. Department of Agriculture official in Lincoln, could say exactly how many plants have ceased operations or how many people are out of work.

But a World-Herald check turned up at least 13 plants in Nebraska, South Dakota, North Dakota, Iowa and Missouri, which have closed or are operating at less than full capacity.

3,670 JOBLESS

At least 3,670 persons either are out of work or soon will be.

The American Meat Institute said it has confirmed reports of certain beef processing and packing plant closings, among them:

John Morrell and Co., Sioux Falls and South St. Paul, Minn., to close Monday with total John Morrell layoffs more than 300.

Rath Packing Co., Waterloo, Ia., closing cutting operations Monday with 72 layoffs.

Swift fresh meats, Grand Island, Neb., and Des Moines to close Monday with total 425 layoffs.

In Scottsbluff, Neb., the Scottsbluff Packing Co. announced it will close temporarily beginning next week.

Richard Corey, president of the firm, said Phase 4 price controls were the major reason for the plant's closing.

"We absolutely haven't been able to buy any cattle at all. The market is just too high," Corey said.

Corey said it is hoped the firm can reopen within the next couple of weeks. He said the closing will affect some 55 workers.

"Nearly everyone has been affected some way," said Dr. D. C. Breeden, area supervisor for the Agriculture Department's meat and poultry inspection programs in Lincoln.

SMALL PLANTS OKAY

"Oddly enough, there is one segment of the industry that has increased their business: The small plants engaged in processing either farm animals for individual farmers or for individual * * *

Breeden said his office has "a lot of inspectors on standby status checking with us every day to determine whether a plant is going to operate or not."

The office has about 350 inspectors who operate at plants throughout Nebraska and "probably 75 per cent are on the job," he said. "We're using this time for training and other administrative activities. We also have given a number of employes summer vacations."

FLAVORLAND

In Omaha, one of the latest plants to close is the Omaha plant of Flavorland Industries, Inc. The plant, formerly known as Sioux Beef Co., closed at the end of the day Friday, idling 105 persons.

James R. McDonald, chairman of the board and president of the company, said the firm's West Fargo, N.D., plant also closed Friday. He said the closings are the result of the company's inability to pass on increased livestock costs under the ceiling price. The firm's Sioux City plant closed Tuesday. Total Flavorland layoffs, said the American Meat Institute, are 350–400.

Union Packing Co. of Omaha has laid off 100 employes, about half of its working force. President Carl Frohm said the plant may have to close, said Associated Press.

Meanwhile, Farmland Foods, Inc. said that its Carroll, Ia., pork plant will resume operations Monday.

The plant was closed June 14 as a result of the freeze on all food. About 40 employes will be asked to return to work at Carroll, the company said. However, continued operations remains uncertain and a company official said that "we'll just have to feel our way along."

[From the Washington Star News, July 31, 1973]

SLAUGHTERING OFF, PLANTS CLOSE: BEEF SHORTAGE WORSE

(By William Delaney)

The nation's cattle-slaughter total has plummeted to its lowest daily level since the consumer meat boycott last spring, while shortage-plagued beef packers report at least 25 plants closed and more than 10,000 workers idle.

Even as beef-country Republicans on Capitol Hill discussed alternatives today to the administration's Sept. 12 deadline for lifting retail beef ceiling prices, more layoffs were reported here—at Safeway's Washington division meat-distribution center in Landover, Md.

Officials of both Safeway and Murry's Steaks Inc. here confirmed that Washington suburbanites, like many consumers elsewhere in the country, have begun stockpiling beef for fear of impending shortages and of almost-certain higher prices after mid-September.

Such major beef buyers as the D.C. government and the University of Maryland, for example, have been unable to contract through normal channels for September supplies.

One D.C. wholesaler, stocked with only half his normal beef supplies this week, says he is having to prorate allocations to his prized local customers, which include the Rive Gauche restaurant and the Washington Hilton.

Agriculture Secretary Earl L. Butz told reporters yesterday morning he believes President Nixon "will not cave in" to pressures to lift the beef price freeze at least partially, thereby encouraging ranchers to bring cattle to market before Sept. 12.

But later yesterday, after an hour-long private session at the Capitol with six major middle western slaughterers and Nebraska's two Republican senators, he told The Star-News:

"They (beef processors) are obviously hurting."

Asked if the administration would reconsider its thus-far-adamant adherence to its Sept. 12 price-freeze cut-off, he replied:

"We're half way there . . . Well, I just don't know. This is not my decision."

Though area supermarket chains have predicted an ample supply of beef this week, a spokesman for Safeway's 170-store Washington division said yesterday that an unspecified number of workers had been laid off Friday at the division's "pre-fab" beef plant at Landover.

Jack Luber, vice president of the 16-store Murry's Steaks frozen beef chain in the Washington area, said sales were 30 percent above normal last week and would have been higher, had Murry's had enough steaks.

Agriculture Department analysts yesterday estimated the day's total slaughter at federally inspected beef plants at 79,000—23.4 percent below last Monday's USDA estimate and the lowest daily slaughter total since April 9, the Monday after the week-long national consumer meat boycott.

"We think even that's a big figure," said executive vice president John Mohay of the National Independent Meat Packers Association. "We think it's more like 50,000."

"There's not a beef packer in the U.S. that's operating at anywhere near capacity," Mohay said.

By yesterday, he calculated, 25 plants run by 17 major beef packers had closed down mainly because cattle were being withheld from market pending the lifting of the retail beef price ceiling Sept. 12, or because processors could not afford the $53.42 per hundredweight market price for cattle when their break-even point is around $48.

Sen. Carl T. Curtis, R-Neb., said after the closed-door session with the processors, Butz and Chairman Herbert Stein of the Council of Economic Advisers, that he feels Sen. John G. Tower, R-Texas, will "shortly" push an amendment to permit beef packers to "pass along" immediate raw agricultural cost increases since June 8, as pork and poultry processors were allowed to do 12 days ago under the administration's new Phase IV guidelines.

"The heavy demand for beef is helping create a 'black market' in Washington," according to the president of a leading local beef supply firm. "But it's not fair to call it a 'black market.' It's just free enterprise. Restaurants and hotels want the meat, and they're willing to pay prices over the ceiling to get it," said the supplier, who asked not to be identified.

"What's happening is that a lot of suppliers are just anticipating the September price release. They're selling at whatever they can get, as if it's already a free market."

The supplier said he feels the ceiling violations are justified "if you consider all the people who might be put out of work by this unfair freeze."

"Everyone's buying over the ceiling just to stay in business," another leading wholesaler said. "Those of us who have contracts at freeze levels are taking a beating. We're buying black market, and selling legitimate. Most of us are lucky to break even.

"But we can't afford to say no to our customers," he said. "Once you close your doors, people drift elsewhere. Then when the freeze is over you have to rebuild your business."

A spokeswoman for the Cost of Living Council said its investigations indicate black marketing is "infrequent" on the national level.

The District government, which buys for such institutions as D.C. General Hospital, said it was notified earlier this month by its main supplier, General Services Administration, that its regular monthly contracts are in trouble.

"We're now scrounging around on the open market doing our own bidding," a District spokesman said.

TAXES AND THE MULTINATIONALS

Mr. HARTKE. Mr. President, I ask unanimous consent that a table I have prepared be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HARTKE. The data approximate the effective Federal income tax rates for selected American companies' foreign sales and their percent of total sales, foreign earnings and their percent of total, the scope of sales and the effective rate of taxation is shown for each company for the years 1969–71. The firms selected were taken from a table submitted by Congressman CHARLES VANIK to the Joint Economic Committee in July of last year. The corporations are multinational in nature. All of them obtain substantial earnings from sales and profits abroad. It should be noted that this is only a partial listing. It does, however, adequately demonstrate the effects of tax advantages which are granted under the present system to the large mutinational companies. I am again trying to shed some factual light on the subject of Federal taxation of U.S.-based multinational enterprises. Basic information is particularly lacking in this area.

Further, the same companies disregard Security and Exchange Commission rules on disclosure of taxes paid to foreign governments. SEC rule 5–04,15 provision for income and excess profits taxes, provides that State, local, and foreign taxes be listed separately from Federal taxes, United States Steel, IBM, RCA, National Cash Register, and Colgate-Palmolive combined United States and foreign taxes in all tax statements available. In order to rationally proceed in this important area of tax reform, we need to have access to information from all sources—from the administration as well as from private business.

I would like to emphasize some major results of a study done by Congressman VANIK concerning Federal taxation of American corporations. Up to 10 percent of the country's top industrial corporations paid no Federal income taxes in the years 1969–71. About 10 to 15 percent of the top 100 industrial firms earning profits, paid U.S. taxes at an effective rate of less than 10 percent. Legal tax avoidance was estimated to amount to $1.2 billion. An unequal share of the Federal corporate tax falls on the smaller companies, promoting monopolistic power. At the same time, the larger companies caused a net loss of jobs in the 3-year period preceding 1971. The comparatively smaller companies registered a net gain in employment.

As I have pointed out in previous statements, present Federal taxation legislation lacks any kind of comprehensive unity and purpose. It is out of date, and we are not even told what its effect is. I ask the Members of this Chamber to urge the administration, the Secretary of the Treasury, and the corporations to provide public access to all relevant information.

Foreign direct investment by U.S. companies has been increasing at a rate

of 15 percent. On the basis of present trends this figure will rise to over 20 percent by 1980. By contrast, the GNP of the world's principle industrialized countries will increase between 3 and 5 percent. If a corporation's sales were to be equated with a nation's output of goods and services, then 54 of the world's 100 biggest money powers would be multinational corporations and only 46 would be countries. General Motors, for example, with a yearly turnover of more than $24 billion, was in 15th place on this list, just behind Spain, Sweden, and Holland and just before Belgium, Argentina, and Switzerland. Exxon and Ford each made more money than the GNP of Pakistan, Denmark or Austria.

I am not against bigness per se, but I am vigorously opposed to unregulated bigness that adversely affects the United States' trading position in the world. Multinational firms export American jobs by the hundreds of thousands, as they move their operations abroad in search of cheaper labor, nonunion shops, and tax holidays.

One glance at this list of American multinational firms selling between 40 and 50 percent of their turnover abroad demonstrates the gravity of this problem. In order to facilitate these foreign sales, much of the manufacturing of their products is done overseas resulting in the loss of former American export markets and jobs.

Once these firms have resettled in foreign countries, avoiding many American taxes and slipping under the tariff barriers of the host country, they begin selling their products in markets formerly served by their American plants. This adds to the U.S. balance-of-payments deficit. The foreign affiliate is run by foreign labor, and since production in the American plant has dropped off or been replaced by the subsidiary, Americans are forced to sacrifice their jobs in order that these superinternational companies can expand their profits.

At present, our tax laws make an overseas investment more attractive than one in Indiana. For example, profits earned by a foreign subsidiary of an American firm are not taxed until they are repatriated. To the extent that the firm does pay taxes to a foreign government, these taxes count as a dollar-for-dollar credit against any Federal tax liability. Profits made in Indiana are taxed when earned. And taxes paid to the State of Indiana can only be taken as deduction against gross income rather than as a Federal tax credit. My bill will plug both of these gaping loopholes. For example: taxes on overseas profits of foreign subsidiaries would be taxed as soon as these profits are earned. There would be no tax deferral. As for tax credits, the Hartke-Burke approach would eliminate them and require that foreign taxes on corporate profits be deductible instead of credited on their tax accounts. The depreciation allowances for companies owning business property in foreign lands would be tightened. The allowance would be computed on the basis of actual useful life of property to the corporations and on the basis of the straight line accounting methods rather than an accelerated method.

We cannot ignore nor fail to correct the growing power of these giant multinational concerns. They feel no allegiance to any national entity. They support no government on ideological grounds. They have no qualms about investing in democratic or totalitarian, capitalistic or socialistic, civilian or military governments as long as their profit goals can be realized.

The Foreign Trade and Investment Act of 1973 is designed to put our industry on an even footing with foreign competition and make domestic investment just as attractive as investment abroad. By controlling predatory trade practices and regulating the American-based transnational firm, the Hartke-Burke approach to trade policy will put America back on the path to a world of free and fair trade.

EXHIBIT 1

U.S. COMPANIES HEAVILY DEPENDENT ON FOREIGN SALES AND EARNINGS, AND THEIR EFFECTIVE CORPORATE INCOME TAX RATES

Company	Estimated foreign sales 1970 (millions)	Percent of total	Foreign earnings (millions)	Percent of total	Where sales and profits come from	Effective corporate income tax Rate [1] 1971	1970	1969
Standard Oil (N.J.)	$8,277	50	$681.2	52	Worldwide	[2]	[2]	[2]
Mobil Oil	3,267	45	246.3	51	Canada, Middle East	[2]	16.8	7.2
ITT	2,673	42	123.6	35	Europe, Latin America	4.9	4.2	14.4
Texaco	2,540	40	[2]	[2]	Worldwide	3.2	8.0	.8
Gulf Oil	2,428	45	115.5	21	Middle East, South America, Canada	4.9	1.9	.6
Standard Oil of California	1,885	45	209.3	46	Middle East, South America, Indonesia	[2]	16.0	5.1
Catapillar Tractor	1,118	53	[2]	[2]	Export Sales Worldwide	35.7	41.7	[2]
Occidental Petroleum	1,105	46	[2]	[2]	Middle East, South America, Africa	[2]	1.4	0
Dow Chemical	771	40	46.4	45	Worldwide	22.5	32.2	26.8
CPC International	692	50	31.1	51	do	[2]	27.5	29.7
Colgate Palmolive	670	55	[2]	[2]	do	[2]	[2]	[2]
National Cash Register	643	45	15.3	51	do	[2]	[2]	[2]

[1] This data is courtesy of Hon. Charles A. Vanik: testimony before the Joint Economic Committee, July 19, 1972.
[2] No data available.

Source: The study is based entirely on information from public sources, including 10–K reports, registration statements, and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Interstate Commerce Commission.

THE GUARANTEED STUDENT LOAN PROGRAM

Mr. PELL. Mr. President, on June 22, 1973, the Subcommittee on Education conducted hearings on the guaranteed student loan program, that program under which students in our Nation's colleges and universities can get loans, subsidized or unsubsidized, from private banks.

In the Education Amendments of 1972, a change was made in that program. Before the amendments were enacted, a student from a family with an adjusted gross income of less than $15,000 was assumed to be in need of assistance and therefore was eligible for a subsidized loan, while people with a gross income of over $15,000 could only receive a loan with no interest subsidy.

During the conference on the 1972 amendments, the House conferees insisted upon the establishment of a needs test for the guaranteed student loan program. What in effect the needs test amendment did was to change the program from one of loans of convenience for middle-income families to one of loans on the basis of need.

Both last year and this year the loan programs were markedly affected. Last year, recognizing that the effect of the new amendment would be too substantial for quick implementation, the Senate acted to delay the effect of the new amendments, and the loans continued to be made at about the same volume and to the same people as the year before. This year, the 1972 amendments are in effect, and applications for loans are down 40 percent. It is quite clear that many of those who previously received the loans will not receive them this year.

The members of the Subcommittee on Education were concerned about this and held hearings which somewhat substantiated these effects. Although witnesses attributed the drop in loans to many different factors, there is basic agreement that the difficulty stems from the 1972 amendments. This is a most unfortunate situation, and I know that I would be in favor of legislation which would return the guaranteed student loan program to its status before the 1972 change.

However, we understand that even if we do take action, the House may not go along with any changes. Furthermore, the banks of the Nation as well as student loan officers have indicated that action by only one body will throw a stoppage into the guaranteed student loan program as it exists right now, so that even those people who are now receiving the loans would cease to get them.

I believe that what we are now hearing about is only the beginning, for more and more students will be refused loans.

I would hope that we could amend the statute and give relief to those who are most affected by the current inflation. the middle-income family.

THE GUARANTEED STUDENT LOAN CRISIS

Mr. JAVITS. Mr. President, I share the concern of the distinguished chairman of the Subcommittee on Education, Senator PELL, with respect to the burgeoning crisis in the guaranteed student loan program, a program where a 40-percent falloff is already evident. While the subcommittee's June 22d hearings indicated that there will be an increase from present levels as the opening of the school year approaches, the fact remains that many students from families of moderate income will be unable to obtain the funds which they had anticipated receiving in order to attend the college or vocational institution of their choice.

The existence of a crisis in guaranteed student loans is pointed up particularly by the excellent staff report of the House Committee on Education and Labor following visits to seven regional offices of the Office of Education from July 16th to the 23d. As the report indicates, students in the middle-income brackets are particularly adversely affected, the very students to whom the program is primarily directed. It is these students who are not usually eligible for other assistance programs and who must turn to guaranteed student loans in order to obtain a postsecondary education.

The reasons for the crisis are, of course, complex, including factors attributable to changes made in the law last year, the changing nature of the money market, and administrative difficulties. I ask unanimous consent that the House staff report be made a part of my remarks in the RECORD.

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

(See exhibit 1.)

Mr. JAVITS. As the Senator from Rhode Island has pointed out, we are now frustrated in achieving a solution to this problem at this late hour before the beginning of the new school year. I hope, however, that if our fears as to the difficulties faced by the guaranteed student loan program are borne out that our committee will press for a workable solution.

In concluding, I should like to recall a passage from the Supplemental Views submitted by the minority Senators of the Committee on Labor and Public Welfare as part of the report on S. 659, the bill which eventually became Public Law 92-318, the Education Amendments of 1972:

In considering the availability of a higher education, we refer not only to those in the poverty category but also the large number of young people from middle-income families whose resources are insufficient to meet the mounting costs of a college education. We must be careful lest our campuses be occupied principally by those at the poverty level, who qualify for special aid, and those from the upper income brackets, who can afford to pay—a campus peopled only by the very rich and the very poor, pricing out the middle income, is also violative of the American system.

EXHIBIT 1

STAFF REPORT, FIELD TRIP INVESTIGATING GUARANTEED LOAN PROGRAMS

Pursuant to the instructions of the Chairman of the Subcommittee, the Chairman of the full Committee, and the ranking minority Member of the full Committee, several members of the staff visited seven regional offices of the Office of Education during the period July 16-23, to inquire into reports of problems with the Guaranteed Loan program.

The staff members traveling and their itinerary was as follows:

Kansas City, Mo., July 16—A. C. Franklin, Subcommittee Counsel; William H. Cable, Full Committee Counsel; Christopher Cross, Minority Legislative Associate.

Atlanta, Ga., July 17—Franklin and Cable.

Dallas, Tx., July 18—Jim Harrison, Subcommittee Staff Director; and Robert Andringa, Minority Staff Director.

San Francisco, Ca., July 19—Harrison, Cable, Andringa.

Seattle, Wa., July 20—Andringa.

New York, NY., July 20—Franklin, Cross, and William Gaul, Full Committee Associate Counsel.

Boston, Ma., July 23—Harrison and Andringa.

In all seven of these site visits, the format was similar. School aid officers, officials of lending institutions, and officials of State Guarantee Agencies were invited to come to the regional office to talk frankly with the staff members and to answer questions and express their own concerns. No effort was made to summon a representative cross-section of the various communities, nor was there a formal transcript made of any of the meetings. The staff has kept lists of names of those in attendance, but they have deliberately not been included in this report, because the persons in attendance were urged to speak in an individual, rather than a representative capacity. In some of the meetings, the staff met with the school and bank officials simultaneously; in others, separately. At some of these meetings, HEW officials were present. At others, they were not. It is the unanimous observation of the staff that the substance of the meetings and cooperative spirit displayed were much the same whether or not the various groups were together.

We also believe it would be useful to say for the record that the attitude of the agency officials and the other persons invited to the meetings was uniformly constructive, helpful and concerned primarily with getting at the facts. Some of the participants were more obviously there as advocates than were others, but at no time did point-making take precedence over efforts to help us find the facts.

The following observations are generally subscribed to by all the staff members who participated in these sessions. Not all of us would subscribe to every letter of what appears in this report, but none of us discern major errors of reporting.

The staff members do not believe we were commissioned to make recommendations for legislative solutions to any of the problems we observed, and we have sought to avoid that in this report.

I—SCOPE OF THE PROBLEM

1. Before we departed Washington, all of us had been told that the loan volume—so far in 1973—i.e. amount of money lent and the number of borrowers having loans approved—was down substantially from last year's corresponding period. Although an occasional lender or school felt the figure too high, it was the clear consensus of those to whom we talked in the field that the program was "down" 40% or more as compared, to this time last year. Unusual backlogs of applications are on the desks of some student aid officers, but no one asserted that this accounted for the major part of the drop-off. The field trip confirmed that in Calendar 1973 dollar volume is generally lower, month-by-month, than for any year since 1970.

2. Unsubsidized loans are being made only rarely, but this is not inconsistent with the general pattern of lending institutions in earlier years. So we found evidence neither of any drop-off in unsubsidized loans nor that unsubsidized loans were taking up the slack.

3. Most lenders decline as a matter of policy to make "split loans"—a subsidized loan for the amount recommended by the institution and an unsubsidized loan for the remainder of the student's request.

4. While everyone felt that the net volume of the program would decline this year, there was some disagreement as to the precise mathematics of the decline. It was widely believed by those to whom we talked that the situation would improve, however the number of borrowers would be less than before and that amounts of individual subsidized loans would be reduced. Yet statistics provided us by OE suggested that the "average loan" was actually going up by a few dollars.

II—EFFECT OF THE DECLINE

1. In each of the meetings, the participants were asked if this year's decline represented an actual drop in the number of students who would be attending school—or merely a drop in the number who would do so with the help of guaranteed loans. The reactions to this question were not uniform. In Atlanta, Dallas, San Francisco, Kansas City and New York, aid officers felt strongly that some rejected borrowers would be unable to attend the schools they chose initially, but the aid officers were reluctant to assert that substantial numbers of students would be out of school. In Boston, however, the aid officers did assert that a "substantial" number of students would be unable to register in the fall. All of the officers questioned felt that the difficulty in obtaining loans would work a hardship on many students and their families.

2. There was a general belief—attested to by both student aid officers and lenders that the most serious reductions in previous loan levels are being felt by students whose adjusted family incomes are $10,000 and up. Although there were horror stories told of students from families having lesser incomes being found lacking in need for any loan, the persons to whom we talked felt that the largest number of turn-downs were in the "middle-income" bracket.

3. While some student aid officers and most lenders admitted their own and complained of each other's unwillingness to exceed the recommendations produced by the need analysis computer—or received by the bank from an aid officer—they repeatedly suggested that the recommended amount least likely to be changed was one assessed by the computer as zero. In other words, student aid officers occasionally, and banks very rarely, were willing to increase a small recommendation, but they were almost never willing to grant any loan to a student with a zero recommendation, treating the zero recommendation virtually as a barrier to a subsidized loan.

4. Many lenders have selective policies, refusing to lend to freshmen, or to students who had no previous customer relationship with the bank. The lenders did not seem inordinately distressed to learn that such policies might make them ineligible for participation in SLMA.

III—REASONS

A. Program-related reasons

1. (a) The most frequently and urgently stated reason for the decline, was the needs analysis requirement. "You have changed the program", one could paraphrase much of

what was said, "from loans of convenience to loans of necessity. It is no longer a program for middle-income people. It is now for those who can demonstrate a need."

(b) A frequently voiced complaint was that the needs test multiplied the paper work involved and tripled application processing time.

(c) By those participants who agree to a needs analysis in principle, there was substantial criticism of the existing needs analysis systems as leading to results which were variously described as ranging from unfair to absurd.

2. (a) Paradoxically, although no one had a good word for the needs analysis systems, almost no one was willing to depart from the needs figures that system prescribed. There were, in each of the regional meetings, aid officers who claimed a willingness to depart from the needs analysis result, and some lenders who said they were willing to exceed the recommendation of the loan officer. But they were a minority.

(b) It was not always immediately apparent, but careful questioning elicited in each meeting a deep underlying apprehension about the fate of an institution whose aid officer regularly exceeded even patently absurd needs analysis computations at the hands of some future HEW or GAO auditor. Audits of the recent past have left discernible psychic scars on aid officers.

3. There was some ambivalence as to where the participants wanted the responsibility for choice actually lodged. Some aid officers and some bankers indicated that they felt they were professionally competent to make those judgments, and just didn't want Big Brother and his auditors second-guessing them. Others—aid officers and bankers alike—argued that they did not, in fact, know their clients personally and well enough to make these judgments and they wanted further guidance in writing from the government. It seemed to us that those who wanted authority and responsibility were substantially outnumbered by those who did not.

4. Bankers who were willing to exceed the institution's recommendation did ask for access in some manner to the kind of data available to the student aid officers through the Parents' Confidential Statement. They were, of course, wholly respectful of the confidential nature of the PCS, and did not expect to be shown it. But they did think that a synopsis of the information it contained would enable them to make better judgments as to the adequacy or inadequacy of the aid officer's judgment.

5. There was widespread criticism of HEW because of:

(a) the absence of a program manual.

(b) inadequate guidance as to what constitutes "adequate documentation" for a recommended increase over the needs analysis figures.

(c) apparent ambivalence in OE to the relationship between the expected family contribution and the guaranteed loan itself.

(d) what some viewed—rather convincingly—as the fall-out from an internal struggle within the Office of Education between those who wanted the Guaranteed Loan program to be strictly needs-oriented, and those who thought of it as a liberalized version of what had begun as the "middle-income family's student aid."

6. It was repeatedly asserted that OE had departed from Congressional intent. Floor comments about the "presumption of need" for persons with income of under $15,000 were cited, and those citing them felt that the program as administered (or perhaps the statute as written) had not reflected that kind of assumption.

7. OE's delay in announcing the latest special allowance was cited once or twice.

8. The great delay in announcing the 1973 allocations and guidelines for other student aid programs was cited repeatedly as adding to the slowness and possibly to the decline in loan applications and approvals.

B. Non-program related reasons

1. A general decline in the number of loan applications was cited by several, but not all, aid officers.

2. In one meeting, at least, the commercial bankers affirmed that the fact that, notwithstanding the special allowance, they could make more money in other areas tended to discourage them from active participation in this program—even if it were further "sweetened". In the same meeting, in fact, the commercial bankers participating were unanimous that they lost money on the program. Some asserted they were in it only for reasons of community service or to create good will. (One banker used the phrase "to recruit customers".) The motivations of other types of lenders were varied.

3. Frequent staff changes at aid offices and in lending institutions, and the low priority college administrators put on staffing the loan offices were both mentioned as slowing down the work of these offices.

4. A lack of direct contact between schools and prospective borrowers and between lenders and prospective borrowers was mentioned.

5. With the end of the draft, with the inflation of educational costs, and for other, perhaps deeper reasons, there seems to be a gradual lowering of the value people are putting on higher education. A parent who would use his savings a few years ago to send his child to college, or a student who would mortgage his own future earnings to enter or remain in college is not as frequently encountered today.

IV—A RECOMMENDATION, AFTER ALL

Having piously eschewed any intention or authority to make recommendations at the beginning of this paper, the staff members who made these trips do have one recommendation which we believe should be implemented whatever the legislative or administrative action taken to meet the existing situation.

We found in region after region that our meetings, bringing student aid officials and lenders together in large numbers was infrequent. For each group, the other was, prior to our meetings, an anonymous group of shadow figures at the other end of a paper chain or a telephone. But they did take advantage of the opportunities to exchange views and they appeared to benefit substantially from meeting together. And we think they should be brought together to discuss their common problems—and the problem of their mutual clients—the student and the student's family.

CONCLUSION OF MORNING BUSINESS

Mr. NELSON. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EMERGENCY EMPLOYMENT AMENDMENTS OF 1973

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1560, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 1560) to extend the Emergency Employment Act of 1971, to provide public service employment for disadvantaged and long-term unemployed persons, and for other purposes.

The PRESIDING OFFICER. The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the majority and minority leaders. There is a time limitation of one-half hour on any amendment, debatable motion, or appeal, except on the amendment to be offered by the distinguished Senator from Ohio (Mr. TAFT), on which there is a limitation of 2 hours.

Mr. NELSON. Mr. President, the proposed legislation now before the Senate, S. 1560, the Emergency Employment Amendments of 1973, would extend this successful job creation program for 2 additional years, and focus it more sharply on disabled and Vietnam-era veterans, the poor, and the long-term unemployed.

On July 25 the Senate began consideration of S. 1560. A detailed statement about the bill and a section-by-section analysis of the legislation can be found on pages S14663 through S14666 of the CONGRESSIONAL RECORD of July 25.

While the overall budget—as proposed by the administration—will increase by some $19 billion between 1973 and 1974, the pending legislation proposes to hold the line on spending: the bill authorizes precisely the same amount for fiscal year 1974 as was appropriated for last year—$1.250 billion.

HOW THE PROGRAM WORKS

It is a pleasure to say that the Emergency Employment Act has no vast Federal bureaucracy to administer it. It is a billion dollar program—but the Federal staff at its peak included about 70 professionals working full time.

The Emergency Employment Act is a locally designed and operated program, just as Congress designed it to be. In fact, it represents an encouraging example of what decentralization of responsibility in the manpower field can mean.

Here is how the program works.

When national unemployment is above 4.5 percent, the legislation authorizes Congress to appropriate $1 billion for a nationwide public service employment program. In addition, regardless of the nationwide unemployment rate, the bill authorizes $250 million for areas of substantial unemployment having over 6 percent unemployment.

Congress has appropriated the full authorization—$1 billion in year 1972; $1.25 billion in 1973.

Every State, and any city or county of 75,000, can be a program agent. There are now 50 States and 620 cities and counties acting as program agents.

Outside of the larger cities and counties—which have administrative responsibility for their own programs—the Governor of the State is responsible for the operation of the Emergency Employment Act program. In the balance of State areas, the Governor provides funds to local governments to hire the unemployed.

The money is distributed among the program agents by formula, in proportion to the number of unemployed. In effect, a city or a State gets the same share of the national funds as its share of the national unemployment.

States and localities are given very broad discretion about the kinds of public jobs in which the unemployed can be placed. The idea is to allow each jurisdiction to make the decision as to which

priorities are most pressing, not to have Washington make that decision.

In order to spend the dollars to which they are entitled by the allocation formula, a program agent must file an application with Washington pledging to comply with the law in providing employment benefits and conditions equivalent to those for regular workers, to avoid displacing existing workers, and to seek reform of civil service requirements that set up artificial barriers in the way of job and advancement opportunities for the disadvantaged.

VETERANS, DISADVANTAGED, AND LONG-TERM UNEMPLOYED

Mr. President, in recognition that the employment situation in the Nation as a whole has improved since the passage of the Emergency Employment Act in the summer of 1971, the committee has proposed that the act be more sharply focused on those most in need of jobs, specifically Vietnam veterans, the poor, and the long-term unemployed.

The continued high rates of unemployment for young Vietnam war veterans is a national scandal.

The overall rate of unemployment for these veterans—6 percent with some 262,000 looking for work in June—is serious enough.

But for those 20 to 24 years of age the rate of unemployment was even more serious: 10.5 percent in June—up nearly 2 percent since May—with 163,000 young veterans looking for work.

For younger black veterans, the unemployment rate is over 15 percent.

The Emergency Employment Act—with a potential of about 180,000 jobs a year if it operated at the appropriated $1.25 billion level—could make a serious dent in the unemployment problem of these veterans.

With this in mind, the bill provides for all sponsors of public service employment programs to prepare plans designed to assure that by the end of fiscal year 1974, 50 percent of the jobs under the Emergency Employment Act will be held by veterans. It would, of course, be possible for more of the jobs to go to veterans at the discretion of the local communities.

During its 2 years of operation the EEA has done well by veterans. Fully 27 percent of the jobs have been filled by Vietnam-era veterans. But we can and we must do better.

For the remaining jobs under the program we believe it only fair that they be reserved for the economically disadvantaged, and those who have been seeking work unsuccessfully for 15 weeks or more who are called the long-term unemployed. As of February 1973, some 39 percent of those hired under the act qualified as disadvantaged and 12 percent came to the program from the welfare rolls. As economic conditions in general improve, the committee believes it important that future emphasis be given to providing jobs for those who need them most, and who have the greatest difficulty in finding jobs in the private sector.

A person who has been looking for 15 weeks or more—nearly 4 months—as some 775,000 Americans had been in June of this year—deserves help. So the amendments are written to provide eligibility for the long-term unemployed even if they do not qualify as poor or as veterans.

NEED FOR EMPLOYMENT PROGRAMS

Mr. President, the continued existence of mass poverty in the midst of the wealth of America is in large part due to continued extraordinarily high rates of unemployment in rural and inner city poverty areas.

Manpower training programs, excellent as they are where good jobs are available at the end of the training program, are helpless where decent jobs are not to be found.

A growing understanding of these facts led to passing the public service employment program. Recognition of these facts should lead the Senate and the Congress to extend the Emergency Employment Act in 1973.

Of all the testimony the committee received on the Emergency Employment Act, among the most moving was that given by Mayor Richard Hatcher of Gary, Ind. He spoke directly to the heart of the matter.

Mayor Hatcher pointed out that we have a choice: either we provide jobs or we inevitably create the conditions that lead to crime and welfare.

Mayor Hatcher said:

If you go to cities with the highest unemployment rate or the highest underemployment, you will not only find there the greatest slum areas but also the highest crime rate. That is the sad reality.

If we leave the unemployed idle—the ultimate costs will be 100 times greater to the government than if we put them under a program of public service employment . . .

We can reduce the ultimate government costs by giving these people jobs where they can render useful services and compete with their coworkers to improve their qualifications for jobs of a higher grade-level, and where they have a steady income to make them self-reliant . . . to sustain themselves at a decent level . . .

Mayor Hatcher states the case for continuing the Emergency Employment Act about as well as it can be put.

If we are serious about the work ethic, then we must be serious about providing work opportunity.

If we are serious about reducing the welfare rolls, then we must be serious about providing adequate earned income.

Communities where 30 percent of the workforce is subemployed are bound to be communities in the most serious trouble, trouble with crime, trouble with welfare, trouble with hopelessness and despair.

The Government—and this world—owes no one a living. But the Nation does owe each of its citizens an opportunity to earn that living for himself.

The Emergency Employment Act extension we are considering today is too small a measure to meet the need. But it does represent a healthy start in the right direction.

The bill represents a compromise between those who would like to see the program substantially expanded, and the harsh reality of the administration's opposition to continuing the program at all.

In the judgment of the committee, the Emergency Employment Act is one of the very best manpower programs we have yet enacted. It is a proven success in the field and it ought to be extended.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter sent to me as chairman of the subcommittee from the National Association of Concerned Veterans, and another letter sent to me on this legislation from the U.S. Conference of Mayors, along with an attached resolution.

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

NATIONAL ASSOCIATION OF CONCERNED VETERANS,
Washington, D.C., July 30, 1973.

Hon. GAYLORD NELSON,
Chairman, Subcommittee on Employment, Manpower, and Poverty, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Association of Concerned Veterans strongly supports S. 1560, as amended, the "Emergency Employment Amendments of 1973". This measure, if enacted, will greatly assist the efforts to facilitate the readjustment of our many jobless and underemployed Vietnam era veterans.

The Emergency Employment Act of 1971 has served to reduce the level of unemployment among young veterans both directly and tremendously. In addition, many EEA positions were used by state and local governments to provide needed services for Vietnam era veterans; such as counselling, job placement, and educational or training placement. Thus the EEA has assisted both veterans and local governments, as well as the Federal Government.

The discontinuation of EEA would directly and adversely affect thousands of young veterans presently gainfully employed. In short, the liquidation of EEA would unnecessarily increase the unemployment rate and also eliminate many services from which large numbers of Vietnam era veterans currently benefit.

The NACV (formerly the National Association of Collegiate Veterans), as a Vietnam era veterans' organization has actively assisted state and local governments in the attaining of national goals of young veterans' readjustment. It is for such reasons that the NACV urges expeditious passage of S. 1560, as amended.

Respectfully yours,

JAMES M. MAYER,
President.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., July 26, 1973.

Hon. GAYLORD NELSON,
Chairman, Senate Subcommittee on Employment, Poverty, and Migratory Labor, Washington, D.C.

DEAR SENATOR: As you know the United States Conference of Mayors first called for a major public service employment effort underwritten by the Federal Government in 1967. We have continued to support such a program.

We were gratified with the action by the Congress and the President in enacting the Emergency Employment Act of 1971. This program has proved an effective means of bringing those with limited skills into the labor market. Many have moved from the public sector into private employment, while many others have moved from the Emergency Employment Program onto regular city payrolls.

We therefore urge that the Public Employment Program be continued.

I enclosed herewith a copy of the resolution on this subject which was adopted by

the United States Conference of Mayors at its Forty-First Annual Meeting in San Francisco on June 20, 1973.

Sincerely,

JOHN J. GUNTHER,
Executive Director.

RESOLUTION NO. 17—PUBLIC EMPLOYMENT

Whereas, the Administration plans to terminate the Emergency Employment Act (EEA); and

Whereas, the well-documented need for public services continues to exist in our nation's cities; and

Whereas, nearly five million Americans are now unemployed and several millions more are either underemployed or have completely abandoned the labor market; and

Whereas, these crises of unemployment and public service needs coverage in our nation's cities; and

Whereas, the Public Employment Program (PEP) implemented under the EEA has been a proven success in meeting these crises by providing public employment to all segments of the unemployed population and by providing both a necessary expansion of existing success and a testing ground for new public services and public service delivery systems.

Now, therefore, be it resolved that the U.S. Conference of Mayors reiterates its support for permanent public service employment as an essential component of national manpower policy.

Be it further resolved that the U.S. Conference of Mayors calls upon Congress to enact and the President to approve legislative and appropriations adequate to continue public service employment in our cities.

Mr. NELSON. 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. PELL. 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. PELL. Mr. President, I ask unanimous consent that Mr. William Young be given the privilege of the floor during the course of this debate.

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

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Roger King have the privilege of the floor during the course of the debate.

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

Who yields time?

Mr. TAFT. Mr. President, I call up my amendment to the bill which is at the desk and ask that the clerk read it.

The PRESIDING OFFICER. The amendment of the Senator from Ohio, in the nature of a substitute (No. 430), will be read.

The second legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered

Amendment No. 430 is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Public Employment Act of 1973".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the incidence of unemployment and poverty still persists at high levels in some of the Nation's cities and rural areas, notwithstanding the current high state of the general economy;

(2) the Nation has failed to fulfill the goal set twenty-five years ago in the Employment Act of 1946 to assure maximum levels of employment through public policy;

(3) continued high unemployment in some areas severely, limits the work opportunities available to low-income persons, and migrants, persons of limited English-speaking ability, and others from socioeconomic backgrounds generally associated with substantial unemployment and underemployment;

(4) work opportunities must be made available for the increased number of persons in the labor force, including the many young persons who are entering the labor force, persons who have recently been separated from military service, and older persons who desire to remain in, enter, or reenter the labor force;

(5) there still exist unmet needs for public services in urban and rural areas in such fields as environmental quality, health care and public health, housing and neighborhood improvements, recreation, education, public safety, maintenance of streets, parks, and other public facilities, rural development, transportation, beautification, conservation, crime and fire prevention and control, prison rehabilitation, and other fields of human betterment and public improvement.

(b) It is therefore the purpose of this Act to utilize unused and underused manpower resources by providing such unemployed, underemployed, and disadvantaged persons with employment in jobs providing needed public services so as to provide them with appropriate training and related services to enable them to move into permanent employment.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Secretary" means the Secretary of Labor;

(2) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(3) "public service" includes, but is not limited to, work in such fields as environmental quality, health care, education, public safety, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, and other fields of human betterment and community improvement;

(4) "health care" includes, but is not limited to, preventive and clinical medical treatment, voluntary family planning services, nutrition services, and appropriate psychiatric, psychological, and prosthetic services;

(5) "unemployed persons" means—

(a) persons who are without jobs and who want and are available for work; and

(b) adults who or whose families receive money payments pursuant to a State plan approved under title I, IV, X, or XVI of the Social Security Act (1) who are determined by the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to be available for work, and (2) who are either (i) persons without jobs, or (ii) persons working in jobs providing insufficient income to enable such persons and their families to be self-supporting without such public assistance;

and the determination of whether persons are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining persons as unemployed;

(6) "underemployed persons" means—

(a) persons who are working part-time but seeking full-time work;

(b) persons who are working full time but receiving wages below the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget.

FINANCIAL ASSISTANCE

SEC. 4. (a) The Secretary of Labor shall enter into arrangements with eligible applicants in accordance with the provisions of this Act in order to make financial assistance available in areas of persistent high unemployment for the purposes of providing transitional employment for unemployed and underemployed persons in jobs providing needed public services and training and manpower services related to such employment which are otherwise unavailable, and enabling such persons to move into employment or training not supported under this Act.

(b) Not less than 85 per centum of the funds authorized to be appropriated pursuant to this Act shall be expended for wages and employment benefits to persons employed in public service jobs pursuant to this Act.

ELIGIBLE AREAS AND APPLICANTS

SEC. 5. (a) The Secretary shall designate as areas of persistent unemployment those areas within the United States in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (1) and (2), that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any area—

(1) where the Secretary of Labor finds that the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

(2) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

(m) An area as defined in subsection (a) shall continue to be deemed an area of persistent high unemployment until the rate of unemployment has been less than 6 per centum, on the average, for the succeeding twelve months.

(c) In determining the rate of unemployment for the purpose of subsection (a), persons who were, at the time of their employment under this Act, being counted as unemployed in determining such rate of unemployment shall continue to be so counted if they continue in such employment.

(d) Whenever the Secretary makes any determination required by subsection (a) of this section, he shall promptly notify the Congress and shall publish such determination in the Federal Register.

(e) Financial assistance under this Act may be provided by the Secretary only pursuant to applications submitted by eligible applicants which shall be—

(1) units of State, and general local government; or

(2) Indian tribes on Federal or State reservations.

ELIGIBLE PARTICIPANTS

SEC. 6. (a) Financial assistance under section 4 of this Act may be provided by the Secretary pursuant to an application submitted by an eligible applicant and approved by the Secretary which will provide transitional public service employment to unemployed, underemployed, and low-income persons as defined in section 3 (5) and (6) of this Act.

(b) Notwithstanding the provisions of subsection (a) above, the Secretary may provide financial assistance to such other unemployed or underemployed persons or groups of persons as he may designate when deemed by the Secretary to be in the public interest.

APPLICATIONS

SEC. 7. (a) Financial assistance under this Act may be provided by the Secretary for any fiscal year only pursuant to an application which is submitted by an eligible applicant and which is approved by the Secretary in accordance with the provisions of this Act. Any such application shall set forth a public service employment program designed, in areas of persistent high unemployment, to provide transitional employment for unemployed and underemployed persons in jobs providing needed public services and, where appropriate, training and manpower services related to such employment which are otherwise unavailable, and to enable such persons to move into employment or training not supported under this Act.

(b) Programs assisted under this Act shall, to the extent feasible, be designed with a view toward—

(1) developing new careers, or

(2) providing opportunities for career advancement, or

(3) providing opportunities for continued training, including on-the-job training, or

(4) providing transitional public service employment which will enable the individuals so employed to move into public or private employment or training not supported under this Act.

(c) An application for financial assistance for a public service employment program under this Act shall include provisions setting forth—

(1) assurances that the activities and services for which assistance is sought under this Act will be administered by or under the supervision of the applicant, identifying any agency or institution designated to carry out such activities or services under such supervision;

(2) a description of the area to be served by such programs, and a plan for effectively serving on an equitable basis the significant segments of the population to be served, including data indicating the number of potential eligible participants and their income and employment status;

(3) assurances that special consideration will be given to the filling of jobs which provide sufficient prospects for advancement or suitable continued employment by providing complementary training and manpower services designed to (A) promote the advancement of participants to employment or training opportunities suitable to the individuals involved, whether in the public or private sector of the economy, (B) provide participants with skills for which there is an anticipated high demand, or (C) provide participants with self-development skills, but nothing contained in this paragraph shall be construed to preclude persons or programs for whom the foregoing goals are not feasible or appropriate;

(4) assurances that special consideration in filling public service jobs will be given to unemployed and underemployed persons who served in the Armed Forces in Indochina or Korea on or after August 5, 1964, in accordance with criteria established by the Secretary (and who have received other than dishonorable discharges); and that the applicant shall (A) make a special effort to acquaint such individuals with the program, and (B) coordinate efforts on behalf of such persons with those authorized by chapter 41 of title 38, United States Code (relating to job counseling and employment services for veterans) or carried out by other public or private organizations or agencies;

(5) assurances that, to the extent feasible, public service jobs shall be provided in occupational fields which are most likely to expand within the public or private sector as the unemployment rate recedes;

(6) assurances that due consideration be given to persons who have participated in manpower training programs for whom employment opportunities would not be otherwise immediately available;

(7) a description of the method to be used to recruit, select, and orient participants, including specific eligibility criteria, and programs to prepare the participants for their job responsibilities;

(8) a description of unmet public service needs and a statement of priorities among such needs;

(9) a description of jobs to be filled, a listing of the major kinds of work to be performed and skills to be acquired, and the approximate duration for which participants would be assigned to such jobs;

(10) the wages or salaries to be paid persons employed in public service jobs under this Act and a comparison with the wages paid for similar public occupations by the same employer;

(11) where appropriate, the education, training, and supportive services (including counseling and health care services) which complement the work performed;

(12) the planning for and training of supervisory personnel in working with participants;

(13) a description of career opportunities and job advancement potentialities for participants;

(14) assurances that procedures established pursuant to section 11(a) will be complied with;

(15) assurances that agencies and institutions to whom financial assistance will be made available under this Act will undertake analysis of job descriptions and a reevaluation of skill requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations promulgated by the Secretary;

(16) assurances that the applicant will, where appropriate, maintain or provide linkages with upgrading and other manpower programs for the purpose of (A) providing those persons employed in public service jobs under this Act who want to pursue work with the employer, in the same or similar work, with opportunities to do so and to find permanent, upwardly mobile careers in that field, and (B) providing those persons so employed, who do not wish to pursue permanent careers in such field, with opportunities to seek, prepare for, and obtain work in other fields;

(17) assurances that all persons employed under any such program, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed and underemployed persons;

(18) assurances that the program will, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement, including civil service or other employment requirements which restrict employment opportunities for the disadvantaged;

(19) assurances that not more than one-third of the participants in the program will be employed in a bona fide professional capacity (as such term is used in section 13 (a)(1) of the Fair Labor Standards Act of 1938), except that this paragraph shall not be applicable in the case of participants employed as classroom teachers, and the Secretary may waive this limitation in exceptional circumstances; and

(20) such other assurances, agreements, and conditions, consistent with the provisions of this Act, as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

APPROVAL OF APPLICATIONS

SEC. 8. An application, or modification or amendment thereof, for financial assistance under this Act may be approved only if the Secretary determines that—

(1) the application meets the requirements set forth in this Act;

(2) the approvable request for funds does not exceed 90 per centum of the cost carrying out the program proposed in such application, unless the Secretary determines that special circumstances or other provisions of law warrant the waiver of this requirement;

(3) an opportunity has been provided to officials of the appropriate units of general local government to submit comments with respect to the application to the applicant and to the Secretary; and

(4) an opportunity has been provided to the Governor of the State to submit comments with respect to the application to the applicant and to the Secretary.

Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.

TRAINING AND RELATED SERVICES

SEC. 9. For the purpose of providing training and related services, and the acquisition or the rental or leasing of supplies, equipment, materials, and real property necessary to enable persons to be employed in public service employment programs assisted under this Act, the Secretary shall utilize, in addition to any funds otherwise available under federally supported manpower programs, not to exceed 15 per centum of the amounts appropriated under this Act for each fiscal year.

SPECIAL RESPONSIBILITIES OF THE SECRETARY

SEC. 10. (a) The Secretary shall establish procedures for periodic reviews by an appropriate agency of the status of each person employed in a public service job under this Act to assure that—

(1) in the event that any person employed in a public service job under this Act and the reviewing agency finds that such job will not provide sufficient prospects for advancement or suitable continued employment, maximum efforts shall be made to locate employment or training opportunities providing such prospects, and such person shall be offered appropriate assistance in securing placement in the opportunity which he chooses after appropriate counseling.

(b) The Secretary shall review the implementation of the procedures established under subsection (a) of this section six months after funds are first obligated under this Act and at six-month intervals thereafter.

(c) From funds appropriated pursuant to section 12, the Secretary may reserve such amount, not to exceed 1 per centum, as he deems necessary to provide for a continuing evaluation of programs assisted under this Act and their impact on related programs.

SPECIAL PROVISIONS

SEC. 11. (a) The Secretary shall not provide financial assistance for any program or activity under this Act unless he determines, in accordance with such regulations as he shall prescribe, that—

(1) the program (A) will result in an increase in employment opportunities over those which would otherwise be available, (B) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work or wages or employment benefits), (C) will not impair existing contracts for services or result in the substitution of Federal for other funds in

connection with work that would otherwise be performed, and (D) will not substitute public service jobs for existing federally assisted jobs;

(2) persons employed in public service jobs under this Act shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar public occupations by the same employer;

(3) funds under this Act will not be used to pay persons employed in public service jobs under this Act at a rate in excess of $12,000 per year;

(4) all persons employed in public service jobs under this Act will be assured of workmen's compensation, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent, if any, as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

(5) the provisions of section 2(a)(3) of Public Law 89-286 (relating to health and safety conditions) shall apply to such program or activity;

(6) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

(7) every participant shall be advised, prior to entering upon employment, of his rights and benefits in connection with such employment.

(b) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under any program for which an application is being developed for submission under this Act such organization shall be notified and afforded a reasonable period of time in which to make comments to the applicant and to the Secretary.

(c) The Secretary shall prescribe regulations to assure that programs under this Act have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

(d) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursements, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayments or underpayments. The Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

(e) The Secretary shall not provide financial assistance for any program under this Act unless he determines, in accordance with regulations which he shall prescribe, that periodic reports will be submitted to him containing data designed to enable the Secretary and the Congress to measure the relative and, where programs can be compared appropriately, comparative effectiveness of the programs authorized under this Act and other federally supported manpower programs. Such data shall include information on—

(1) characteristics of participants including age, sex, race, health, education level, and previous wage and employment experience;

(2) duration in employment situations, including information on the duration of employment of program participants for at least a year following the termination of participation in federally assisted programs and comparable information on other employees or trainees of participating employers; and

(3) total dollar cost per participant, including breakdown between wages, training, and supportive services, all fringe benefits, and administrative costs.

(f) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect thereto specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any applicant for participation in such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(g) The Secretary shall not provide financial assistance for any program under this Act which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof shall be, in any way or to any extent, engaged in the conduct of political activities in contravention of chapter 15 of title 5, United States Code.

(h) The Secretary shall not provide financial assistance for any program under this Act unless he determines that participants in the program will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

AUTHORIZATION APPROPRIATIONS

SEC. 12. (a) There are authorized to be appropriated to carry out this Act $500,000,000 for each fiscal year ending prior to July 1, 1977. In addition to the sums authorized under the first sentence of this subsection there are authorized to be appropriated $100,000,000 each fiscal year for each increment of one-half of 1 per centum by which the Secretary determines that the average rate of national unemployment (seasonally adjusted) for three consecutive months exceeds 5 per centum.

(b) Notwithstanding any other provision of law, any funds appropriated to carry out this Act which are not obligated and expended prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure until expended.

(c) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to the advance funding method of timing appropriation action, this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

Amend the title so as to read: "A bill to provide public service employment opportunities for unemployed, underemployed, and low-income persons residing in areas of high and persistent unemployment, and to thereby assist urban and rural areas in filling unmet needs for adequate public services."

The PRESIDING OFFICER. Is this the amendment on which there is to be 2 hours of debate?

Mr. TAFT. The Chair is correct.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. I yield to the Senator from Rhode Island (Mr. PELL).

Mr. PELL. Mr. President, I ask unanimous consent that the pending amendment may be temporarily set aside in order that I may offer an amendment for consideration at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PELL. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 5, line 16, strike the period after "program," insert in lieu thereof a comma, and add the following: "except that the requirements set forth in the amendment made by subsection (a) are authorized to be modified (in accordance with regulations which the Secretary shall prescribe) to the extent appropriate to provide public service jobs for persons unemployed as the result of the closing of a Defense Department facility or reduction in activities at a Defense Department facility sufficient to cause a substantial increase in unemployment."

Mr. PELL. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The modification will be reported.

The assistant legislative clerk read as follows:

On page 5, line 16, strike the period insert in lieu thereof a comma, and add the following: "except that the requirements set forth in the amendment made by subsection (a) are authorized to be modified (in accordance with regulations which the Secretary shall prescribe) to the extent appropriate to provide public service jobs for persons unemployed as the result of the closing of a Defense Department facility or reduction in activities at a Defense Department facility sufficient to cause a substantial increase in unemployment."

The PRESIDING OFFICER. The amendment is accordingly modified.

Mr. PELL. Mr. President, the amendment, is intended to permit the public service employment program to be utilized by State and local governments to combat substantial unemployment caused by the closing of Defense Department installations.

The amendment will not add to the cost of the program. It simply will give to the Secretary of Labor the flexibility required to utilize the public service employment program to meet the unique and monumental employment problems faced by communities confronted with major military base closings.

The bill before us very properly focuses the public service employment programs on the needs of Vietnam era veterans, the economically disadvantaged, and those who have been unemployed for at least 15 weeks.

On a national basis those priorities are entirely proper. However, in my own State of Rhode Island we are confronted with an economic disaster with the announced closing of naval bases at New-

port and Quonset Point which will mean the direct loss within the State of 22,000 military and civilian jobs. These base closing, according to estimates, will increase the unemployment rate in Rhode Island from the current level of less than 6 percent to an unemployment rate of from 11 to 15 percent.

In those circumstances, it is entirely possible, and indeed probable, that the priorities and requirements established by the bill will not be responsive to the needs of my State. Indeed, strict application of the national requirements and priorities might well prohibit Rhode Island from utilizing all of the funds allocated to it under the formula in the bill.

Most specifically, I do not think it would be appropriate, in the circumstances I have described, to require persons who have lost their jobs because of base closings to remain unemployed for 15 weeks before they are eligible for assistance under the public service employment program.

Mr. President, we are attempting in Rhode Island to bring every possible resource to bear on a comprehensive program to adjust to the economic disaster caused by the administration's decision to close these naval bases.

It just will not make any sense, in planning such a comprehensive program, to require the thousands of Rhode Islanders losing their jobs because of the base closings to sit out a 15-week waiting period of unemployment.

My amendment will apply to very few situations in the entire country. My amendment will be applicable to the State of Rhode Island and to other States severely affected by base closings, and is in fact essential if the public service employment program is to play any effective role in helping my State through an immensely difficult economic period.

Mr. President, I ask the manager of the bill if he would be willing to accept the amendment.

Mr. NELSON. Mr. President, under the circumstances outlined by the distinguished Senator from Rhode Island of a substantial increase in unemployment due to defense base reductions, it would be useful to have the authority to modify the otherwise applicable requirement that all new public service jobholders must be either disadvantaged or long-term unemployed. I therefore not only have no objection, but I am perfectly willing to accept the amendment.

Mr. PELL. Mr. President, I thank the distinguished Senator from Wisconsin very much.

Mr. President, I ask unanimous consent that the names of Senators PASTORE, BROOKE, KENNEDY, CRANSTON, and TUNNEY be added as cosponsors of my amendment.

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

The question is on agreeing to the amendment, as modified, of the Senator from Rhode Island (putting the question).

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Ohio.

Mr. TAFT. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, my amendment is in the nature of a substitute and incorporates S. 2263, a bill I introduced and had printed in the RECORD last week. My proposal provides an authorization of $500 million, to be authorized for each fiscal year ending July 1977. In addition, $100 million is authorized in any fiscal year for each increment of one-half of 1 percent over 5 percent national unemployment, seasonally adjusted, for 3 consecutive months.

The analysis of the bill states that the escalator figure is 6 percent for additional authorizations over $500 million. After considering this amount, the figure was changed to 5 percent.

Transitional public service employment can be of great help to State and local governments in creating a comprehensive manpower program that is responsive to changing economic conditions and implemented in concentrated areas of high employment. As I have said, I feel that S. 1560 failed to consider the changing nature of the unemployment program in the country, and misinterprets the reasons for enactment of the Emergency Employment Act—EEA.

The EEA had its origin in July 1971, and was a response to a period of rising unemployment, which by August of that year had climbed to a national level of 6.1 percent. Many highly skilled and experienced individuals were out of work during this time frame, and what these people needed was a job, immediately. Moreover, they had the ability and the talents to take on a job immediately if a proper job could be found to use their talents.

Enrollment statistics for the public employment program—PEP—an offspring of EEA, revealed that approximately two-thirds of the individuals receiving help under this program were nondisadvantaged and almost three-fourths of them possessed, at least, a high school diploma. For these individuals, a transitional job creation program met an immediate need for gainful employment until they could resume regular employment when economic conditions returned to normal. EEA and PEP proved to be very positive programs and more than $2.25 billion has been expended over a 2-year period to assist States and localities to provide transitional employment opportunities.

Since July 9, 1971, however, the economy has improved. The majority of people served by PEP and EEA have found unsubsidized jobs. Admittedly, the unemployment rate still is not acceptable, but the country is confronted with a very different kind of problem than 2 years ago, as the unemployment population now consists of, basically, people who need extensive help and training to be employed, even in the most marginal job. S. 1560 acknowledges the changing nature of this target group and amends section 7 of the Emergency Employment Act as follows:

(17) Assurances that all persons employed under any such program, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed persons who are from economically disadvantaged backgrounds or who have been unemployed for not less than fifteen weeks immediately prior to employment under such program.

Other than this very general statement and a rather rigid veterans preference section, S. 1560 is extremely inadequate in focusing upon the special unemployment problems that face the country. For many individuals presented with severe unemployment problems manpower training programs provided for in the Job Training and Community Services Act of 1973, S. 1559, should be a far more effective and responsible approach.

I do see a need, however, for enactment of some type of selective public service employment program. Unemployment is still extremely high in certain inner city and rural areas, even though unemployment has been reduced nationally. These pockets of excessive unemployment exist throughout the country and reflect especially high unemployment rates for black and minority groups in inner city areas.

Manpower training alone will not be sufficient to respond to the unemployment problems in these areas. Public service employment programs are necessary to complement manpower training in these areas, as training must be followed by a job, if it is to have any value. Further, in many of these concentrated areas of high unemployment, many veterans, especially from minority groups, are unemployed. Many of these men returning from Vietnam do have skills that could be immediately used. They should be given an opportunity to be employed in transitional public service programs. S. 1560 does respond to this problem, although somewhat too rigidly. Employment of veterans certainly should be given priority, but not at the complete exclusion of other deserving groups.

One of the problems in channeling funds to pockets of high unemployment has been the lack of accurate and informative statistics. This problem, however, can and should be corrected. Moneys expended for public service employment programs should be channeled to where the needs are. Strict safeguards should be included to insure that such expenditures are not used for political purposes at the State or local levels and that the transitional nature of training employment is maintained. S. 1560 is not satisfactory or responsive in these areas.

I would much prefer a public service employment program directed to where the real needs of the country are and not a program that merely reflects a pressured response by the Congress.

I, therefore, offer an amendment in the nature of a substitute to S. 1560. This amendment, No. 430, incorporates S. 2263, the Public Employment Act of 1973, a bill I introduced in the Senate last week. Specifically the substitute is designed to provide public employment opportunities for individuals who are unemployed and underemployed and, thereby, assist urban and rural areas in filling unmet needs to provide needed public services.

Although unemployment has been reduced nationally since the massive Emer-

gency Employment Act was enacted 2 years ago, unemployment is still extremely high in certain inter-city and rural areas. I believe that the substitute I offer will provide the type of selective public service employment program presently needed to complement manpower training in geographic regions where continuing high unemployment is found. I would also point out that S. 1559, the Job Training and Community Services Act of 1973 which passed the Senate last week, contains a section permitting use of manpower funds for public service employment under the revenue sharing concept.

Local officials would make a decision as to the amount of the total manpower training effort to be directed toward public service employment. Thus, funds will be available for public service employment in areas that do not qualify under my proposal.

The major features of the substitute are as follows:

First, it would provide assistance to units of State and general local government, and Indian tribes on Federal or State reservations, which have persistent unemployment. The Secretary of Labor's designation of such areas is to be based on average rates of unemployment over an extended period of time. These rates cover specific geographical areas where unemployed is currently 6 percent or more and has averaged 6 percent or more and has been at least 50 percent above the national average for 3 of the preceding 4 calendar years; 75 percent above the national average for 2 of the preceding 3 calendar years; or 100 percent above the national average for 1 of the preceding 2 calendar years. The act also provides that an area will lose its eligibility when unemployment drops under 6 percent for 12-month period.

Second, the Secretary of Labor has authority to provide assistance to the underemployed as well as the unemployed. Consequently, special target groups such as displaced scientists and engineers in an eligible area could be served under the act.

Third, it retains many of the Emergency Employment Act's restrictions on transitional employment, suitable training, and manpower services. I really should say, rather than restrictions, requirements in those connections. Similarly, special consideration must continue to be given to Vietnam and Korean veterans.

Mr. President, the substitute also has two provisions to which I would particularly like to call the attention of Senators. This provision, an esclator authorization clause upgrades the amount of the authorizations involved in the event that there is an increase in the national employment rate of more than one-half of 1 percent over the base of 5 percent, as I mentioned earlier. This concept I believe has a great deal of patential to alleviate unemployment probelms in the country. The other trigger concept regarding local unemployment problems is based on the Area Development Act of 1961, with which I believe most Senators are familiar. The purpose of that act was to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas. The legislation reflected public concern over both industrial areas that had suffered a decline in economic activity and poor rural areas that were lacking in economic activity.

Generally, the ARA authorized a continuing program to provide job opportunities and to determine the causes of unemployment, underemployment, underdevelopment, and chronic depression. It was intended to encourage the formulation and implementation of national, State and local programs to raise income levels and otherwise bring about solutions to depressed area problems. More specifically, the law authorized the provision of Federal loans and grants in order to help attract new industries to, and increase employment opportunities in, areas with persistent unemployment problems and low income rural areas.

The criteria used in the ARA—Section 5a—for eligibility of an area for assistance reflected a significant change in the Department of Labor's area classification program. Specifically, the ARA added the concept of "long duration of unemployment" to the area classification system in its definition of "substantial and persistent unemployment." Previously the Department of Labor had merely classified areas of "substantial unemployment" which applied to any area with an unemployment rate in excess of 6 percent, irrespective of the duration of that unemployment rate. Thus, the ARA was aimed primarily at areas that were persistently economically depressed.

Similarly, S. 2263 is aimed at these same types of areas of persistent unemployment. Despite the overall improvement in the national unemployment rate since the enactment of the Emergency Employment Assistance Act in 1971, there continue to be pockets of excessive unemployment in certain inner-city and rural areas. The selective approach of the ARA is what is again needed to reduce unemployment in such areas.

That is why we have adopted the formula approach of the ARA in section 12 of this particular bill.

The substitute as we have drafted it and introduced it today has an amendment which would authorize some $500 million for each fiscal year through fiscal year 1977. Additionally, it authorizes $100 million for each increment of one-half of 1 percent by which the seasonally adjusted national unemployment rate exceeds 5 percent for 3 consecutive months.

I urge adoption of the substitute, as I believe it is a fiscally responsible and constructive approach to unemployment needs of the country.

Mr. President, I would also like to comment that there is, I believe, available, or has been made available to Senators, a table allegedly setting out the counties and areas that would be covered under the provisions of S. 2263 as introduced, and therefore under the substitute.

I would point out that this was based on a preliminary computer printout prepared by the Department of Labor, and is not complete.

The printout is from area labor markets and does not take into account the provisions of the substitute bill, which include any general unit of local government meeting the unemployment criteria. I also do not believe that it takes into account eligible Indian reservations, which are covered in the substitute provision.

Mr. President, I believe that this substitute is a substantial improvement over S. 1560 and one more likely of actual enactment into law than the committee bill.

I hope this amendment can be adopted. If not, then I hope at some later time in this session, following the general pattern we have outlined in the amendment, to work out proposals toward a employment assistance bill of this type.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, I ask for yeas and nays on final passage of S. 1560.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, the concept proposed by the Senator from Ohio (Mr. TAFT) would be a very useful and creative refinement of any public service employment bill. If, in fact, unemployment were below the 4½-percent level, I think it would be good to have. In fact, it would be a useful device to add to the existing provisions of the Emergency Employment Act.

However, with unemployment at its present level, I regret very much that I am unable to support the Senator's amendment because it would cut back the national public service employment program. As I say, Senator TAFT's proposal should be given consideration as part of public service employment legislation in the future because it has great merit.

Mr. President, the Senator's amendment seeks to amend the Emergency Employment Amendments of 1973 to limit the entire program to areas of substantial and persistent unemployment.

Mr. President, I am in agreement with the Senator from Ohio on the principle of limiting the Emergency Employment Act to those who are most in need of jobs.

That is why the committee proposed to limit jobs under the extension we are proposing to disabled and Vietnam veterans, the poor, and the long-term unemployed.

It seems to me, however, we would defeat our purpose if we said that an unemployed veteran is ineligible for a public service job under the program simply because the city he lives in is not an area of substantial and persistent unemployment.

Senator TAFT's amendment would restrict eligibility under the Emergency Employment Act to areas of "substantial and persistent" unemployment, and would use the same measure of unemployment, as currently used by the Department of Labor.

Areas of substantial and persistent unemployment certified by the Department

are eligible for Economic Development Administration assistance—EDA areas.

When you compare the requirements for areas of substantial unemployment under the current Emergency Employment Act and the requirements for areas of "substantial and persistent unemployment" which Senator TAFT proposes, you find the following:

Under section 6 of the existing Emergency Employment Act, an area—including an inner city area—must have unemployment of 6 percent or more for 3 consecutive months.

Senator TAFT's substitute requires not only that an area have over 6 percent unemployment but also that one of the three following criteria must be met:

First. Unemployment at least 50 percent higher than the national average for 3 of the past 4 calendar years, or

Second. Unemployment at least 75 percent higher than the national average for 2 of the last 3 calendar years, or

Third. Unemployment 100 percent above the national average for one of the preceding 2 calendar years.

Senator TAFT's proposal would allow the Secretary to name an area of any size. However, the Department of Labor now restricts areas of persistent unemployment to counties, labor market areas, and to cities of 250,000 population. The present definition makes no provision at all for smaller areas—inner city neighborhoods for instance.

In June 1973, the Department recognized 406 areas of persistent unemployment. In contrast some 947 areas with unemployment of over 6 percent are receiving help under section 6 of the EEA.

The Emergency Employment Act which the committee bill proposes to extend includes an extended authorization for section 6 of the Emergency Employment Act, setting aside $250 million for areas of substantial unemployment of over 6 percent. Under the act, the section 6 program continues in areas of high unemployment even after the national program "triggers" out as national unemployment falls below 4.5 percent.

Mr. President, in my view adopting the amendment of the Senator from Ohio, would be unwise for several reasons.

Senator TAFT's amendment would eliminate the program entirely for those counties, States, and cities of 75,000 population which are now receiving funds under section 5 of the Emergency Employment Act, the national program. The bill authorizes $1 billion for the national program—the same as was appropriated last year.

Second, it would cut back sharply on the number of areas now receiving special additional help because of unemployment of over 6 percent. There are now 947 such areas. Under Senator TAFT's amendment, we would have only 406 areas defined by the Labor Department as areas of substantial and persistent unemployment.

Third, it would eliminate from eligibility veterans and people unemployed for 15 weeks or more who need the economic opportunity this bill can provide unless they happen to reside in an area of substantial and persistent unemployment.

Fourth, it would—by repealing the national program—put the Senate of the United States on record as recognizing the present level of unemployment of about 5 percent as acceptable. When we passed the Emergency Employment Act in the summer of 1971, we set a national rate of 4.5 percent as the target. Are we now to raise that target to 5 percent?

Finally, it seems to me, that 180,000 jobs a year under a fully funded Emergency Employment Act is modest enough in the face of nearly 4 million unemployed. There are more than that number of unemployed young veterans in the Nation.

As our recognition of the crucial tie between unemployment and poverty grows clearer, surely this is not the time to curtail the Federal Government's major job creation program.

Mr. NELSON. 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. TAFT. 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. ALLEN. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. ALLEN. Would the Senator's amendment result in a small authorization, or does it merely provide for the same amount of money to be spent in fewer places?

Mr. TAFT. It would result in a smaller authorization. Current authorizations would be $500 million under the Taft substitute. There is the possibilty for increases of $100 million for each rise in national unemployment of a half percent rate above 5 percent—in other words, an additional $100 million for each half percent if unemployment goes above the 5-percent figure. S. 1560 provides for $1.25 billion; $1 billion in section 5; and a quarter of a billion dollars in section 6.

Mr. ALLEN. What would be the limit, then, on the escalation provided?

Mr. TAFT. No limit would be provided on the escalation, except the limit set by the triggering of one-half percent.

Mr. ALLEN. In other words, it could run higher than the authorization provided by the bill?

Mr. TAFT. It could run higher than the authorization only after a triggering of approximately 3½ percent above the current unemployment rate of 5 percent.

Mr. ALLEN. Initially, though, it would be a half billion dollars less. Is that correct?

Mr. TAFT. $750 million less.

I point out, also, in fairness—and this is an interesting point—that if national unemployment should fall below the 4½-percent level, the authorization of section 5 funds under S. 1560 would be prohibited as I understand it.

I ask the Senator from Wisconsin if that is a correct interpretation.

Mr. NELSON. Yes, that is correct. If unemployment fell below 4.5 percent, there would be, under Senator TAFT's proposal, $500 million available for areas of substantial and persistent unemployment, while under the committee proposal; $250 million would be available for areas of substantial unemployment. If the nationwide unemployment rate goes below 4.5 percent, Senator TAFT's proposal, I would have to agree, it would then be better than the committee proposal in one respect, at least—namely, that there would continue to be an authorization of $500 million for public service employment.

Mr. ALLEN. I thank the Senator.

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

Mr. TAFT. I yield.

Mr. DOMINICK. Will the Senator yield me about 15 minutes?

Mr. TAFT. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Ohio has 35 minutes remaining.

Mr. TAFT. I yield 15 minutes to the Senator from Colorado.

Mr. DOMINICK. I thank the Senator.

Mr. President, it is always a pleasure for me to rise in consort with the Senator from Ohio. We fought the good battle side by side on a number of bills, and we have not been very successful to date. I am not sure that we will be successful on this one; but I can say that what he is trying to do, although not exactly up my line, is at least much better than the committee bill, if I may say so, with all due deference to the Senator from Wisconsin.

On June 29, 1971, I took a stand in opposition to the Emergency Employment Act of 1971 and pointedly forecast that one of the features of this "transitional" program was that it would inevitably become permanent. I now rise to extend congratulations to myself for taking a giant step forward in the profession of soothsaying, because here we are again to extend what was called then the emergency bill. It looks to me as though this program, if it is passed by the Senate, is going to stay on for a few more years, and probably more than any of us would like.

As I review this bill this year, I have some comments, some of which I made before. As I did then, I object now to the legislation because I think it creates in every local government around this country a permanent pool of permanently subsidized public service jobs.

Let me be honest. This is not a meaningful bill or an emergency bill. All one has to do is to read the entire digest of June 28, 1971, of the RECORD in the House of Representatives, to see that this does not provide a meaningful program for those people who were laid off during the rapid rise in the unemployment rate at that time.

Where was the increase in unemployment? It was among the aerospace workers, among the defense workers, among the manufacturing employees. The only group who are among those who account for the increase dealt with in this bill are the veterans who returned from Vietnam. But if I am correct in reading the bill, before anything can be done about that, a local municipality, be it Federal, State, or quasi-local or quasi-

legislative in nature, such as a school district or something of that kind, must file an application with the Secretary. The Secretary then has to go through and look at about 14 different requirements, which include determining whether these programs are going to be sufficient for the people who are proposed to be employed; and, in addition, the Secretary has to determine whether there is really a large enough pool of unemployed people in that area to warrant the program to begin with.

I am happy that the veterans have been given special preference, and I congratulate the Senator from Wisconsin for including this. I think that is good. I think it should be that way. It is a pretty horrible thing for a man to be asked to defend his country in hostilities, and then come home and face the prospect of not being able to get a job. They are given preference under this program, and that is a very good point.

But this bill did not really meet the emergency, other than to reduce the number of unemployed by 123,000 to 125,000. It did not provide any comprehensive program to enable aerospace workers to find new jobs; it did not provide jobs for manufacturing employees who are out of jobs because we no longer need defense products. It did not help New England shoe factory employees who were out of jobs because of foreign imports.

Mr. President, the conferees in 1971 did leave in the word "transitional" but they defined it as "permanent." The only possible claim the bill has to being transitional is that it is a 2-year program.

Proponents of the bill argued that since the program was only authorized for 2 years, it would not provide a permanent subsidy of local jobs. But now, as I forecast, we are asked to extend it. As we all know, Federal legislation comes closer to achieving immortality than all the gods of ancient Rome and Greece. We might as well be practical about it. Every program we have had goes on forever in Congress and in this Government. It stays on for years and years, unless we do something about stopping it to begin with.

Another argument made by the proponents of the bill is that it is traditional because the trigger mechanism shuts off the obligation of money after the national unemployment rate has gone below 4½ percent for 3 months in a row, but this has been shattered by two things. The first is the addition of the so-called special employment assistance program. This provides a permanent fund of $250 million a year, to remain in effect regardless of what the national figure for unemployment is, to be used for areas of unemployment above 6 percent. This is truly a permanent Federal subsidy of State and local jobs. Hence, even if the national level of unemployment were only 2 percent, nevertheless $250 million would be available to hire people at the local where unempoyment is 6 percent or more.

I am not in the least reluctant to come to grips with persistent and chronic unemployment in this Nation. But we should not try to deal with chronic, persistent unemployment through a small categorical program, and that is what we are dealing with here.

In addition, the types of jobs which are provided under this program will not be transitional. The only provision of the bill which might establish a transitional program is a section which requires—and I use the word "requires" in the most generous sense—that applications will, "to the extent feasible," provide programs "designed with a view toward" developing new careers and other transitional activities, including training. But the requirement is barely better than no requirement at all.

The real meaning of "transitional" can be seen from the definition as set forth in the conference report of this bill as reported 2 years ago in the House:

> It was with these concerns in mind that the conferees agreed that the word "transitional" be included in this act.
>
> Does not in any way limit that amount of time an individual can stay on a specific public service employment job—and no regulations may require such limitation;
>
> Does not limit the kind of jobs to be made available under the program; specifically, jobs are not to be limited to those which are inherently temporary; jobs to be funded under this act are to include such jobs as policemen, teachers, nurses, firemen, other jobs recognized as necessary and permanent in nature;
>
> Does not put any limit on the contracts between the Labor Department and State and local sponsors as to the duration and the nature of the jobs;
>
> Does not put any limitation on full length of employment authorized under the act, or the re-employment of those who have been laid off government jobs because of fiscal problems at the local levels.

From this quotation, I think it can be seen that "transitional" really means "permanent," because individuals can stay on the job for the entire program, and the jobs which can be subsidized are permanent—teachers, policemen, nurses.

I believe that it is clear that we will not be voting on an emergency transitional program but that we will be voting today to extend a permanent Federal subsidy of permanent jobs in the State and local segments of our Government.

Let me make this even more clear. In the print I have before me, section 5(a), first of all, sets out the amount authorized to be appropriated. In 1974, $1,000 million which when added to the special employment assistance program comes to $1.25 billion and then such sums as may be necessary for fiscal year 1975.

Section (b) says that no further obligation of funds appropriated may be made subsequent to determination by the Secretary that the rate of national unemployment has receded below 4.5 per cent, except as provided in section (2). What does section (2) say? If at any time subsequent to this, the rate of national unemployment equals or exceeds 4.5 percent for 3 consecutive months, the Secretary shall, notwithstanding the previous paragraph, resume the obligation of funds appropriated under this section.

So we get an on-again, off-again, in-again, out-again Finnegan, going on all the time, with a 3-month requirement, and nobody knows what months we are talking about.

Then there is the interesting factor of subsection (3). This reads:

> (3) In determining the rate of national unemployment for the purpose of this section only, persons who were, at the time of their employment under this Act, being counted as unemployed in determining the rate of national unemployment shall continue to be so counted if they continue in such employment.

In other words, they are given jobs at Federal expense, and they are still counted as unemployed. Is that an employment bill, or is that a personal and permanent subsidy of Federal and local government? The question provides its own answer.

What we are saying in this bill is that we provide a job under the act as reported. They then become employed but for the purpose of determining whether or not the specific level of unemployment has been created they are treated as unemployed.

All I can say is that this is designed specifically for the purpose of creating a number of people statistically to be counted as unemployed so that this program can continue.

We do need a comprehensive program. We started on that with the development of an additional role for the National Science Foundation of Aerospace Workers. This is a fruitful approach, something from which those people can be retrained to get civilian jobs as opposed to what they had before. It was a good approach. It is different than putting them on as file clerks in some office where they probably could not get on unless they were relatives of the county commissioner. This has been a boondoggle for every down-at-the-heels official who has ever been. It will continue in that way.

We need a program that will provide new jobs, and we have gotten one, and the net result has been that the national unemployment level has gone down. We keep forgetting the Government cannot give anything to people it has not taken from them, but we put in these brandnew, pink ribbon programs to catch the eye of the public, as if money rains down from the clouds and not from the pockets of taxpayers, and now we are asked to continue them.

Now we are being asked to continue this same type of approach.

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

Mr. DOMINICK. Yes, I am happy to yield.

Mr. NELSON. On the question of nepotism under this program, is the Senator aware that the Department of Labor assured us yesterday and on previous occasions that they have found no significant incidence of nepotism in this program?

Mr. DOMINICK. There is no prohibition against it, is there?

Mr. NELSON. That is a different matter from asserting that every down-in-the-heels relative of every county commissioner who has a few jobs under the program can get such a job, when the Department of Labor in this Republican administration says that that is not so.

Mr. DOMINICK. I do not know whether that is so or not. I do not doubt it if they do. But I will stake my own knowledge that that is true: that if a person has a rich relative, he can get a public service job that is going to be paid by the local government. It is a good idea to "get him off my back and put him on the public payroll."

Mr. NELSON. I am usually more prepared to rely on the distinguished Senator from Colorado than I am on one of the executive agencies. However, they are administrating the program and have assured us that there is no such problem around the country. If what the Senator says is true, how does he support the administration's concept of manpower revenue sharing or of general revenue sharing?

Mr. DOMINICK. I do not see how that comes into it.

Mr. NELSON. If the emergency employment program as administered by the program agent—that is cities and counties of 75,000 or more—is unacceptable, how can the Senator support a manpower revenue sharing program operated by the same county commissioners and mayors? Under the manpower bill approved by the Senate last week cities of 100,000 and counties of 150,000 would be prime sponsors.

I believe that the Senator approved the concept in the manpower revenue sharing program. If my memory serves me correctly, I believe the Senator voted for the $6 billion revenue sharing program.

Mr. DOMINICK. I did vote for general revenue sharing. You bet I did. And I voted in favor of general revenue sharing, because it is the only way we can decentralize the question of Federal spending.

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

Mr. DOMINICK. May I have 3 minutes more?

Mr. TAFT. I yield 3 minutes to the Senator from Colorado.

Mr. DOMINICK. In manpower revenue sharing, what we are talking about is the administering of training programs in public service, where they are asked to come into a county courthouse and file papers.

Mr. NELSON. Public service employment is an eligible activity in the manpower program.

Mr. DOMINICK. That is one of the things I objected to in committee. I do not think the Federal Government ought to be saying to every person who is seeking employment in public service that he is going to get it. I particularly do not see how they are going to get it.

Then when it is said that they are statistically unemployed, there is a typical example that we are not providing any reasonable training program.

I have just a few more things to say. At least, I will say to the Senator that he has gone into areas where there are specific problems and said, "OK. Let us do something in specific areas, not on the basis of nationwide political appeal." That is far more sensible. Of course, there are problems in the State of Washington and problems in the State of Wisconsin. There are problems with the reemployment of aerospace people. That is an area in which we can do something, but were not, even under that bill, going to be able to provide it unless we have extremely meaningful programs which will get them out from being on the payroll, at general taxpayers' taxes, and say, "All right. Isn't this a nice piece of gravy I have picked up?" In other words, I am against the committee bill and think the substitute is far better.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Wisconsin has 54 minutes on the amendment.

Mr. NELSON. Was it 1 hour to a side?

The PRESIDING OFFICER. One hour to each side.

Mr. NELSON. Mr. President, just in brief response——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. Let me read to the Senate the comments of the President when he signed the Emergency Employment Act on July 12, 1971. At that time the President said:

> America needs more jobs, and it needs them now. This administration is working to meet this need. The Emergency Employment Act of 1971 will mean more than 150,000 additional new jobs for our unemployed and our underemployed. I am especially pleased that our returning veterans will be favored by the act, and that those with little or no job training, such as unskilled youth will also have a chance to get jobs through this measure. The jobs provided by the act will be in the field of public service, in such areas as environment, health, education, public safety, crime prevention prisons. transportation, park maintenance, recreation, rural development, and sanitation.
>
> A very important feature . . . is that the jobs will be 'transitional' . . . The employment will be real and steadying; it will not be a dead-end entrapment in permanent public subsidy . . .

Then, in the 1973 manpower report of the President, released in March of this year, let me read one sentence:

> According to recent surveys, the jobs are perceived as useful, rather than "make-work," by both the persons holding them and the public whom they serve.

On the transitional aspect, I would like to point out that there are presently about 134,000 people working under this program, hired by local municipal, county, or State governments. The peak employment was 184,000 in July of 1972. However, the cumulative employment has been 308,741 people. So 174,741 people have moved through the program. According to a sample survey, only 3 percent of those who left the program are now unemployed. About 22 percent had found jobs in the private sector. Others were in school, the Army, in training, or working in unsubsidized public sector jobs.

I might comment further that I do not think we intended to create a program which was absolutely transitional. That is to say, when a local government hires some disadvantaged youth or other individual and then trains him for the job—for a needed public service function that ought to be performed—we did not intend that at the end of the 2 years the sponsor would arbitrarily fire this unemployed or disadvantaged individual, who had finally become trained to hold a job in public service only to turn that job over to someone else.

As a matter of fact, I agree with the Senator from Colorado and the Senator from Ohio that this is by no means a perfect program. I would like to explore further, through hearings in the future, refinements in the public service employment program including the concept that is advocated here on the floor today by the Senator from Ohio.

I think we ought to be looking at one neglected aspect of public service employment. The public sector is the biggest employer in America. The cities, counties, and States, and the Federal Government, are larger employers—taken all together—than any industry in this country.

We have made a special point, and rightly so, many years of insisting that employers in the private sector not discriminate against people on any ground. Yet there is great discrimination in public employment, simply in the manner in which civil service requirements are administered. Many of the tests are irrelevant to the job to be performed.

A substantial percentage of the employment opportunities in this country are in the public field. Those best equipped to get these good jobs in the public employment field are the educated children of the middle class simply because they are best at taking exams. We are depriving many people who are perfectly capable but who have not had the chance for an education, of the opportunity to get into the public service field.

So I think we have an obligation to continue our efforts to improve this public service employment program so as to develop more effective provisions for reaching out to the deprived person—an individual who was high school or grade school dropout or for other reasons did not have the opportunity to get the training and the skill or the education required to get the civil service job—and allow him an opportunity to get a public service job and provide education and training in order not only to hold that job, but to go up the scale of public service employment. Until we do that in a substantial well-planned program, we will continue to deprive people who have the ability to fill jobs at all levels of Government, but who have had no training to avail themselves of that opportunity.

I shall be glad to work with the Senator from Ohio and the Senator from Colorado—both of whom would agree, I am sure, that we ought to be doing something special for people who are qualified to perform in jobs in public service, but who have not had the training for it. We ought to do something special to give them some opportunity for these jobs in the public service sector. This present program addresses itself to that issue, but not in a sufficiently sophisticated and refined way, and I recognize that shortcoming.

However, at this time, to cut off the

program, as the amendment proposed by the Senator from Ohio would do, I think is premature. As a matter of fact, we set the trigger at 4½ percent when we passed the bill originally back in 1971. We decided then that so long as unemployment remains above 4½ percent, that constitutes an employment emergency and triggers this program providing public service job opportunities. Unemployment continues well above 4.5 percent—with over 4 million unemployed. I do not know of anything that has happened to change the basis for our decision about the trigger level we made in 1971.

Mr. President, how much time do I have? This time is on the amendment?

The PRESIDING OFFICER. Yes.

Mr. NELSON. And on the bill I have how much time?

The PRESIDING OFFICER. Five minutes on the bill.

Mr. NELSON. I yield the floor.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin yield me 5 minutes?

Mr. NELSON. Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER (Mr. BARTLETT). The Senator from Wisconsin has 45 minutes remaining.

Mr. NELSON. Mr. President, I yield all of the time to the Senator from New York which he desires.

Mr. JAVITS. Mr. President, do I have time on the bill?

The PRESIDING OFFICER. The Senator from New York has 30 minutes on the bill.

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

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I am opposed to the substitute amendment of the Senator from Ohio. I would like to say first that I understand perfectly the reason for its proposal.

The Senator from Ohio has followed what is a rather consistent philosophy in respect of his attitude toward this measure. It has been mainly based upon the very words that he used in his substitute. The Senator from Wisconsin and I have approached the matter on the basis of general and in the case of particular areas "substantial" unemployment. The Senator from Ohio approached it on the basis of "substantial and persistent unemployment." Therefore the intermediation of the public service employment has had an additional test; namely, the test of persistency.

That is the main reason why I am against the substitute amendment. I think the substitute is much too limited considering the point we wish to make and the programs we are seeking to continue, which the Senator from Wisconsin and I believe is an essential element of dealing with unemployment.

Our bill has been triggered by the 4.5-percent unemployment rate. Let us remember that most of the provisions are not in effect unless the rate is 4.5 percent or higher. We need public service employment to do an adequate job of meeting unemployment which is unacceptable. On the other hand, what the Senator from Ohio is asking us to do is to change the bill to a situation of dealing with essentially particular cases where we have persistent unemployment.

That is why I say that it is entirely consistent with that philosophy. However, I believe that in view of the size of our public service employment program—which is not great—it should be continued. Give or take a small percentage, we are dealing with about 200,000 public service jobs and against a basic element of almost 5 million unemployed. Let us remember that—though the percentage has dropped—it is still well above 4.5 percent. The numbers have not dropped significantly. In June of 1971 we had 4,184,000 unemployed, and in June of 1973, we had 4,256,000 unemployed. It is still of the same order of magnitude, and it remains about the same in terms of the aggregate number. And that is the point toward which our bill directs itself.

We argued much this same question in respect to the manpower training bill where it was pointed out that there is only an allowable element in the manpower training bill for public service employment. It is an eligibile activity.

But in response to the urgency of the Senator from Ohio, we pledged in good faith that public service employment would not come in through the back door on manpower training, and that the fundamental thrust of the bill would be manpower training fundamentally.

The reason that we were able to do that was that coming along right behind the manpower training bill was this particular bill for public service employment. And this is shown most vividly in respect of the public service employment opportunities estimated to veterans, because we have given for all practical purposes 50 percent of the job opportunities in this bill for veterans. The veterans' rate of unemployment is materially higher than the national average, and it deserves that kind of treatment.

I understand that the Senator from Wisconsin (Mr. NELSON) argued that point very strongly in opposition to the substitute. I associate myself with his views on that score.

Mr. President, coming back to the fundamental philosophical point, I would like to show how it works out in figures. The best figures we have been able to get on the basis of the criteria which the Department of Labor has already available for "persistent unemployment" is that some 406 areas of the country would be areas of substantial and persistent unemployment.

Mr. TAFT. Mr. President, would the Senator yield at that point?

Mr. JAVITS. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. TAFT. Mr. President, the Senator was not present on the floor at the time I pointed out that the best available information that came from the Department of Labor does not really take into account the formula provision of the substitute, as proposed.

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

Mr. JAVITS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional 5 minutes.

Mr. TAFT. Mr. President, the figures mentioned by the Senator from New York do not include figures for all units of general local government or include Indian reservations, both eligible under the provisions of the substitute.

Mr. JAVITS. Mr. President, in response to the point made by the Senator from Ohio, all we claim is that this is what the Department of Labor has now. They have in the figures the current criteria and the current data. They say that there will be 406 areas. The Senator from Ohio may be correct in what he has written into his substitute. I cannot say. All I can say is what they tell us. They tell us that they have not information on what other areas could be included under the language of the substitute.

The fact is that currently we have 947 areas under section 6, which is the 6 percent-plus unemployment rate of this particular measure. So, I make no claims of an affirmative character. We simply do not know what other areas could be covered under the Taft substitute.

All we can do is make claims of a negative character. That is all the information the Department of Labor can give us.

I do it only illustratively. I do not wish to dispute with the Senator from Ohio about the finite and exact number of areas, except to point out the differences between the two approaches, his approach to public service employment and our approach to it in the bill.

I gather that the Senator from Ohio approaches it from a different philosophical point of view, which is that of persistent unemployment, which leads us into the area of endemic unemployment and so on.

The Senate has to take its choice between these two concepts.

I used the particular provisions we made for veterans merely to underline that the bill does follow the philosophical approach we claim.

I find myself very much on the side of the issue represented by the bill. The issue is: Shall we have a program to deal with unemployment once unemployment is above a 4.5 percent level nationally as a material component of manpower policy or shall we reserve public service employment only for the areas of "persistent" unemployment?

I opt for the formula provided in our bill.

I say frankly that we are facing the issue. We did not try to fudge in respect of the manpower training bill. We are not trying to get through the backdoor in order to have public service employment as a component of the manpower training bill. We hope that there will be minimum utilization of that fact in the manpower training bill. However, we face it frankly. We are dealing with an essential element when dealing with unacceptable employment rate, referring to about 200,000 of these public service employment jobs.

So we provide for it by separate legislation and a separate appropriation.

I wish to point out, too, incidentally, that under this bill the Appropriations

Committee and the Congress generally will have a choice in the funding of the general element and the element of $250 million which is specially provided for in this bill.

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

Mr. JAVITS. I yield myself 2 additional minutes.

Finally, Mr. President, I believe that we must understand one other thing about this matter. I have been the strongest advocate—and I understand that this point has been argued very effectively by the Senator from Colorado (Mr. DOMINICK)—and have constantly sought to develop amendments and work things out in conference with a view toward making it clear that this is a transitional program, that is, that we expect the workers to transit from a public service job into private employment or a regular public service job, in a fluid way. The bill has been shaped very importantly toward that end.

I would like to pledge myself to the Senate to continue that effort and that activity, both on the legislative side, that is, in the provisions which we make respecting the matter, and on the substantive side in legislative oversight. I thoroughly agree with my colleagues that this should be, wherever possible, a bridge by which the occupant of a job learns work habits, is trained in certain skills, and then moves out into the regular employment stream.

I believe that we have made a good start on that.

There has been a considerable turnover in respect to these public service jobs. But we are by no means home free, and I simply wish to add my continuing pledge to the Senate in that respect, and also in respect to try to work out this public service employment so that it fits into the manpower training system—especially as the administration, hopefully, will consider our manpower training bill as the first earnest effort on special revenue sharing. I think it can properly be characterized as the first special revenue sharing bill.

So I state to the Senate that I will do my utmost to work out a unified system by which the totality will be manpower training reform in the very best way of which we are capable, in which public service employment will be an element, thus further guaranteeing its transitional character.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 18 minutes.

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

I think the distinguished Senator from New York, as always, has emphasized the difference that exists between the substitute and S. 1560, very fairly and very accurately. I would urge the Senate to adopt the substitute on exactly the point that the Senator from New York makes.

The amendment I offer is directed at areas of persistent unemployment. This is the direction a public service employment program should take. As has been pointed out, the manpower revenue sharing bill that passed last week provides that an eligible activity under the bill would be public service unemployment.

It makes a great deal of sense to keep the basic public employment program within the manpower revenue sharing concept. However, I believe we should recognize, and I do recognize in the substitute, that there is an overall Federal responsibility that goes beyond that. There is in this country and there have been for many years, areas of persistent unemployment at very unacceptable rates. These are generally the same underdeveloped areas that I referred to earlier regarding the history of the ARA.

It is those areas toward which I believe that a special public service employment program should be directed. I believe a Federal program is needed in these areas of the country because of the very persistent economic problems they face.

I point out, with the changes occurring in the economy today, there may be some who are worried, "Will my state qualify under the substitute or S. 1560?"

The answer is, "A State, or region thereof, will qualify under the substitute if the State, or region has persistent unemployment over the rate of 6 percent." Under the committee bill basically any region may qualify under section 5 of the EEA. The section 5 coverage of EEA, however, may not be in effect, if the national rate of unemployment goes under 4.5 percent. If this occurs and local unemployment rates are still well over 6 percent, only $250 million will be available under the committee bill as compared to at least $500 million under the substitute.

In fact unemployment has improved somewhat in some of our large cities. The problem is in the smaller cities and the rural areas. I have just received a news tape today from a UPI dispatch which shows some interesting developments in this direction. It reads as follows:

> The number of major cities with unemployment of 6 per cent or more fell to 36 in July, the lowest in 32 months, the Labor Department said Tuesday.
>
> This was the fewest of the nation's 150 largest metropolitan areas to have "substantial unemployment" of at least 6 per cent since November of 1970 when there were also 36 cities on the list. It hasn't been lower since there were 35 in September, 1970. Johnstown, Pa., was deleted from the new list.
>
> The major cities category on the substantial unemployment list reached a high of 63 in October, 1971 but has been on a downward trend since.
>
> The number of smaller cities and communities on the list remained unchanged at 736, marking only the second time unemployment in smaller communities has failed to decline since peaking out at 853 in July of last year.

Thus the places where the real need is for this special federally directed and federally run manpower training program is in small cities and rural areas where unemployment problems persist.

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

Mr. JAVITS. Mr. President, before the Senator does that, will he yield?

Mr. TAFT. I yield.

Mr. JAVITS. I would like to know the state of the time. How much time remains in opposition to the Taft substitute?

The PRESIDING OFFICER. There is 45 minutes remaining, controlled by the Senator from Wisconsin, on the amendment.

Mr. JAVITS. I yield myself 5 minutes of that time, with the permission of the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. I yield to the Senator from New Mexico, who has indicated he has some questions.

Mr. DOMENICI. Mr. President, I would like to discuss my feelings about two proposals, and the proposal generally, with the Senator from New York, and at the same time propound some questions to the Senator from New York about the bill.

First of all, it would seem to me that the Senator from New York might be saying that there have been no real changes in the use of federal money to help employ people in our cities or in the public sector at the local level from last year to this.

However, it does seem to me that there has been one major change, and that is the General Revenue Sharing Act, which has, in a real way, been dollars in the hands of local units of government to expand on their own service needs and I would assume, thus, to hire people unemployed or who are looking for work, while the local units of government do the job they are expected to do for their citizens. I am not suggesting that would take up all the unemployment slack, or endemic unemployment, or manpower training needs, but I would suggest looking at the priorities of the expenditure of money that that event has occurred, which could have a serious impact on the area we are addressing ourselves to, with control at the local level as to who will get the job or the job services to expand on. Would the Senator comment on that observation?

Mr. JAVITS. Yes. The comment would have to be both plus and minus. Let me first give the plus. There is no question about the fact that public service employment will have been aided by general revenue sharing, because governments have to hire people, and so forth. On the other hand, it will not necessarily be focused on the economically disadvantaged or other groups in need. On the contrary, the record indicates that when the community is hiring, de novo as it were, there is more likely to be a concentration on skills, and so forth. Second, the two go together, in that, because of general revenue sharing, there are more slots open as general jobs in the public service field. The public employment program participant goes in because he is underemployed under the program and he then kind of graduates when he has some skill and may go into a job which may be made available because of general revenue sharing. So the Senator is right

that there is a relationship but it is not one of a substitution.

Mr. DOMENICI. Whether it is used for a training program or whether it is used for people having a difficult time seeeking employment, the bill says they will be employed in the public sector doing the things that the city, county, or village would do, or should do. So I assume that we will put this into the total public service employment category, will we not?

Mr. JAVITS. Yes. I should like to point out and give the Senator a figure which is interesting. Thirty-two percent of those who have gone through this program, have gone on to employment in the public sector, so that that would be facilitated by general revenues.

Mr. DOMENICI. Let me summarize this. There are inconsistencies which I find as I travel in my State. The people I came in contact with last year as I traveled through every community in the State about this program, was basically that, indeed, it permitted the cities and counties to take citizens that would otherwise apply for manpower training programs, or some kind of unproductive job or unproductive training program, and put them into actual employment. To that extent, they favored it, but they were favoring it, Senator, from the standpoint in lieu of something else, or over some kind of welfare-oriented program.

I recently saw a statistic which startled me, in that it seems the States of the Nation are now acquiring great resources. They are kind of the affluent part and the Federal Government is the one in the red. This is an anomaly which has occurred only in the past few years—I believe in the past 2, where we find States with a $2, $3, or $4 million surplus in their general funds. Now I wonder what would the Senator's observervations be in response to the question: Is this program in lieu of some other welfare-oriented program? Second, is this program calculated to cause the States to face up to their responsibilities at the local level and let their cities and counties have more local resources, more authority to tax from the general revenues of the States, and do the local job at the local level?

Coming from a city and a mayoral position, it seems to me we pump money into the cities. The State looks back and says "Since the Federal Government reimburses you, we will leave the manpower program alone and we will leave the other programs alone. Let the Federal Government solve it."

I am very much concerned that there are some conflicts in philosophy here.

Mr. JAVITS. Answering in reverse order, I would expect that legislative oversight should be very clear that the program should not be made available except on the basis of self-help added to what the Federal Government may be able to do under the law. Remember, we are only talking about 200,000 jobs as against 4,300,000 unemployed. So there is plenty of room for the Federal Government to insure funds reach areas most in need through the use of discretionary funds and so forth.

I would feel that to the maximum extent possible we should favor areas which cannot be otherwise helped—a startling example of which is Newark, N.J., bearing in mind the de minimis numbers involved.

On the first part of the question, is it in lieu of something else, the answer is no, it is not in lieu of something else. It is an endeavor to deal more effectively with the problem—to wit, the aggregate unemployment problem. It is not in lieu of other efforts which may be made in the welfare field, and so forth.

As a matter of fact, that is one of the reasons why I oppose the Taft substitute, because that is an effort—that is, it seems to me to be essentially "in lieu of." I believe that this particular program, that is the EEA program—because of its relatively small size—has to be in aid of rather than in lieu of some other program.

Mr. DOMENICI. It seems to me that Senator TAFT's substitute is more calculated to cause the smaller communities in rural America to take advantage of the program than is the main bill, which is perhaps calculated to cause migration into the large metropolitan areas and away from the small towns and villages of rural America to take advantage of the program.

It seems it is more apt to cause the reverse, that is, the ability of the small town to the extent that the 200,000 jobs and this amount of money can have an impact. Would the Senator comment on that?

Mr. JAVITS. We see nothing in the Taft program which makes it differently usable from our program. It just has other criteria. As a matter of fact, it seems to me, because again the Department of Labor has not yet been able to give us the accurate data, that areas of persistent unemployment may well be in the big city areas, the slum areas, as they are to some degrees already under our bill.

So I feel that it is just the reverse that, if anything, the Taft program would be more inclined to go to the core of the elements of the big cities than even our program.

Mr. DOMENICI. I thank the Senator from New York very much.

Mr. JAVITS. I thank the Senator.

Mr. DOMINICK. Mr. President, I have been listening to this dialog between my friend from New Mexico and my colleague from New York. One of the things that is interesting about the bill that came out of the committee is the fact that they have a section 5B3 which says that when a person has a public service unemployment job for purposes of determining how many people are employed or unemployed, he or she is considered to be unemployed.

So the longer they stay there, the longer the unemployment level stays high. Then there is a provision in here which says that we cannot get any more than $12,000. So we are, for the purposes of Federal statistics, making it perfectly possible to get $12,000 a year out of the Federal Government as our pay and be considered unemployed.

A whole lot of people in this country are going to find that very hard to swallow. Those provisions are not in the substitute of the Senator from Ohio, and that is another reason why I am in favor of his proposal.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, is the Senator from Ohio prepared to yield back the remainder of his time?

Mr. TAFT. I am ready to yield back the remainder of my time if the Senator is ready to yield back his.

Mr. NELSON. I yield back the remainder of my time.

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

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

Does the Senator from Ohio yield back the remainder of his time?

Mr. TAFT. Yes.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Ohio. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

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

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Tennessee (Mr. BAKER) is detained on official business.

The result was announced—yeas 25, nays 70, as follows:

[No. 354 Leg.]

YEAS—25

Allen	Dole	Hruska
Bartlett	Domenici	McClure
Bellmon	Dominick	Packwood
Bennett	Fannin	Saxbe
Brock	Griffin	Scott, Va.
Buckley	Gurney	Taft
Chiles	Hansen	Tower
Cotton	Helms	
Curtis	Hollings	

NAYS—70

Aiken	Fulbright	McIntyre
Bayh	Hart	Metcalf
Beall	Hartke	Mondale
Bentsen	Haskell	Montoya
Bible	Hatfield	Moss
Biden	Hathaway	Muskie
Brooke	Huddleston	Nelson
Burdick	Hughes	Nunn
Byrd, Harry F., Jr.	Humphrey	Pastore
	Inouye	Pearson
Byrd, Robert C.	Jackson	Pell
Cannon	Javits	Percy
Case	Johnston	Proxmire
Church	Kennedy	Randolph
Clark	Long	Ribicoff
Cook	Magnuson	Roth
Cranston	Mansfield	Schweiker
Eagleton	Mathias	Scott, Pa.
Eastland	McClellan	Sparkman
Ervin	McGee	Stafford
Fong	McGovern	Stevens

Stevenson	Thurmond	Williams
Symington	Tunney	Young
Talmadge	Weicker	

NOT VOTING—5

Abourezk	Goldwater	Stennis
Baker	Gravel	

So Mr. TAFT's amendment was rejected.

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

Mr. NELSON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I wish to express my support for S. 1560, a bill to extend the Emergency Employment Act of 1971. The bill provides public service employment for Vietnam veterans, long-term unemployed persons, and the disadvantaged.

It will also allow 6,000 Washington State workers employed today under this program, to keep their jobs. Recently, the Senate overwhelmingly passed S. 1559, a bill to provide job training for the disadvantaged. Together, these bills provide a powerful program for those workers needing training and a job.

The Emergency Employment Act of 1971 has worked. Local officials have hailed it as the best Federal program enacted in the last 4 years. The jobs created under EEA have been meaningful and productive.

Congress should extend this program. As Senator NELSON, the distinguished floor manager knows, I have led the fight as chairman of the Labor, Health, Education, and Welfare Appropriation Subcommittee, to see that this program receives full funding.

In fiscal year 1972, I floor managed the appropriation bill that provided the initial $1 billion to get this program started. In fiscal year 1973, my subcommittee provided $1.25 billion for EEA. Once this authorization bill is enacted, I pledge my efforts to provide additional funds in fiscal year 1974.

Does it not make sense to give a person a job instead of paying him unemployment compensation or welfare benefits? People in my State want to work. In 1969, the unemployment rate stood at 3.3 percent in Washington State. In 1971, at the height of the so-called Nixon recession, unemployment totaled 15 percent and my State was experiencing an economic recession. Today, unemployment still stands at 7.5 percent—well above the national average—and yet the administration wants to end the EEA program which now provides 6,126 jobs in Washington State. This is an absolute mistake.

I want to express praise to Chairman NELSON and Senator JAVITS for their outstanding leadership in providing the Nation with meaningful manpower training and public service employment programs. Thousands of persons will benefit from their efforts.

Mr. President, I ask unanimous consent to place in the RECORD some statistics on the impact of the EEA program in Washington State and the text of my testimony before the committee in support of both S. 1560 and S. 1559.

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

PUBLIC EMPLOYMENT PROGRAM—CURRENT EMPLOYMENT AND CUMULATIVE EMPLOYMENT, FEBRUARY 1973

Washington	6,000	13,757	69,292,372
Clark County	105	287	1,202,500
Thurston County	40	79	470,650
Yakima County	223	509	2,186,927
Seattle	885	1,919	11,044,986
Tacoma	210	409	2,324,532
King County	932	2,554	13,832,266
Pierce County	293	603	3,192,379
Snohomish County	582	1,487	6,996,704
Whatcom County	91	204	1,009,703
Kilsap County	186	368	1,838,777
Spokane	207	524	2,511,367
Washington Indian Tribes	49	97	445,785
Balance of Washington	2,197	4,717	22,235,796

JOB TRAINING AND EMPLOYMENT LEGISLATION, 1973

U.S. SENATE, SUBCOMMITTEE ON EMPLOYMENT, POVERTY, AND MIGRATORY LABOR OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,

Washington, D.C., May 4, 1973.

The subcommittee met, pursuant to recess, at 10 a.m. in room 4200, Dirksen Office Building, Senator Gaylord Nelson (chairman) presiding.

Present: Senators Nelson, Taft, Dominick, and Schweiker.

Committee staff members present: Richard E. Johnson, counsel; and John K. Scales, minority counsel.

Senator NELSON. Our first witness this morning is Senator Magnuson of Washington.

Senator, the committee is very pleased to have you before the committee this morning. Your statement will be printed in full in the record, and you present it in whatever way you wish.

STATEMENT OF THE HON. WARREN G. MAGNUSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

Senator MAGNUSON. Thank you, Mr. Chairman, I appreciate the opportunity to be here not only to testify on this particular bill, but this is one of my first opportunities to thank this committee for the fine cooperation we had over the past 2 years in getting support for my two major extensions of unemployment insurance. Unemployment has been a very serious matter in many areas of the Nation, including my State. This problem fits into a proper discussion of this particular bill, too.

Now, the act before you, and I want to commend the Senator from Wisconsin, Senator Nelson, and Senator Javits for their efforts to initiate reforms in the Nation's manpower training program.

I especially endorse section 201(b)(9) of their bill. Specifically, this section authorizes transitional public service employment as one of the allowable activities that a prime sponsor under the act may engage in.

As the chairman knows, I have been a very strong supporter of the Emergency Employment Act of 1971, which this committee is responsible for authorizing after, I might add, a very long and bitter struggle with the administration.

As chairman of the Labor, Health, Education, and Welfare Appropriations Subcommittee, I think I have had some experience with that, I floor-managed the appropriation bill providing the initial $1 billion in funding for the Emergency Employment Act; and in fiscal year 1973, my subcommittee approved an additional $1.25 billion for this critical job-producing program.

The Emergency Employment Act of 1971 made possible, and I am sure this committee has the figures, but I want to repeat them, for 192,675 federally-supported public service jobs for unemployed and underemployed workers in fiscal year 1972.

Now, had they all been on the relief rolls, or had they received some form of unemployment insurance, this would have been more costly in real terms. At that peak, 9,000 of these jobs were being held by unemployed Washington State workers in my State.

It is with this background in mind that I oppose the decision by the Nixon administration to phase out EEA. That decision is premature, in my judgment, because the national rate of unemployment, 5 percent, is still far too high.

In the State of Washington, the total rate of unemployment is still 8.3 percent, but I think 9.5 would be a figure closer to actual truth.

In Washington State, 6,176 people are now working because of the Emergency Employment Act of 1971. If this program is ended, these people will lose their existing jobs and, because unemployment is so high in Washington State, many will be forced to accept some form of government-sponsored relief.

May I add something here which I talked to the chairman about many times informally, when people go on relief, or have to go on relief, the minimum cost is $4,250 a year. I know that. That is the minimum, and then you figure the humility, the embarrassment, men that want to work, they do not even want to tell their neighbors they are on relief, and it all adds up to the need for a program like public employment for the unemployed.

Now, I said the decision is premature, and over 6,000 workers are involved now in my State. This simply does not make sense to me. If these people are working and providing local government with a vital service, why should the Federal Government terminate their jobs? Particularly when not enough private sector jobs exist in many areas of the Nation.

Mr. Chairman, it was with this problem in mind that I contacted your subcommittee about adding a provision to S. 1599 that would allow prime sponsors at their discretion to use their funds for public service employment jobs if the prime sponsor determined that this was the wisest use of limited manpower training dollars, and that is what you are trying to do in your bill, as I understand it.

It is obvious to me that training an individual for a job that does not exist is the worst possible use of these resources. The individual living in a State with a high rate of unemployment wants a job, not a training course.

More specifically, under section 201(b)(9) prime sponsors in Washington could use most of their manpower funds, for as long as necessary, to provide public service employment to the unemployed, including engineers, scientists, and technicians.

Of course, as soon as local officials find that community manpower needs have changed, they would be free to reallocate their manpower sources among other activities suggested in section 201 in order to meet new priorities.

I feel that my State and the local units of government within its boundaries are ready to assume responsibility for this type of decisionmaking.

They have been progressively prepared for undertaking such programs by being involved in Federal manpower projects and locally funded manpower activities and by receiving mayors' and Governors' grants for the purpose of coordinating manpower planning.

The city of Seattle and surrounding units of government including King and Snohomish Counties have formed a consortium in order to be designated as a pilot comprehensive manpower program, CMP.

As such, they would receive a bloc grant for several categorical manpower programs rather than a separate grant for each program.

I hope that the Department of Labor will soon approve their CMP application. These units of government have certainly shown an outstanding ability to run a wide variety of manpower activities.

Recently, they rapidly mounted very complex and responsive manpower program activities to implement the provisions of the Emergency Employment Act.

In addition to this desirable flexibility in delivery that S. 1599 authorizes, I like the nature of the public service employment authorized—transitional employment for unemployed and underemployed persons in jobs providing needed public services.

Since all manpower efforts are focused upon preparing people for, and matching them with, existing jobs, it is logical that funds for public employment programs should be limited to those enabling participants to move onto the employer's regular payroll or obtain other suitable public or private employment.

In conclusion, I believe that public service employment can often be a very effective means of resolving manpower problems.

However, I think that State and local officials are in the best position to determine when an individual will benefit more from public service employment than from another manpower activity.

Therefore, I favor the approach embodied in section 201 of S. 1559 which would integrate public service employment as but one allowable activity in a comprehensive manpower system.

So, I heartily endorse the bill. I compliment you people on bringing it to the attention of the Senate, and I think this is very desirable flexibility in trying to meet this problem.

Senator NELSON. We appreciate your taking the time to come over this morning to present your testimony.

Senator MAGNUSON. Thank you. One thing I want to add, Senator, is that manpower training is a laudable goal.

We try to do the best we can, but when you get down to the Appropriations Committee with the Department of Labor, the hearings will start next week, you will find the number of enrollees who are put into, as it were, the pipeline for training, and then the number of jobs that are available when they come out, it is a pretty sad story. Your bill attempts to provide both training and jobs.

Senator NELSON. That is what it is all about.

I am puzzled myself by the timing of the administration's proposal to terminate the program.

In any event with the unemployment at the level it is, the program should be continued for another year or two or three.

I quite frankly myself think you ought to have a permanent public service employment act.

Senator MAGNUSON. You are so right, I have often thought the same thing, in view of the fact that we have such difficulties, as you will recall vividly, on the Senate floor, and going over to the House, in getting assistance for the long-term unemployed.

The Congressman from Wisconsin was a lot of trouble, as you recall, and I think he was serious about what he was saying, but I think we have got to consider some point on the unemployment question when we have a permanent piece of legislation. I do not know what figure you might use, 6 percent, 6½ percent, the experts will figure it out, but when it reaches that, unemployment benefits are expended or a job is offered.

Mr. WILLIAMS. Mr. President, 2 years ago I rose to support with great enthusiasm, the original Emergency Employment Act of 1971. Today, after closely monitoring the program, my convictions are even firmer and I rise again to support its extension and continuance.

The public employment program—PEP—of the Emergency Employment Act has proved its worth many times over. A consulting team commissioned by the Committee on Labor and Public Welfare recently completed an evaluation of the first 18 months of the program stating unequivocally that:

PEP has demonstrated its effectiveness as a countercyclical strategy. A permanent program should be created which phases in as unemployment rises above 4.5 percent.

During the past 2 years, over 280,000 persons have found employment with the program. In my own State of New Jersey alone, over 17,000 men and women have been placed in jobs which have provided additional government services to citizens throughout the State.

The biggest proponents of PEP—aside from the unemployed who have derived its benefits directly, have been the mayors and other local government officials from every region and section of the country.

To best illustrate this point, I would like to briefly quote excerpts from the testimony of two distinguished mayors from New Jersey:

Mayor Arthur J. Holland, of Trenton.—The Public Employment Program (PEP) established by the Emergency Employment Act of 1971 has been the best program to come out of Washington in the last 4 years of those that were intended to meet the needs of the cities.

This particular program is the greatest thing that happened to our city in the last several years. It has enabled us to maintain essential services which otherwise would have to be sustained through additional taxation or be reduced. It has enabled the city of Trenton to maintain essential services for which funds were not available. Moreover, PEP proved to be a most effective manpower program, providing on-the-job training, as well as opportunity for educational advancement.

Mayor Patricia Sheehan, of New Brunswick.—. . . public employment, in the view of many economists, is the least inflationary way to expand the economy's employment opportunities. . . . Public employment . . . produces nearly one dollar's worth of employment for cash dollar expended . . . [a] second and strongest justification, from our point of view, is the desperate shortage of public goods and services which our cities face . . . [J]ob needs to excess of five times the present level of PEP have been identified.

These statements truly speak for themselves. The Emergency Employment Act can clearly stand on its own merits.

As the chairman of the Committee on Labor and Public Welfare, I wish to commend the chairman of the Employment, Poverty, and Migratory Labor Subcommittee, the distinguished Senator from Wisconsin (Mr. NELSON) and the ranking minority member of the committee the distinguished Senator from New York (Mr. JAVITS) for their hard work and dedication with regard not only to this bill S. 1560 but for last week's successful passage of S. 1559, "The Job Training and Community Services Act of 1973."

Mr. MUSKIE. Mr. President, S. 1560, the Emergency Employment Act Amendments of 1973, would extend for 2 years a popular and successful Federal job program which has been enthusiastically received in my home State of Maine—the public employment program—PEP.

Under the bill $1.25 billion would be authorized in fiscal year 1974 for grants to State and local governments and Indian tribal organizations to fund public service jobs for veterans and others who cannot find work in areas of high unemployment. The value and effectiveness of this program can be demonstrated by considering two brief points.

First, the program has met its goal of providing a transition to permanent employment by paying for jobs with Federal funds until local budgets could pick up the costs. The Federal goal was to have the cost of 50 percent of the temporary public service jobs taken over by State and local governments on a permanent basis. In Maine, local and county governments have committed themselves to hiring 70 to 80 percent of present PEP workers with their own funds. In one community, Mechanic Falls, the program made such a successful contribution that it helped lower the tax rate below 1969 levels, and the town was still able to pick up the cost of employing all 12 of the workers who found jobs under the program. At the State level, PEP funds were used in the department of environmental protection to hire 16 persons, whose duties ranged from investigation to water quality analysis. Their work was so vital that the legislature agreed to fund all 16 positions this year. The Federal program can now help other individuals who are out of work .

Second, the program is still necessary to combat the chronic high unemployment in my State. Despite the employment of more than 2,200 workers under the PEP program, 14 of Maine's 16 counties suffered unemployment rates above 6 percent last year, and unemployment was 10 percent or more in three of those counties. The continued need for the program is further demonstrated by the fact that Maine communities applied for twice as many positions last year as could be funded under the program.

To this praise of PEP, Mr. President, I would like to add a major concern of program officials in Maine: the specificity of the Labor Department's computation of job statistics. In a largely rural State like Maine, pockets of high unemployment often become obscured in the Labor Department's statistics. I was pleased that S. 1559, the job training bill passed last week by the Senate, directs the Secretary of Labor to improve the Department's statistical sampling, and I am hopeful that this directive will provide significantly better targeting of Federal funds to areas most in need of job programs.

Mr. President, the Emergency Employment Act is exactly the kind of Federal

program which should be a top priority. I hope it will continue to receive strong congressional support.

Mr. KENNEDY. Mr. President, I rise to fully support the emergency employment bill now before the Senate.

Since July 1971, when the Emergency Employment Act of 1971 was signed into law, some 308,000 individuals have been employed in public service jobs. Those men and women were earning income, fulfilling vital public service needs and contributing to the welfare of their country—instead of drawing welfare checks.

Today, the need for this program continues. Unemployment still is at 5 percent. Approximately 5 million Americans are unemployed, the number of persons receiving some form of welfare assistance now is at 12 million and the number of poor in this Nation remains over 24 million.

Even these statistics do not fully measure the depth of the problem. While the rate of unemployment for the city of Boston was 3.9 percent for the year of 1970, 22 percent of the labor force were unable to find full-time jobs at pay scales providing a decent wage. The subemployment index, which was first developed by former Secretary of Labor Willard Wirtz in 1967, showed that we are talking about nearly one-third of the labor force in our cities who are excluded from decent jobs—not by their lack of skills or desire—but by the lack of jobs.

It is that failure that fuels the cycle of welfare. It is that failure that fuels the cycle of poverty. And it is that failure that spells a pauper's existence for millions of our citizens.

We have not moved very far from the time when President Roosevelt talked of a third of the Nation ill-housed, a third ill-clothed and a third ill-fed. That was in the midst of the depression. Today, 40 years later, there still are 24 million Americans whose lives are crippled by poverty and despair.

The fundamental cause of poverty in this country is one of joblessness and low-paid jobs which take everything a man has to give and provide a bare survival wage in return.

The lack of economic opportunity, of jobs, perpetuated over decades, has harassed millions of families out of rural America into inner cities already exploding the dreams of their youth in enforced idleness. In the end, we have witnessed the sometimes silent, sometimes shrill sound of the disintegration of inner city neighborhoods.

The answer is jobs, jobs at decent pay, and along with the invigorated economy to provide those jobs we need a program creating decent jobs through direct Federal funding.

The past 2 years of the Emergency Employment Act have demonstrated the potential of this program. Some 308,000 persons were employed by 670 cities, States, and counties. Twenty-seven percent of the jobs were provided to Vietnam era veterans. Most of the jobs, according to the manpower report of the President, "are perceived as useful, rather than 'make work' by both the persons holding them and the public whom they serve."

The evaluation of the EEA program by Sar Levitan and Robert Taggart of the Center for Manpower Policy Studies of the George Washington University, by the GAO, by the Urban Coalition, and by the National Manpower Policy Task Force all concluded the program was meeting important public service needs. It is providing hospital assistants in Chicago, more police in Detroit, more water service inspectors in Dayton.

In my own State, there were some 15,864 persons hired during the 2-year program and both local communities and the State have requested the program's extension and protested the administration's proposal to end this program.

Perhaps one of the best examples of the potential of EEA was shown in meeting the needs of the Spanish speaking in Massachusetts. Bilingual teachers, Spanish-speaking guidance assistants, and interpreters have been employed throughout the State and 20 bilingual social workers and cases aides also have been hired. For many offices, it is the first time that a non-English-speaking client has been able to communicate with department of public welfare employees.

I am pleased as well that Massachusetts was very close to meeting the new requirements now placed within this bill for at least 50 percent of the new hires to be Vietnam-era veterans. Under the practices and policies carried out for the past 2 years, some 40 percent of the public service employment program participants in Massachusetts were Vietnam-era veterans. In Massachusetts, some 9.6 percent of the participants were minority group members, 25 percent were welfare recipients and 33 percent were disadvantaged. I am also pleased to cosponsor the amendment of the Senator from Rhode Island (Mr. PELL) to give special consideration to individuals affected by defense base closings.

I would ask unanimous consent to have placed in the RECORD following my statement, a progress report prepared by the EEA program director in Massachusetts at the State level, as well as a brief report of some of the innovative programs begun in the community of Holyoke. Boston and other prime sponsors had equivalent experiences with the program and support its expansion.

I commend the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, the distinguished Senator from Wisconsin (Mr. NELSON) for his leadership in seeking the extension of EEA. I believe that during the next 2 years, our responsibility is to emphasize the permanent aspects of this program.

I believe the bill before us deserves the full support of the Senate and the Congress as a first step in that direction. By enacting this program, we will begin to assure to those who have been forced to exist on the fringes of the Nation's economy, jobs paying decent wages and, in the process, we will be meeting vital needs in our hospitals, in our schools, and in the basic fulfillment of vital local government services.

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

PROGRAM OF HOLYOKE

The implementation of the E.E.A. Program in Holyoke led to a few innovative programs being provided to take care of some vital unmet public service needs. These were in addition to the obvious assistance that was provided to the financially beleaguered city departments in the way of extra clerks and laborers.

We will limit this narrative to the innovative programs that were funded and also to "success stories" relating to individuals.

DISTRICT COURT

They were able to provide for a Spanish Interpreter to help with the increase in Spanish speaking clients.

Through E.E.A., they were able to institute an around the clock probation officer availability. The attached letter to O.M.A. from the Chief Probation Officer, explains it further.

HOLYOKE STREET SCHOOL

An experimental alternative school for high school drop outs was established with E.E.A. funds. Their success is such that they are on the verge of receiving School Department sanction and future funding.

HEALTH DEPARTMENT

They were able to provide much needed assistance to school nurses, particularly in the disadvantaged sections of the City and to the Spanish speaking pupils.

BOYS CLUB

They were able to finally get a competent maintenance man who also doubles as a Spanish Interpreter.

POLICE DEPARTMENT

They were able to get people to perform clerical and dispatching duties in order to free up police officer for other duties.

They were also able to help staff TPU (Team Policing Units) with clerical help.

A satellite office of D.E.S. was established in the Model Cities staff complete with "Job Bank". It includes an Interviewer and Counselors. Their primary responsibility is to serve the Model City neighborhood, but they also service any other city resident who needs help. They were invaluable in the Job Development effort for E.E.A. when it appeared layoffs were coming.

An Industrial Development Coordinator was hired to work with Industry and the Chamber of Commerce in attempts to revive present industry and entice new companies to settle in Holyoke. This has proven to be a worthwhile undertaking with a couple of successes already. It is the first time the Mayor's Office has had a direct link with industry.

DAY CARE CENTERS

This is one of the more successful areas of E.E.A. involvement. By the additional staffing of various Day Care Centers such as Model Cities, Headstart, Holyoke Day Care and the School Department Day Care Center, many more youngsters were able to be served and many more mothers were able to work than would otherwise have been possible.

They, Day Care Centers, have been provided with Teachers, Teacher-Aides, and Secretaries.

Y.W.C.A.

The Y.W.C.A. has initiated an "Adolescent Mothers Program" that has proven to be outstanding. (See Attached Material).

INDIVIDUAL SUCCESS STORIES

There have been numerous instances where an individual was in dire need, by virtue of things other than money or just a job, and has been helped tremendously through E.E.A.

THE COMMONWEALTH OF MASSACHUSETTS AND EEA—A PROGRESS REPORT

This progress report describes the Emergency Employment Program administered by the Executive Office of Manpower Affairs

(OMA). The report briefly discusses the implementation of EEA, the objectives of the program, and the implementation status of numerous special efforts designed to make the Massachusetts public employment program meaningful to the large number of unemployed in this state. The report does not attempt to cover all aspects of the program, but only those taken beyond what was necessary to achieve minimal compliance with the Act.

Four major topics are discussed—

(a) OMA's programmatic efforts to create positions and programs for targeted significant segments of the unemployed;

(b) OMA's creation of EEA positions in employment related jobs;

(c) OMA's effort to achieve permanency by attacking the institutional barriers to employment of EEA participants;

(d) OMA's training and career development plans.

I. BACKGROUND

When the EEA was funded in August of 1971 the Commonwealth had an unemployment rate of 7.9%. The unemployment rate in the Commonwealth had risen steadily from 4% in November of 1969 to 7.5% in January of 1972 to a peak of 7.9% in March of 1972. Since November 1971 the unemployment rate in Massachusetts has remained at or above 7%. As of March 208,000 people were out of work in the Commonwealth.

In March of 1972, Massachusetts ranked eighth in the U.S. in severity of unemployment. More disturbing, however, is the fact that while unemployment nationwide is receding, Massachusetts unemployment is continuing to climb. This unemployment pervades the entire labor market, from the well-educated and highly skilled scientist to the unskilled laborer.

Given these stark realities OMA has designed a comprehensive public employment program that reaches out to all segments of the unemployed population in Massachusetts.

Special projects have been developed by the OMA staff to serve the manpower needs of both the state and the local governments, as well as to provide meaningful employment opportunities to certain segments of the unemployed population. In effect the EEA afforded the OMA staff the opportunity to address some of the institutional barriers that have precluded the labor-market mobility of the disadvantaged as well as to develop new programs and positions that would strengthen the service delivery capacities of state and local governments.

The Office of Manpower Affairs, the program agent for the State, had a staff of two persons (The Secretary of Manpower Affairs, Mrs. Mary B. Newman and her secretary) when the Governor first received the EEA guidelines in August of 1971. Mrs. Newman had just been appointed three weeks prior to that time and had numerous responsibilities in addition to EEA.

As a result the initial EEA funding application was completed entirely by persons loaned from other departments, most of whom had little knowledge of Manpower programs.

In addition to the problems created by OMA's newness, the inexperience of its staff, and the newness of EEA, the efforts to achieve the program objectives of hiring "significant segments" and planning for jobs which meet the highest public service needs were constantly in conflict with the Department of Labor's requirement to put people to work immediately. As a consequence, positions created initially often had little chance for permanency and frequently were filled by non-significant segments, thus putting the state in a position of continually catching up or rectifying what occurred during the first few months.

II. ORGANIZATION

As program agent for Massachusetts' balance of state EEA grant, OMA services 339 cities and towns and 12 executive agencies. OMA has received a total of $22.2 million dollars in Section 5, Section 6, and discretionary funds, resulting in the creation of 4,000 PEP positions.

The PEP grant is administered at the local level through 24 consortia. Since county units are not recognized as general purpose units of government in Massachusetts, the potential existed for OMA to have to deal individually with 339 cities and towns as employing agents under the EEA program. Consequently, the OMA prepared and submitted legislation that would allow cities and towns to join to participate in and administer the program. The passage of this bill provided OMA not only with a manageable structure for implementing the EEA, but also a tool for developing a comprehensive public employment program and an effective manpower planning component at the local level.

From the outset the Secretary of Manpower Affairs viewed the Emergency Employment Act as a potential catalyst for change in state and local relations, as well as in inter-local relations. For the first time cities and towns were joining together to develop a coordinated local response to demands of a federal program. One city or town in each consortium was selected to be the "sub-agent liason" to OMA for the purposes of EEA. The sub-agent has been responsible for coordinating the programs administrative functions and reporting to OMA. The 24 sub-agent towns are directly responsible to the OMA.

The 24 consortia have hired mainly PEP participants to staff their individual programs. Each consortium has a PEP coordinator responsible for the management of the PEP grant. Each consortium also has or shares with other consortia a training and carrer development coordinator. Many consortia also have employed job developers and training specialists to develop permanent, non-subsidized positions for PEP participants.

In effect, the PEP consortia have become integrated manpower planning and delivery systems servicing communities within a specified geographical area. Given this organizational structure the OMA was then prepared to develop and implement a program at the state and local level that would address the objectives of the EEA.

III. SIGNIFICANT SEGMENT RECRUITMENT AND SELECTION

A. Vietnam era veterans

From the inception of PEP, OMA has placed highest priority on employing Vietnam Era Veterans. Specific steps taken beyond those required by the Act include:

(1) Notification of over 400 local Veterans organizations and veterans agents of EEA opportunities for public service employment for Vietnam era Veterans. Each was urged to assist EEA in recruitment.

(2) Funding of 2 EEA positions, one in DES and one in the State Office of Veterans Services, to devote full time to active outreach and recruitment of Vietnam era Veterans.

(3) Restriction by OMA, with very few exceptions, of all hiring to Vietnam era Veterans since April of this year. Prior to that time, hiring had been limited solely to Significant Segments, including Vietnam era Veterans.

As a result of these efforts OMA has filled approximately 32% of its positions with Vietnam era Veterans. Particularly noteworthy is that under Section 6, over 38% of the positions are filled by Vietnam era Veterans.

B. Spanish speaking

OMA has strongly encouraged employing agents to develop employment opportunities for Spanish speaking persons in order to provide a much needed bilingual capability to state and local agencies. Numerous positions of this kind have been created both at the state and local level.

The most comprehensive EEA project was undertaken by the Department of Public Welfare. A recent study by the Florence Heller Graduate School for Advance Studies in Social Welfare at Brandeis University, as well as a series of reports in the Boston Globe have pointed out the growing, critical, unmet needs of the State's Spanish-speaking welfare recipients. In Boston alone there are over 1,100 Spanish AFDC cases and in Springfield it has been estimated that 850 (or 20%) of the 4,900 AFDC cases are of Spanish origin.

The Office of Manpower Affairs has allocated EEA funds to the Department of Public Welfare to enable them to begin to meet the unmet special public service needs of this population of Welfare recipients. To date 20 bi-lingual social workers and case aides, a coordinator and a bi-lingual clerk have been hired and placed in offices throughout the State—Lowell, Holyoke, Springfield, Chelsea, Fall River, New Bedford, Lynn, Lawrence, Woburn and Boston. In several instances this will be the first time that a non English Speaking client will be able to communicate with department employees.

Other EEA positions created to serve the needs of the Spanish speaking include:

Bi-lingual teachers.

Spanish-Speaking Guidance Assistants.

Interpreters.

Spanish Facilitators.

Spanish-Speaking Coordinators (Portugese Speaking Coordinator).

Finally, to maximize EEA recruitment efforts for Spanish speaking persons, all available EEA vacancies were distributed to Spanish speaking community organizations.

C. The disadvantaged

The Office of Manpower Affairs has placed a high priority on recruiting and placing disadvantaged persons in state employment. A recent report prepared by the *Governor's Council on the Employment of the Disadvantaged* indicated that for the most part disadvantaged persons had not been hired for public service jobs and that little had been done in the state to rectify this situation.

This report cited several steps which needed to be taken to open up employment opportunities for the disadvantaged. Explained below are some of the steps OMA has attempted to implement with EEA funds:

All hiring agents were notified that the employment of disadvantaged persons was of highest priority, second only to the employment of Vietnam era Veterans. To insure that disadvantaged persons were aware of job vacancies OMA:

(1) distributed a list of all vacancies to Community Action Agencies and other organizations which work with disadvantaged persons and encouraged them to take an active role in outreach and recruitment.

(2) worked closely with the Department of Public Welfare to identify and actively recruit work-ready welfare recipients.

The Department of Public Welfare assisted OMA in recruiting Welfare recipients for EEA positions by designating Regional Coordinators who assigned EEA liaison workers at numerous local service centers. Each liaison worker was provided with EEA job data and was instructed to screen caseloads, make referrals, and do follow up. Welfare representatives were also invited to attend meetings of local consortia and to assist in recruiting Welfare recipients.

At the present time 1,070 or 26% of all EEA participants placed to date have been Welfare recipients, at an estimated welfare saving of well over $3,000,000. 683 of these positions were funded under Section 5 and 390 under Section 6. In addition special job development and recruitment efforts were aimed at general relief recipients using Section 6 lag funds and discretionary funds as well as at WIN enrollees using Section 5 lag funds. Savings and welfare should be viewed cumulatively, particularly if the goal of 50% permanent placement is achieved.

In addition to the efforts made to recruit

welfare recipients from local welfare service offices, EEA embarked on a Special Works Project under the WIN Program.

D. WIN/EEA

In January of 1972 a linkage was worked out between OMA and WIN Special Works Projects to allow for the creation of public service jobs, paid for by a combination of AFDC grants and EEA money. The basic approach of this program was to establish EEA jobs in state agencies that would match the work skills and residency of WIN enrollees and supplement EEA funds with AFDC grants that otherwise would have been paid to WIN enrollees. This linkage allows OMA to fund twice the number of WIN jobs (for significant segments) that could have originally been funded without the use of AFDC grants It also allows male heads of households on AFDC to be placed in EEA positions without suffering the loss of welfare benefits.

The status of WIN/EEA participants once placed in the program is the same as any other EEA participant. In addition, the participant remains a WIN enrollee and is entitled to receive all his Welfare benefits. To help increase his chances for permanency, only WIN enrollees in the job-entry hold category were chosen. Also, only heads of households were chosen, as selection of other WIN enrollees might have jeopardized their families' welfare status.

Approximately 250 WIN slots have been created to date. Because this Special Works Project expires on July 1, 1972, substantial effort has gone into assisting participants to qualify for a Civil Service appointment to the special slot to which he has been assigned. OMA hopes to place some enrollees into unsubsidized employment and others into the public sector component of the Talmadge Amendment to the Social Security Act before this time.

Over 100 of the positions created under this program have gone to the Department of Public Welfare—50 Case Aides, 50 Junior Clerks and Junior Clerk/Typists, and 10 Laborer positions. The next largest portion of jobs (39 positions) went to the Division of Employment Security for 19 Junior Clerks and Junior Clerk/Typists, 11 Employment Aides, 9 Senior Interviewers and 1 Principal Interviewer.

Among the benefits of this program must be counted the opportunity for many disadvantaged individuals to make an entry, however tentative, into the public service system. The success of the experience both for them and for the agencies will prove an important determinant in the funding of other public service employment jobs under Talmadge and, more generally, in the establishment of career ladders for disadvantaged individuals in the public service.

E. The handicapped

The state presently has several efforts underway to develop job opportunities for persons who, because of a variety of physical handicaps might otherwise not receive public service employment. EEA has provided positions to the following agencies:

1. *Massachusetts Commission for the Blind:*

Five blind participants have been made available to work on a regional basis to refer blind persons to a variety of services, including employment opportunities.

2. *Massachusetts Commission on the Employment of the Handicapped:*

An EEA participant has been employed as staff to the Commission to work on developing employment opportunities for handicapped persons. A major portion of his time is spent contacting employers and discussing with them the possibilities of making positions available. EEA plans to fund the Commission with additional positions which can work on actual placement and counseling.

F. Technologically unemployed

1. *Linkage With The Aerospace Employment Project (ADAPT)*

To help alleviate the employment crisis in the aerospace and defense industries and to satisfy the growing management needs of state and local government, the ADAPT project was funded in the Spring of 1971. Made possible through a contract with the Departments of Labor and Housing and Urban Development at a cost of $1.3 million, it is sponsored by the National League of Cities and the U.S. Conference of Mayors.

Approximately 90 highly-skilled professionals displaced from private industry in the Massachusetts area, the nation's largest pocket of unemployed professonals, were selected for this program. With backgrounds in the fields of Engineering, Science, Mathematics, and Management, they attended an intensive retraining effort to equip them for public sector employment, only to find at the completion of that training that jobs were still not available.

The Massachusetts EEA program has recognized the need to establish linkages with ADAPT in order to find employment for these former participants of DOL manpower training and to capitalize on their valuable training. To date 24 ADAPT participants have been hired. They are filling positions such as Management Systems Analysts, Solid Waste Disposal Engineers, and Town Engineers in 3 state agencies and 16 different cities and towns throughout the Commonwealth as well as undertaking the personnel and evaluation study mentioned below.

2. *Project SWEEP* (Statewide Emergency Employment Program)

Five (5) field representative positions have been allocated by OMA to the Masschusetts Science and Technology Foundation to implement Project SWEEP. This will allow MSTF to "sweep" the State's various industries to ascertain their future and present need for manpower services. These representatives gather data from Electronic and Commercial firms on a personal basis, for anlaysis by specialists at the Foundation. They also explain the availability of various Manpower Training programs, and discuss how they might meet these firms needs. An inhouse training program tailored to the special needs and interests of these EEA participants is now begin developed.

G. Ex-offenders and corrections

The Office of Manpower Affairs has identified the ex-offender as an additional significant segment of the unemployed population which requires special attention by EEA because of the barriers he confronts in seeking employment. At the same time the rehabilitated ex-offender faces severe employment barriers, he possesses insight and expertise which is extremely valuable in working with problems of corrections and related fields. In order to help the ex-offender establish a creditable work record and at the same time work to fill a pressing public need, Massachusetts has developed several projects designed to allow the ex-offender to help others. They include:

1. Twelve EEA positions to the Law Offenders Division located in local DES offices across the state, to assist law offenders in prison and in the street find jobs.

2. Eighteen EEA positions outstationed at the following 4 Boston-area private agencies which deal with corrections problems:

Massachusetts Halfway House Inc.—where participants are administrators and planners of new community-based corrections programs, as well as counselors.

Boston Court Resource Project—where participants work with the young first offenders after their arrest and arraignment, but before their first trial.

Massachusetts Correctional Association—as researcher/counselor, our EEA participant assesses former inmates' need and directs them to community resources.

Libra—at this Cambridge-based center for ex-offenders run by ex-offenders under the auspices of the Department of Youth Services, EEA participants are employed as reentry counselors, community resources coordinators, and court liaisons.

3. Fifteen special positions in corrections and correction-related fields including:

Department of Corrections—where 11 professional EEA positions are funded to allow the Department to become more flexible and innovative in its approach to immediate and long-range corrections problems; where 6 corrections Social Worker positions are assigned to the superintendent of 6 penal institutions to help them solve special problems.

Board of Parole—where 2 Spanish-speaking Special Service Assistants travel with Parole Officers to facilitate communication between them and the parolees or inmates with whom they work.

New Perspective School—where 2 EEA participants deal closely with youths who by and large have arrest histories and troubled backgrounds, and have not been able to succeed in the standard educational system.

Approximately 50 ex-offenders have been hired by the Mass. EEA programs.

IV. CREATION OF EMPLOYMENT RELATED JOBS

In order to maximize the services available to the state's unemployed population, OMA strongly encouraged cities and towns to use Section 5 lag funds for the creation of employment-related EEA positions. The response was most positive. Over 66 positions were created at the local level, in many instances providing cities and towns a manpower capability for the first time. Some of the positions created were:

21 Job Developers.

10 Federal Program Coordinators.

35 Community/Economic Development Specialists.

In addition, approximately 55 EEA staff persons were hired including:

25 EEA Coordinators and Assistants.

30 Training and Supportive Service Coordinators.

Several consortia have expanded their staff efforts beyond traditional employment-related duties to undertake other much-needed manpower related tasks. For example:

EEA/ADAPT participants are involved in a special personnel and evaluation study in 4 Massachusetts communities representing a cross-section of the State. Because of the short lead time provided for the EEA program, local governments were unable to develop specific, comprehensive and farsighted plans for the utilization of their EEA participants. This study will undertake to do the job analysis, the evaluation of local public service needs, the identification of future manpower requirements, and the development of career plans that should have been accomplished before EEA funding.

This study will also analyze the present personnel structure of each local government involved to determine where EEA positions are currently established, how these positions fit into the present structure, and the general value of these positions to the needs and goals of the individual municipal departments.

Day care

Our EEA experience has made it clear that in many cases the provision of a job opportunity alone was not sufficient to put a previously disadvantaged person to work. Also necessary were supportive services, such as day care, counseling and transportation.

EEA therefore encouraged cities and towns to provide EEA positions to public and private agencies providing such service. Perhaps the supportive service most needed and yet most lacking in Massachusetts was day care for young children of parents who without

such services could not work. A recent statewide poll indicated the existence of a potential day care market of 148,000 children needing but not receiving day care services. Also indicated by this poll was a population of 36,000 working mothers of children ages 0–6 who were experiencing difficulty in obtaining care for their children.

To help alleviate this public service shortage, the Office of Manpower Affairs created 130 day care positions with Section 5 lag funds. Approximately 50 programs are involved in this effort, including Head Start, Public Welfare, Public Health, and Mental Health. Over half of these EEA positions provide for classroom staff with the remaining positions divided among administrative, clerical and maintenance personnel, social service coordinators, nutritionists, paramedics, parent and volunteer coordinators, child advocates, and listening aides. Based on current statistics 200 new spaces for children have been made available so far providing $30,000 worth of services.

Responsible to the various subagents and outstationed at private nonprofit day care facilities, these EEA participants have helped to link the political structure of the participating cities and towns to the social service providers in the community, creating a new awareness among subagents of the day care needs in their community and of the possibilities of EEA as a public service employment program.

In the short run this program has maximized the employment opportunities of the working mother. In the long run the successful experiences of the EEA/Day Care program should provide greater public support for the creation of an Office of Children's Services in the Commonwealth.

V. PERMANENCY-REMOVING INSTITUTIONAL BARRIERS

Research by the Office of Manpower Affairs staff into the present employment problems facing disadvantaged EEA participants has uncovered a myraid of institutional barriers. We have allocated funds to the following special project aimed at removing these barriers, to ensure that our disadvantaged participants have a realistic employment opportunity and to enable us to meet our 50% permanency goal.

A. *Personnel Analysts*—There has never been a validation study made of any of the hundreds of examinations one must pass in order to secure permanent positions in the Massachusetts Civil Service System. Because a large number of our EEA participants must take and pass these examinations to secure permanent jobs, OMA decided to allocate 6 EEA participant positions to the Division of Civil Service and the Bureau of Personnel and Standardization to work in this area of exam validation.

Three of these positions, Junior Personnel Administrative Assistants, have been allocated to the Division of Civil Service to perform the position analysis and the development of job descriptions upon which exams are based. They will be working with those cities and towns covered under Civil Service, fulfilling a function which has never before been provided.

In the Bureau of Personnel and Standardization, 3 Junior Personnel Analysts will augment the present staff assigned to perform position analysis in the State's various Human Service Agencies. These EEA participants will be paying special attention to the possibility of broadbanding tests for certain entry-level positions, and creating new positions such as Human Service Aides, for positions which presently have similar duties but a number of different tests.

B. *Civil Service Preparation*—Because most of OMA's EEA participants have provisional Civil Service appointments, they must go through the regular Civil Service procedure of getting their name on an eligible list in order to secure a permanent position. These procedures are quite complicated (from how you know what permanent vacancies exist to how you fill out an application for these vacancies) even for the non-disadvantaged.

To help the disadvantaged participant overcome this institutional barrier to his employment, OMA staff wrote a pamphlet on how to go about getting a permanent Civil Service Job—"Massachusetts Civil Service—Getting Into the System, How to Do It". In non-bureaucratic language the pamphlet spells out the various steps one must follow to obtain a permanent job. Each EEA participant is to receive one of these pamphlets.

C. *Equal Employment Opportunity in State Government—Equal Employment Opportunity Officers*—To effectively monitor the administration of any new or presently existing programs or procedures which affect the disadvantaged, OMA has made 13 EEO Officer positions available to the Governor's Office on Minority Affairs. These individuals will be assigned to each of the 10 Executive offices in Massachusetts and will be responsible for ensuring equal employment opportunity within the agencies under their jurisdiction. The EEO officers will also serve as advocate for disadvantaged and minority group members within the Executive Agencies under their jurisdiction.

Mr. NELSON. Mr. President, do I correctly understand that the yeas and nays have been ordered on final passage?

The PRESIDING OFFICER. The Senator is correct.

Mr. NELSON. How much time remains to the Senator from Wisconsin on the bill?

The PRESIDING OFFICER. Three minutes.

Mr. NELSON. And how much time remains to the other side?

The PRESIDING OFFICER. Seventeen minutes.

Mr. NELSON. I am prepared to yield back the remainder of my time, if the opposition is willing to yield back its time.

Mr. YOUNG. Mr. President, I yield back the remainder of the time in opposition.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the committee amendment in the nature of a substitute as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read a third time.

The bill was read the third time.

PUBLIC SERVICE JOBS PROGRAM MUST BE CONTINUED

Mr. HUMPHREY. Mr. President, I strongly support S. 1560, Emergency Employment Amendments of 1973, to extend the Emergency Employment Act of 1971, providing for public service employment opportunities for disadvantaged and long-term unemployed persons.

Mr. President, despite improvements in the economy since the enactment of the Emergency Employment Act of 1971, unemployment has continued at a totally unacceptably high level, still exceeding the level of 4.5 percent at which the provisions of this law are to be implemented. And it is abundantly clear that the national economic situation is highly unstable, presenting the serious possibility of reduced employment in various sectors in the midst of a continuing significant expansion of the labor force.

What must not be overlooked, however, in the midst of these evaluations of the economic future, is that right now, despite recent improvements, there are extensive areas of unemployment and underemployment across America. In June 1973, for example, there were 37 major labor areas of substantial or persistent unemployment and 736 other areas. In Minnesota, the Duluth area continues to confront substantial unemployment and rural poverty remains a harsh reality in a number of counties. As of June, there were 21 areas of substantial unemployment in Minnesota and 19 areas of persistent unemployment.

However, the Emergency Employment Act has had a significant impact upon pervasive conditions of joblessness and underemployment. It has provided extensive job opportunities at decent wages—a direct route to promoting economic stability, and a dramatic response to the critical problems of cities and communities across America struggling to maintain public services and endeavoring to improve and expand community services in health care, education, neighborhood improvement, public safety, environmental protection and the betterment of parks and recreation facilities, crime prevention, transportation, fire protection, and social services.

Over the past 2 years, the public employment program has provided funds to some 670 State, city, and county program agents to hire a cumulative total of 308,741 unemployed and underemployed individuals to work on needed public jobs. In Minnesota, cumulative expenditures as of February 1973, totalled about $20.7 million, and the aggregate number of persons hired totaled 3,270.

I cannot comprehend why the administration would propose to terminate the public employment program in fiscal 1974. In alleging that this plan is consistent with the increase in new jobs in the private sector, the administration ignores continuing and extensive human despair and anxiety.

On February 1, 1973, in introducing S. 705, the Employment Opportunities Act of 1973, I called for the establishment of a permanent program of public service employment as an integral part of national manpower development and training policies. I stated that the time has come for the Federal Government to become the employer of first opportunity—reversing its failure to become even employer of last resort—to restore the confidence of several million jobless and underemployed Americans and their hope in America's future. The program I presented for the creation of 1 million new public service jobs was directed to the achievement of the long-delayed national objective of promoting maximum employment, production, and purchasing power. I remain convinced that this policy should operate on a continuing and sustained basis, on the premise that no level of unemployment can be regarded as "acceptable" and, therefore, not in need of Federal assistance. The legislation I presented set a realistic level of

job creation in services urgently needed by our communities. In addition, it called for the establishment of a National Council of Manpower Advisors, to meet the vital requirement to identify and review on a sustained basis and in a comprehensive manner the manpower goals and needs of the Nation.

I am gratified that the legislation being acted upon by the Senate today, in concert with the Job Training and Community Services Act of 1973, S. 1559, recently passed by the Senate, establish important foundations for structuring the urgently needed national manpower policies which I have outlined.

S. 1560 would extend the provisions of the Emergency Employment Act for 2 years, maintaining authorizations at $1.25 billion in fiscal 1974, and providing for such sums as may be necessary in fiscal 1975.

I fully support the intent of this legislation to focus assistance to those in greatest need and for whom the Government has the clearest responsibility: Disabled and Vietnam-era veterans, the economically disadvantaged, and those unemployed for 15 weeks or more. The report on this legislation states flatly that "an unemployment rate of 8.7 percent for young veterans is intolerable." The latest figures show a further percentage increase, and I have been deeply disturbed by the administration's failure to address this critical problem effectively. Truly, these young men fully merit the simple justice of being provided with job opportunities.

Mr. President, the harsh fact is that over 4 million Americans are today looking for work, and for a great number of these people these jobs cannot be found. The simple economic lesson that should have been learned by now is that a public employment program is one of the most cost-effective ways of reducing unemployment, and that it yields a several-fold return on the Federal-cost dollar through taxes on earned income and through reduced public assistance and service outlays. It has enabled countless cities and towns to maintain essential services. And it has restored the vital sense of self-respect and hope for thousands of American families.

Continuing the Emergency Employment Act programs constitutes an important contribution to achieving economic stability, both through reducing the impact of joblessness upon families and through reducing the pressures which tend to generate further unemployment. And this legislative action can be a decisive step toward solving severe problems of poverty in inner-city and rural areas. For countless people a public service job has meant the learning of new work skills, leading to on-going public or private employment at significantly higher wages. A decent respect for human dignity demands that we continue to provide these opportunities.

JOBS FOR AMERICANS

Mr. CRANSTON. Mr. President, S. 1560, the Emergency Employment Amendments of 1973, is an absolutely essential piece of legislation to continue the fight against the scourge of unemployment which deprives 1 of every 20 Americans of a decent standard of living and some measure of dignity, and deprives the Nation as a whole of the contribution these some 4 million out-of-work men and women can make to the economic well-being of our Nation.

S. 1560 is a reasonable and modest bill. I personally believe it is far too modest. I support establishment of an on-going public service employment program, as proposed in legislation I introduced earlier this year, S. 793, the "Public Service Employment Act of 1973," building upon our successful 2-year experience with the Emergency Employment Act of 1971. S. 793 is identical to S. 3311 which I had introduced in the 92d Congress. S. 793—which I hope will be taken up by the subcommittee after this more urgent extension of the Emergency Employment Act is dealt with—would provide for a permanent program of public service employment. But I recognize the need to go forward with this extension of the EEA now.

In 1971 when we initially adopted the Emergency Employment Act, then S. 31, I said:

> We have acted to stem a paramount emergency that affects virtually every town, city, and county, urban and rural, East and West, North and South.

Mr. President, we cannot quit now. We cannot say, "Well, the 4 million of you that are unemployed don't need jobs as much as 5 million unemployed did a year ago."

As an original cosponsor of the Emergency Employment Act during the last Congress, I was dismayed and disappointed to see that the President's fiscal year 1974 budget recommendations requested no extension of EEA programs after the July 1 expiration date. The national unemployment rate is hovering around 5 percent—that is well over 4 million Americans unemployed. In my own State of California unemployment is at 4.9 percent—that actually means there are 421,000 Californians without jobs, people who are actively seeking employment and cannot find it. That is simply unacceptable.

The President's budget message, if I can paraphrase, basically stated that we do not need EEA jobs anymore. I cannot stress too strongly my complete disagreement with the administration's analysis. It is inconceivable to me when the verifiable need—not even counting underemployed or aliented workers or those who have dropped out of the labor market—is over 4 million jobs, that the administration's response to these disgraceful figures is to terminate the EEA program.

WHY EXTEND THE EMERGENCY EMPLOYMENT ACT?

Mr. President, the Emergency Employment Act programs have provided some 298,000 jobs since August of 1971. In my home State of California over 44,000 men and women have been employed in EEA jobs. Over 20,000 Californians were in EEA jobs in February of this year. I would like to point out an interesting correlary here. In December of 1972 the unemployment rate in California was at 5.4 percent—representing some 468,000 Californians out of work. In June of this year it was 4.9 percent, representing some 421,000 Californians looking for work. The unemployment rate has dropped five-tenths of a percent and some 47,000 Californians have found work. EEA programs were employing over 20,000 individuals in February of 1973. What the administration seems to say to us is—let California have 441,000 people unemployed—instead of 421,000—its only a few tenths of a percent.

Percentages are deceiving, Mr. President. For example, in San Jose, Calif., the unemployment rate is 4.1 percent—but 19,600 people are out of work. In San Diego the unemployment rate for May was 4.8 percent—but nearly 24,000 people were looking for jobs. In Stockton, it is 6.8 percent and 9,000 people are jobless. In the Los Angeles-Long Beach area, 149,900 people are out of work with a 4.5-percent unemployment rate. The San Francisco-Oakland area: 66,000 unemployed—a 4.8-percent unemployment rate. In Anaheim-South Anaheim-Garden Grove, 22,600 unemployed equals a 4.3-percent unemployment rate. In Riverside-San Bernardino-Ontario, 5.1-percent unemployment means 19,800 people looking for work. And on and on across California, as the following figures show:

Area	Unemployed	Rate
Sacramento	17,100	5.4
Fresno	12,300	5.7
Bakersfield	5,900	4.9
Oxnard-Simi Valley-Ventura	6,000	4.6
Stockton	9,000	6.8
Santa Barbara	4,600	4.6
Salinas-Seaside-Monterey	4,900	(1)
Vallejo-Farifield-Napa	3,700	4.5
Modesto	10,400	(1)
Santa Rose	5,200	(1)

[1] Not available.

This administration is asking that California—and the Nation—settle for a permanent class of unemployed Americans. Mr. President, I am not willing to settle for that, and I do not think anyone else—much less those 4 million unemployed are either—except perhaps those still employed at the White House.

While the national unemployment rate has dropped from the crushing levels of 1971, there are still well over 4 million Americans unemployed. Blacks, Chicanos, Indians, orientals, women, and teenagers and other groups, traditionally the last to get hired and the first to get fired, and returning veterans are finding that there are even fewer jobs available to them than before. The black jobless rate is at 10 percent; the Chicano jobless rate is at 8.2 percent; 5.9 percent of the women in the labor force are unemployed.

The ghettos, barrios, and Indian reservations of America continue to reflect unemployment rates in excess of 20 percent.

During the subcommittee hearings on S. 1560, Assistant Secretary of Labor Kolberg stated in response to a question I raised about the administration's failure to seek an extension of the EEA:

However, despite the fact that the EEA program was mounted and run effectively within the constraints of time and statute, the projected economic and manpower milieu for fiscal year 1974 do not support the extension of this act. A number of factors argue for nonextension of this legislation. Since the program began, unemployment has declined, the number of private sector jobs has increased substantially, and the financial ability of State and local governments to meet the demand for public services has improved.

Mr. President, I would like to point out that over 4 million unemployed Americans is a great deal more than just numbers. These are the people for whom Mr. Kolberg's "projected economic and manpower milieu" holds no promise—who have not gotten the message "unemployment has declined." For example, "over 4 million people" approximates the entire civilian labor force of Iowa, Kansas, Missouri, and Nebraska being out of work at the same time. Or if one could imagine the approximate total civilian labor force of Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming, Alaska, Idaho, Oregon, and Washington being unemployed at the same time, then one could begin to appreciate just what is meant when the current administration says that "things are looking brighter."

It should also be pointed out that the civilian labor force increases by over 2 million persons a year. At such a rate of increase, it will not be too long before even a 4-percent unemployment rate—deemed acceptable by the current administration—will translate to over 4 million Americans out of work each year.

Mr. President, there are still, according to the administration's own estimates, 865 areas of substantial or persistent unemployment. "Substantial" means the area has a jobless rate of 6 percent or more, discounting seasonal or temporary factors, with the rate expected to continue for at least 2 more months. "Persistent" means the annual average unemployment rate was 6 percent or more for the last calendar year, and has been at least 50 percent above the national average for several years.

The Hunter's Point area of San Francisco is an area of "substantial" employment. The administration's solution? Close the Hunter's Point Naval Shipyard which employs over 5,000 Hunter's Point residents. The logic—if I may be so loose in my description—of that escapes me and the residents of that already hard-hit area.

Yet, the administration says that the "projected economic and manpower milieu does not support extension" of the EEA. Go tell that to the people of Hunter's Point.

Mr. William Bechtel, executive director of the State Manpower Council of the State of Wisconsin said in December:

It would be comforting to think that these serious unemployment, poverty and welfare problems will ultimately go away as the economy returns to "normalcy". The exact opposite is true. The competition for jobs is going to get worse, not better, because the potential labor force is growing more rapidly than the job supply. The postwar boom in births is now sending workers into the labor market at an increased rate, and this will continue for about a decade. This will make it extremely difficult to get back to the relatively low unemployment situation we had in 1968 and 1969—a time when cities were burned because of acute social and economic distress and when the Kerner Commission and the Urban Coalition recommended a program of 1 million public service jobs to fight unemployment and urban unrest. In the past 12 months, employment has increased by 2.3 million, yet unemployment has remained essentially unchanged.

The Emergency Employment Act is not a cure-all. It is a bandaid for a deep wound in the American economy. But it is a beginning. The administration would prescribe instead its "special manpower revenue sharings"—a dubious medication at best, and to my mind, quite possibly an illegal one.

What we need, Mr. President, is jobs. Not more White House promises. This administration has already got more "promises to keep" than it can keep track of. Promises of a sound economy—if we will only go without jobs for awhile. Promises of clean water—if we will only forego expenditure of clean water funds for awhile. Promises of an end to war in Indochina—if we will only drop a few more million tons of bombs. Promises of an end to inflation—if we will only stop eating for awhile.

Mr. President, I am tired of promises. The committee that has reported S. 1560 is tired of promises, and most of all, I think the American people are tired of promises. They cannot after all, eat promises. They cannot put food into hungry mouths based on hope.

THE NEED FOR PUBLIC SERVICES

One of the primary components of the Emergency Employment Act of 1971 was the vital need for public services. No problem facing the Nation has been more thoroughly documented than the plight our cities and other units of Government as they grapple with solving problems of declining revenues.

As Mayor Joseph L. Alioto of San Francisco told the committee:

I don't think it makes the slightest difference whether the mayor is a Republican or the Senator a Democrat, or whether it is the mayor of a northern city or a southern city, a big city or a little city. I think, you will find almost unanimous agreement among the mayors of this country that the public employment programs of the Federal Government are good, that they are sound, and that they ought to be continued.

When you are dealing with unemployment rates in our cities of 20 and 30 percent in ghetto areas, that is a 'crisis'. Wishing isn't going to make it otherwise, and talking isn't going to make it otherwise, but patient legislative and governmental action would help alleviate it.

If this Nation were now as prosperous in public goods—in housing and schools, in hospitals and transportation, in park land and recreation facilities—as some segments of our population are in the goods of private life, then perhaps it would be time to consider resting on our oars and sharing the leisure some enjoy.

But this is not the case. The Nation, in fact, is starved for many public goods in the midst of private opulence.

We need the mind and muscle and the hard, good work of all our citizens if we are to meet the enormous challenges of the last quarter of this century and if we are to make a highly technological and growing society a fit habitat for democratic man. We need full employment, not just to provide work and income to individuals, and to sustain their families, but to meet the Nation's needs which are not now being met.

The desperate need for better public services is too well known by all of us who seek a decent life for ourselves and our children in this crowded, impersonal society.

As long ago as 1963, the Commission on Automation and Technology urged public service employment as a manpower policy and documented the need for some 5.3 million jobs.

Greenleigh Associates, a respected firm of management consultants, on contract for the Office of Economic Opportunity, stated that there were at least 4.3 million jobs available in needed public services that could be performed by the unemployed.

The Kerner Commission, in the spring of 1968 when unemployment stood at 3.6 percent, recommended an immediate program of 500,000 jobs based on the Greenleigh and Automation Commission estimates of potential jobs.

The Urban Coalition commissioned Dr. Harold L. Sheppard, of the W. E. Upjohn Institute, to survey the number of jobs available in large cities. He reported in January 1969, that there were some 240,000 jobs immediately available just in the cities of 100,000 population or more.

Meanwhile, with unemployment at 5 percent and the numbers of unemployed over 4 million, the demand for State and local services continues to expand.

A growing population requires additional services just to stay in place. If our cities are to be made decent places to live, rather than fearful places of want, crime, and desperate flight to the suburbs, everyone who has looked closely at the problem has recognized that a substantial expansion of public services is needed.

The jobs created under the EEA have contributed substantially to the ability of cities and counties across the Nation to meet the needs of citizens.

In identifying jobs created under the PEP program, local governments cited the following public service areas as employing 168,724 PEP participants at the end of June: 37,119 in public works and transportation; 35,432 in education; 20-247 in law enforcement; 16,872 in hospital and health services; 13,498 in parks and recreation; 8,436 in social services; 6,749 in environmental quality improvement; 3,374 in fire protection and 26,997 in administration and miscellaneous public services.

These are real jobs, providing real services. Not makework jobs, not "WPA-type jobs," as the President said when he vetoed the first attempt to enact a public employment program in 1970.

During the June joint hearings of the Subcommittees on Human Resources and Employment, Poverty and Migratory Labor in San Francisco and Los Angeles, which I was privileged to chair,

I was struck by the stories of EEA participants about the work they were doing—and would not be doing if Congress followed the President's advice. One witness in particular, an ex-heroin addict working with young people with drug related problems, told the subcommittees in San Francisco:

I am presently on the methadone program, and we have a lot of people who are so-called rehabilitated and have been clean for up to two years and they can't find jobs and eventually say, "Well, to hell with it. Why not use it anyway because we can't get jobs." This may be a bad attitude but when you're hunting and hunting and hunting, and I know, I went through the same thing before I got on with E.E.A. . . . I was just completely flatly turned down.

So, because of E.E.A. I've been off the streets, and I really am unhappy, when I heard funding was going to be cut back. I'll be without a job again, and who knows what's going to happen to me.

Mr. President, I know what is going to happen to her and the thousands like her if we let the EEA die.

I say let us bury the administration's funeral philosophy, not the EEA—the most successful job development program we have ever had. Let us enter this "mileau" and authorize the most modest, very focused program this bill, S. 1560 contains.

Let me cite some of the successes to illustrate the impact of this program in California.

The Los Angeles Unified School District has provided some 1,700 jobs through use of EEA funds. They will vanish if the EEA is not extended. Mr. President, I ask unanimous consent that a chart reflecting the types of jobs the Los Angeles Unified School District has created through the EEA be printed at the conclusion of my remarks.

If these 1,700 positions are no longer available, the school district will simply have to reduce its teaching strength, and have larger classes.

Mr. President, that is just plain stupid. Our inner city schools are in need of more personnel—not less.

The county of San Diego will lose some 1,150 positions if the EEA is not extended. And on and on—until some 20,000 California jobs have disappeared.

The Emergency Employment Act has fulfilled its promise and more. The profiles of public employment program employees manifests that the impact of the EEA has been significant in personal as well as economic and service terms. EEA employees were previously unemployed longer than the National average—69 percent had been jobless 5 weeks or more before they got their EEA job; 73 percent of the whole PEP program—77 percent in region IX, which includes California—have transferred to regular employment.

It is foolish economy at best to seek an end to the EEA programs. Instead, we should be considering expansion of the program—rather than fighting for its very existence.

VETERANS' UNEMPLOYMENT—A NATIONAL DISGRACE

Mr. President, S. 1560 attempts to focus more directly on the long-term unemployed and disadvantaged. It alters the Emergency Employment Act in two major respects. First, 50 percent of the jobs in S. 1560 are to go to veterans, and second, the bill reserves the remaining jobs for the economically disadvantaged and those who have been seeking work unsuccessfully for 15 weeks or more—called the long-term unemployed.

The veterans provision, replacing the present "special consideration" for veterans provision in the EEA, is one I worked to develop with Senators NELSON and WILLIAMS in committee. It provides a much sharper focus for the activities of local program agents under the EEA. Instead of a simple "priority" as in existing law, S. 1560 as reported requires each program sponsor make commitments to ensure that by the end of fiscal year 1974, not less than 50 percent of all EEA jobs will be filled by Vietnam veterans or disabled veterans. Specific steps designed to meet that commitment must be set forth in plans submitted to the Secretary. Moreover, these plans must describe the types of jobs to be made available to veterans which will utilize the skills they acquired while in military service.

As chairman of the Health and Hospitals Subcommittee of the Veterans' Affairs Committee, and the past chairman of the Subcommittee on Veterans' Affairs of the Labor and Public Welfare Committee prior to the Legislative Reorganization Act of 1970, I have been a major participant in the efforts of the Congress over the last 4 years to give veterans employment programs a higher priority in the present administration.

CRANSTON ACTIONS ON VETERANS' EMPLOYMENT

VETERANS' OUTREACH

In 1970, in Public Law 91–219, the Veterans' Employment and Training Act of 1970, I authored a veterans' outreach services program which is designed to assure that all veterans are aware of, and, hopefully, take advantage of the readjustment and other benefits to which they are entitled. These provisions direct the VA actively to seek out eligible veterans and their dependents—to insure that they have this information and to counsel them as to their various eligibilities.

The specified outreach services included in the new chapter 3 of the title 38, United States Code, were: a letter to each veteran at the time of his discharge or release from the military informing him of all programs and benefits for which the veteran or his dependents may be eligible; contact in person or by telephone of all veterans who do not have a high school education or the equivalent at the time of their discharge: distribution of information on a general basis describing all veterans programs and services; and assistance in preparation and presentation of all claims which might be made pursuant to laws administered by the VA.

The requirement that contact with all returning educationally disadvantaged veterans be made by the VA in person—if this is possible—or by telephone is the result of an amendment which I authored in Public Law 92–540, which was enacted last October 24.

EMERGENCY EMPLOYMENT ACT

In the 1971 EEA, I worked in committee and conference to insure that returning veterans were afforded special consideration for public service jobs.

VETERANS' EMPLOYMENT SERVICE

In 1972, I authored title V of the Vietnam Era Veterans' Readjustment Assistance Act of 1972—Public Law 92–541—which title was entitled the "Veterans Employment and Readjustment Act of 1972." This act made a number of major revisions in the chapter 41, title 38, United States Code, enabling provisions for the Veterans' Employment Service in the Department of Labor. I had first authored these provisions in S. 3867, the 1970 vetoed Manpower Act, again in S. 2091 which I introduced in 1971.

The first major change in the revised chapter 41—as made by Public Law 92–540—was to alter the definition of "eligible veteran" to include persons who served in the active military, naval or air services, and who were discharged or released with "other than a dishonorable discharge." This changed the previous requirement that all persons receiving assistance under chapter 41 be discharged under other than "dishonorable conditions." The purpose of this amendment was to include all veterans who receive general and undesirable discharges or, occasionally, bad conduct discharges, which are imposed administratively without court-martial proceedings.

I would point out that the most significant revision contained in Public Law 92–540, Mr. President, was to section 2003, which was amended to provide for the assignment in each State by the Secretary of Labor of representatives of the Veterans' Employment Service to serve as assistant veterans' employment representatives—AVER's—and that one additional AVER be assigned to each State for each 250,000 veterans residing in that State. The AVER's, as well as the VER's, are directed to seek out and develop job opportunities for unemployed veterans.

On July 25, Mr. President, I was assured by the Office of the Assistant Secretary of Labor for Manpower that the Labor Department will finally assign the appropriate AVER's—amounting to an additional 68 AVER's—as required by the October 24, 1972, law. This is the result of a 10-month battle I have had with the Department of Labor and the Office of Management and Budget to bring about implementation of—and, in fact, obedience to—the mandates of the law. These 68 new AVER's will be in addition to the some 25 now on the job, thereby complying with the provisions of Public Law 92–540 which require that a total of 93 AVER's be assigned.

In Public Law 92–540 the duties of the Veterans Employment Representatives and AVER's in section 2003 were modified to include among their duties, job development. The revised section also included provision for maximum coordination with officials of the VA in their conduct of job fairs and job marts—the first statutory recognition of these VA activities—and a provision requiring maximum use of electronic data processing and telecommunications systems and

the matching of an eligible veterans' particular qualifications with an available job or on-the-job training or apprenticeships opportunity in line with those qualifications.

Section 2006 in chapter 41 was also modified to include a new subsection (a) which directs the Secretary of Labor to estimate the funds necessary for the proper and efficient administration of the chapter—"Job Counseling, Training and Placement Service for Veterans." The subsection further provides that the Secretary shall include in this estimate the funds necessary for salaries, rents printing and binding, travel, and communication.

These estimates are also directed to be listed as a special item in the Department of Labor's annual budget request and estimated funds necessary for counseling, placement, and training services to veterans provided by States public employment service agencies are directed to be specified by the Secretary in the separate budgets of those agencies.

A new subsection (c) of section 2006 was also added to require that the amount in the budget estimates be available for these purposes unless otherwise provided in Appropriations Acts.

Finally, Mr. President, Public Law 92–541 added a new section 2008 to chapter 41, which directs the Secretary of Labor to consult with the VA Administrator on a timely basis, in order to insure maximum effectiveness of the chapter 41 programs, and to minimize unnecessary duplication of effort.

VETERANS JOB SECURITY IN FEDERAL CONTRACTS

In addition, the 1972 act added two new provisions to chapter 42, reflected in new sections 2012 and 2013 of the chapter. Section 2012 requires that in any contracts entered into by the Federal Government for the purchase of goods or services, the firm or individual contracting with the Government must give special emphasis to the employment of qualified service-connected disabled veterans and Vietnam era veterans. This requirement also applies to any subcontractor or party to that contract. The provision further required that the President promulgate regulations which required that: first, each contractor list all of its suitable job openings with the appropriate local employment service; and second, each local employment service office to give veterans priority in referral to these jobs.

The new section also contains a provision providing a mechanism whereby any disabled veteran or Vietnam veteran who believes that a Federal contractor has failed to comply with the provisions of the section, may file a complaint with the Veterans' Employment Service of the Department of Labor, and provides for prompt referral to the Secretary and his prompt investigation of the complaint.

Section 2013 specifies that no annuity, entitlement, or benefit awarded any veteran will be regarded as income for the purposes of determining his eligibility for participation in manpower training programs conducted under the Economic Opportunity Act of 1964 or the Manpower Development and Training Act of 1962, or any other manpower training program utilizing Federal funds.

VETERANS AMENDMENT IN S. 1559

In S. 1559, the "Job Training and Community Service Act of 1973" which passed the Senate last week by the overwhelming margin of 88 to 5, the members of the committee added provisions, which I proposed, to build upon sections 2012 and 2013 and the AVER's section 2003 provisions.

First. The Secretary—in section 205(b)(5)—has a special Federal responsibility to utilize in the nationwide computerized job bank and matching program the listing of all suitable employment openings in local employment service offices and the requirement that special emphasis in employing certain veterans be provided by all Federal contractors, and subcontractors—as required by section 2012(a) of title 38;

Second. The Secretary—in section 205(c)(5)—is directed to utilize that amount of the funds available to carry out his responsibilities under section 205 of the reported bill as is needed for him to carry out fully and effectively his responsibilities for assigning the AVER's for providing the special emphasis in addition to job listing, and for his other duties under chapter 41 of title 38; and

Third. Each State is required—in section 206(b)(8)—to set forth in its prime sponsorship plan submitted to the Secretary arrangements for assisting the Secretary in enforcing these Federal contractor and subcontractor listing and special emphasis requirements under section 2012(a) of title 38.

In addition, amendments were made in the provisions with respect to local—employment and training councils under section 203(2)—regional—area planning councils under section 206(b)(3)—and national—National Employment Opportunities Council under section 404(a)—manpower planning councils to require that veterans organizations be represented on these councils.

VETERANS' COST OF INSTRUCTION

I also authored the veterans' cost-of-instruction—VCI—amendment to the Education Amendments of 1972, now Public Law 92–318, which provides for a grant covering the estimated cost of instruction for veterans in institutions of higher education which have increased their veteran enrollment by at least 10 percent. Under the provisions of the VCI program, a school must establish and carry out significant special veterans programs, including a veterans affairs office, a veterans tutorial program, a veterans prep or college preparatory program, and a veterans work study outreach program. The provision which I authored also requires that schools must make maximum use of all available work/study funds for veterans in the school.

VETERANS' WORK-STUDY PROGRAM IN GI BILL

In 1972, in Public Law 92–540, I authored another provision to establish a veterans' student services program which is a special veterans work/study program, in which the veteran students utilized under the program are entitled to $250 per week in return for their services during continuing enrollment at the school for up to 100 hours of work to assist the VA per semester or basic enrollment period. The provision further stipulates that veterans employed under this provision shall be disadvantaged veterans, chosen with a view toward need to augment the veterans income in order to continue in school; motivation; the veterans's ability to obtain transportation to the location where these services will be performed; and, in the case of a disabled veteran, the compatibility of the work assignment to the veterans' physical abilities. This program, designed to assist the VA in carrying out its responsibilities—while at the same time assisting needy veterans in completing and maximizing their educational opportunities—will be able to aid some 3,200 GI bill trainees a year. Much of the work done can be to carry out outreach activities for other veterans.

S. 1560 AMENDMENTS

S. 1560, the Emergency Employment Amendments of 1973, the bill we are considering today, contains an amendment which I offered on the floor last week—and which the floor managers of the bill (Senators NELSON and JAVITS) accepted—which I think will contribute significantly to veterans' ability to pursue their educational opportunities under the GI bill through the utilization of the proven split-jobs concept.

The amendment I offered alters section 14 of the EEA—the definitions section of the act—to include in the definition of "public service" jobs work in veterans outreach programs and a subsequent definition of "veterans outreach." This definition would include the veterans outreach services program carried out under the provisions of subchapter IV of chapter 3 of title 38, United States Code, and provides for the "full utilization" in these VA outreach programs of veterans receiving GI bill assistance or participating in vocational rehabilitation programs under title 38.

Utilization of the proven split-jobs concept in veterans outreach programs through the Emergency Employment Act is one step we can take to provide a fair chance to these men and women—especially GI bill trainees needing part-time jobs to meet their expenses in our over-inflated economy—to become employed in productive public service work and not have to wage the misdirected war on inflation at home after the sacrifices we have already called upon them to make in Indochina.

Under this amendment, Mr. President, we double the help the EEA can provide to returning and recently returned veterans by hiring vets in public service jobs to help other veterans learn about and make use of their GI bill assistance benefits and to help direct them toward productive job opportunities as well.

We have fought the battle for equity for veterans on many fronts—but most appalling is the Nixon administration's refusal all along to much more than talk about the problems on veterans employ-

ment. It has opposed every one of the initiatives I have just described.

As Senator NELSON said on Wednesday of last week:

The continued high unemployment for young Vietnam war veterans is a National scandal.

In the first quarter of this year the unemployment rate for 20- to 24-year-old Vietnam veterans was at 9.4 percent—over 148,000 veterans looking for full-time work. Nearly 23 percent of those men have been looking for work for more than 15 weeks. Another 31.9 percent have been trying to find a job for from 1 to more than 3 months. In June, the unemployment rate for aged 20 to 24 Vietnam veterans stood at an astounding 10.5 percent—with 163,000 young veterans looking for jobs. Jobs, Mr. President, which do not exist—unless you take someone else's.

The national overall rate of unemployment for Vietnam veterans is at 6 percent—some 260,000 veterans of the war in Indochina to whom America has said—thanks fellows, next window please, and handed a subscription to "Jobs for Veterans"—the administration's glossy P.R. brochure trumpeting the success of the administration's bankrupt answers to veterans' unemployment problems which is a national shame.

For Vietnam era veterans, 6 percent unemployment means for them it is still 1971—just as it is for blacks, chicanos, Indians, women and older persons.

CONCLUSION

As I have tried to illustrate, S. 1560 is a vital measure for many reasons. We must act on it as expeditiously as possible. I want to thank the distinguished floor managers of the bill—Senator NELSON and Senator JAVITS—and their able staff assistants for their cooperation in working out the amendments of S. 1560 which I offered for myself and Senator KENNEDY last week. These amendments, as I explained then, were generally controversial and were developed as part of S. 793 in light of the past 2 years of experience with the Emergency Employment Act programs.

Mr. President, I ask unanimous consent that my explanation of these six amendments—one of which is designed to help still more veterans—from the RECORD of July 25, pages 25937–25940 be set forth at this point in the RECORD.

Mr. President, I urge—I implore—the Members of the Senate to join with me in voting for the passage of S. 1560, and in securing the President's signature on this measure—so that we can continue to assist the thousands of Americans who have already been aided by EEA programs and begin to help the hundreds of thousands of unemployed persons we have not yet helped, and so that we can continue to move forward—not backward—in our struggle to provide every American who can and wants to work with a decent job.

That should be our goal. It is my goal. And I firmly believe that the Emergency Employment Amendments of 1973 is one very important step in reaching that goal.

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

EXPLANATION OF AMENDMENTS

Mr. President, I want to thank the distinguished floor manager of the bill under consideration this morning (Mr. NELSON) for his helpfulness in working out the six amendments I intend to offer en bloc to S. 1560, the Emergency Employment Amendments of 1973. I also greatly appreciate the spirit of accommodation and compromise on the part of the minority floor manager (Mr. JAVITS).

Five of these amendments reflect provisions contained in legislation which has long been under consideration in the Employment, Poverty and Migratory Labor Subcommittee; namely, S. 793, the "Public Service Employment Act of 1973," which I introduced earlier this year. S. 793 is identical to S. 3311 in the 92d Congress. S. 793—which I hope will be taken up by the subcommittee after this more urgent extension of the Emergency Employment Act is dealt with—would provide for a permanent program of public service employment, built on the successful Emergency Employment Act experience. These provisions from that bill are generally noncontroversial and have been developed in light of the past 2 years of experience with the Emergency Employment Act programs.

I would now like to explain briefly the purpose and expected impact of these amendments to the Emergency Employment Act of 1971 (Public Law 92–54), which I am offering for myself and the distinguished Senator from Massachusetts (Mr. KENNEDY).

MAINTENANCE OF EFFORT

My first amendment adds a new section 8 to the bill in order to add a new subparagraph (9) to section 12(a) of the act, to insure that EEA funds are not used to hire any person to fill a job opening created by the action of an EEA employer in laying off or dismissing any regular employee—except for cause pursuant to applicable personnel policies and collective bargaining agreements not supported with EEA funds.

This amendment is needed to prevent the situation in which an employer lays off a regular local government employee, only to rehire that same person or someone else at a later date under an EEA grant to do the same work he or she was doing. Those who are laid off by a city with financial difficulties are usually those with the least seniority. They are frequently from a disadvantaged background or are recently hired veterans. They are the very people from the very neighborhoods and groups we are targeting this legislation to help.

There are plenty of jobs that need doing in almost every city in the country. Through the EEA we can supply the funding to assist local communities in providing employment to those who need it most.

But the Emergency Employment Act is for new jobs, not to supplant those local government workers who are now rendering needed services to their communities. It is not simply a "musical chairs" game where the city abuses its employees' job security to bargain for some new Federal funds.

EMPLOYMENT PROBLEMS OF WOMEN

Mr. President, the next amendments I have offered as a new section 9 to be added to S. 1560 would amend section 2 of the EEA—the statement of findings and purposes—to give greater visibility to the significant employment problems of women.

The first amendment in this set changes the statement of findings and purposes of the act in clause (1) to specify women as a group which has been "associated with substantial unemployment and underemployment."

The second amendment in this set is to clause (2) of EEA section 2 and is similar in purpose to my amendment to clause (1). Clause (2) of section 2 discusses the failure of employment opportunities to keep pace with the many individuals entering and reentering the labor force. Clause (2) at present specifically cites the difficulties in this respect of young persons, individuals recently separated from the military and elderly persons; my amendment to clause (2) of the act would specifically list women who are entering or reentering the labor force among these groups listed in clause (2) of section 2.

Mr. President, the Subcommittee on Employment, Poverty and Migratory Labor received extensive testimony during the 1972 hearings on comprehensive manpower reform and public service employment legislation discussing the compelling employment problems of women from Ann Scott, then legislative vice president, of the National Organization of Women (NOW). In addition to difficulty in getting jobs, those women who are employed, as manifested most recently in a study done in conjunction with the President's Council of Economic Advisors, receive significantly less compensation for their work.

Mr. President, the national unemployment rate is at 5 percent. The unemployment rate for women in the labor force is 5.9 percent. That is clearly unacceptable. I believe these amendments to section 2 will help in providing visibility to the serious employment problems with which women in this country are faced.

BILINGUAL INFORMATION REGARDING EEA JOBS

Mr. President, my third amendment is designed to insure that individuals of limited English-speaking ability are provided with access to information by each EEA sponsor—in their primary language—which will inform them of employment opportunities in public service jobs.

The amendment would change section 7 of EEA—which is the provision setting forth the required assurances in order to obtain assistance under the act—to include under section 7(c) in subparagraph (7) a requirement that a description of the special methods to be used to acquaint persons of limited English-speaking ability with the availability of public service jobs funded under the Emergency Employment Act be included in any application for assistance under the act.

Among Spanish-surnamed people alone the unemployment rate is 8.2 percent. It would seem a minimal yet highly desirable addition to the EEA to insure that people of limited English-speaking ability are provided in their primary language all necessary information about EEA jobs.

ELIMINATING ARTIFICIAL BARRIERS TO PUBLIC EMPLOYMENT

Mr. President, the Emergency Employment Act has now been in operation since the summer of 1971. In section 7, subparagraph (15) of the act, assurances were required from public agencies and institutions to whom financial assistance was made available under the act that they would begin analyses of job descriptions and reevaluations of job requirements at all levels of employment—including Civil Service requirements, and that these analyses would be provided to the Secretary.

Subparagraph (7) was intended to be implemented in conjunction with the existing requirements of subparagraph (18) of section 7(c) of the act. Subparagraph (18) requires assurances from program agents that public service employment programs conducted under the act will contribute to the elimination of artificial barriers to employment and occupational advancement, includ-

ing civil service requirements, which restrict employment opportunities for disadvantaged persons.

However, in drafting its regulations to carry out these two subparagraphs the administration sharply limited the amount of funds that could be spent on the administration of the Emergency Employment Act. Partly, as a result of this restriction, and also because of the urgent need to implement the EEA as quickly as possible in the summer and fall of 1971, many jurisdictions failed, or were unable, to comply fully with the legislative requirements with regard to the analysis of job descriptions, evaluations of job requirements, and reviews of Civil Service procedures.

I want to underline how important it is that progress be made in this important area. By this amendment, I hope to provide not only a legislative requirement for progress in this area to carry out the purposes of the 1971 act, but also a direction to the Secretary in my amendment to section 11 of the act to set aside funds to provide technical assistance to program agents in this area.

The National Civil Service League over a period of a year, in its "pacemaker" program demonstrated that, it is indeed possible to make significant progress in improving the administration of civil service laws, and to effectively open up civil service employment and promotional practices and opportunities so that they can operate in a truly equitable manner.

Mr. President, the original draft of my amendment to subparagraph (15) would have required assurances that the information and analyses required under the provision of the 1971 act had been provided by programs agents before any additional assistance was authorized by the Secretary. It was my strong feeling that the 2 years the Emergency Employment Act has been in existence provided sufficient time to fulfill the mandates of the law, and that the foot-dragging which has occurred with regard to section 7(c)(15) and (18) of the act should not be allowed to continue. However, after consultation with the distinguished floor managers of the bill (Senators NELSON and JAVITS), and in light of the rapid implementation of the EEA, I have modified this amendment to require either that such programs be in place or that first assurances be provided that such actions will be undertaken by the program agents. My strong intention is for the Secretary to require in most every case that the analyses have been made and that positive efforts toward revision of practices, policies, and regulations have been taken before going forward with refunding. Only in cases where ample justification exist should the Secretary accept more empty promises of progress, but should require some tangible evidence of intention and action toward achievement of the needed reforms.

TECHNICAL ASSISTANCE AND EVALUATION SET ASIDE

Mr. President, I would hope that the technical assistance which my section 11 amendment mandates the Secretary to provide would be consistent with the excellent model provided by the "pacemaker" program. That program had very broad support, and revealed, among other things, that reform of existing Civil Service procedures is clearly in the self-interest of local communities. It revealed at the same time that those communities need outside assistance in beginning such reforms.

In providing technical assistance under this provision, it is expected that the Secretary will make available to program agents and sponsors information on the experiences of other communities in this regard, so that they might benefit from the successful experiences of other communities.

Mr. President, this same provision couples with technical assistance as a secretarial responsibility the conduct of program evaluations. This provision is modeled on section 205(b)(3) which I authored in S. 1559, the Job Training and Community Services Act of 1973, adopted 88 to 5 by the Senate yesterday. To date, we do not believe the Labor Department has carried out or stimulated sufficient hard evaluations of EEA effectiveness, especially in terms of the compliance of grantees with program assurances provided in their applications—especially the removal of artificial employment barriers which was the subject of my discussion of the preceding amendment.

In addition, Mr. President, the amendment requires that the Secretary set aside sufficient funds, though not more than 1 percent of the amount appropriated for the act, in order to carry out his duties under this provision. Moreover, the amendment requires the Secretary to notify the Congress as to the amount of the funds which he has earmarked for use in implementing this provision in order that the Congress—which has had a long standing interest in this issue, particularly the members of the Senate Subcommittee on Employment, Poverty, and Migratory Labor—may be informed of the Secretary's plans and progress on this matter.

Mr. President, this procedure is identical to one included in an amendment which I offered in subcommittee to section 409 of S. 1559, and which the Senate passed yesterday by such an overwhelming margin, with regard to labor market information.

WELFARE RECIPIENTS

My next amendment, Mr. President, would insert a new subparagraph (19) in section 7(c) of the act requiring that due consideration be given to the employment of welfare recipients who want and are available to work. The purpose of this amendment is, I think, self-evident. The amendment also adds a new requirement that program agents maintain linkages between welfare agencies and other social services programs designed to help individuals get off welfare and become self-sufficient.

Mr. President, it has always seemed absurd to me to train people for jobs that do not exist. To require welfare recipients to register for and accept work if they are able to work, can be productive. But, when—as all studies of the WIN program show there has never been enough work for all those who signed up for jobs—there is not nearly enough work to be had, it is a counterproductive proposition. That has been the failure inherent in the WIN—work incentive—program. For example, in my home State of California there are some 421,000 men and women looking for jobs. Nearly a half million unemployed. But these are only the official Bureau of Labor Statistics unemployment tabulations. Welfare recipients for the most part are not counted in these figures.

In his recent book, "Do the Poor Want To Work? A Social-Psychological Study of Work Orientations," Leonard Goodwin, a member of the Brookings Institution governmental studies staff, states that the WIN program has failed, because in the final analysis most of the participants end up without jobs. Goodwin points out that a work requirement for welfare mothers could mean pushing more of them through WIN—even though 80 percent of them would not obtain jobs in the open market, or it could mean forcing them to fill the lowest paid jobs in American society. Either course, states Goodwin, would increase their psychological dependence on welfare and discourage further work effort. Public service employment would provide a program to rectify that situation by providing decent and meaningful employment in jobs that are real jobs. Individuals will be paid by the employers and not at the welfare office—the latter lacking both dignity and pride—two essential parts of any wage.

VETERANS OUTREACH PROGRAMS

Mr. President, another amendment I am offering would alter section 14 of the EEA—the definitions section of the act—to include in the definition of "public service" jobs work in veterans outreach programs and a subsequent definition of "veterans outreach." This definition would include the veterans outreach services program carried out under the provisions of subchapter IV of chapter 3 of title 38, United States Code, and provides for the "full utilization" in these VA outreach programs of veterans receiving GI bill assistance or participating in vocational rehabilitation programs under title 38.

Veterans, Mr. President, are the particular emphasis of S. 1560, and in my last amendment I seek to insure that existing veterans assistance programs are fully coordinated with job opportunities made available through the Emergency Employment Act.

Mr. President, as the author of the veterans outreach services program established in the provisions of section 240 and section 241 in subchapter IV of title 38 of the United States Code, I seek through this amendment to enhance the effectiveness and relevance of the outreach services which can be provided through the EEA—especially the "split jobs" concept I will discuss next. Under this title 38 program, outreach services are provided designed to assure that all veterans are aware of, and, hopefully, take advantage of the readjustment and other benefits to which they are entitled.

Section 240 directs the VA actively to seek out eligible veterans and their dependents—and personally contact those veterans who are disadvantaged—to insure that they have this information and to counsel them as to their various eligibilities.

The specified outreach services include a letter to each veteran at the time of his discharge or release from the military informing him of all programs and benefits for which the veteran or his dependents may be eligible; contact in person or by telephone of all veterans who do not have a high school education or equivalent at the time of their discharge; distribution of information on a general basis describing all veterans programs and services; and assistance in preparation and presentation of all claims which might be made pursuant to laws administered by the VA.

Mr. President, the absolutely outrageous unemployment rates for veterans are totally unacceptable. In May of this year the unemployment rate for veterans aged 20 to 24 was at 8.7 percent. We must—indeed it is the moral obligation of the Federal Government to do so—do all we can to see to it that these disgraceful unemployment rates among young veterans are radically reduced. And these rates do not take account of GI bill trainees struggling to make ends meet and frozen out of the part-time job market.

Utilization of the proven split-jobs concept in veterans outreach programs through the Emergency Employment Act is one step we can take to provide a fair chance to these men and women—especially GI bill trainees needing part-time jobs to meet their expenses in our overinflated economy—to become employed in productive public service work and not have to wage the misdirected war on inflation at home after the sacrifices we have already called upon them to make in Indochina.

Under this amendment, Mr. President, we double the help the EEA can provide to returning and recently returned veterans by hiring vets in public service jobs to help other veterans learn about and make use of their GI bill assistance benefits and to help direct them toward productive job opportunities as well.

The 1971 Labor and Public Welfare Committee report on S. 31, the Senate EEA bill (Senate report No. 92–48), includes language I proposed then discussing the concept of "split-jobs" under the Emergency Employment Act for veterans. The report states:

". . . [T]he Committee believes that there is a great opportunity under this public service employment program to assist educationally and economically disadvantaged veterans enrolled in college under the GI bill and who are struggling to make ends meet. Many more of these men, who often are high school dropouts, could pursue college or junior college training if they had part-time jobs to supplement their GI bill educational assistance allowances.

"The Committee is hopeful that the Secretary of Labor would give serious consideration to the great potential of such an allocation of public service jobs. Along the same lines the Committee feels that, to the extent practicable, he should also give special preferences to veterans disabled with service-connected conditions who are nevertheless employable."

The Secretary subsequently did issue regulations providing for and encouraging the use of such "split" Emergency Employment Act jobs, and my amendment is intended, in part, basically to codify those existing Labor Department regulations.

Mr. President, literally thousands of recent veterans have been helped to gain additional education and training while employed through the use of the split jobs concept. Highly successful "split jobs" EEA programs have been directed by Governors in Illinois, South Carolina, Pennsylvania, Arizona, and Washington, as well as by numerous mayors and county administrators—including a highly successful program operated by the city of San Francisco, in conjunction with the San Francisco Community College, which has provided split jobs for over 250 GI bill trainees under the EEA.

Mr. JAVITS. The amendment which relates to the veterans outreach—as we understand that amendment, as explained to the Senator from Wisconsin and myself—would simply qualify another type of public service employment—to wit, the employment of veterans who would be engaged in finding other veterans to whom the program is necessary. What we want to be sure about in that regard is that the work which is authorized for veterans outreach includes not only finding a veteran who will get public service employment but also seeing that veteran is brought the aspects of the bill which we consider important—to wit its transitional nature. So we would expect the veteran authorized to be employed for veterans' outreach will not only get the veteran what is called a Pep job but will also to see that veterans out of that job, if that is possible, and into regular employment or manpower training or whatever would be the transition which he should make logically in order to carry out the intent of the bill.

Mr. CRANSTON. That was certainly included in the purpose of this amendment.

I should like to reiterate that in the 1971 Committee on the EEA report is a proposal for providing for "split jobs", for two or more veterans working half time, for example, to fill one EEA job slot.

Mr. JAVITS. The other question relates to the welfare amendment. We asked the Senator to change a word there to make it "due consideration," simply because we wanted to be sure to rebut any idea that we were creating another preferential class. We have a preferential class for veterans. We do not wish to create a preferential class for those on welfare as such, although many may fall into the category of "economically disadvantaged" which is a focus of our bill.

Mr. CRANSTON. We have already made that change in the amendment.

Mr. JAVITS. Am I correct also that amendment which says you should not fire somebody in order to hire somebody else under the PEP program—really has no substantive purpose other than to prevent cheating on that program. This would be improper and immoral. We are just locking it into the act.

Mr. CRANSTON. The Senator, as always, understands the amendment perfectly.

Mr. JAVITS. I thank the Senator.

Mr. President, so far as we are concerned on this side, I see no objection to the amendment.

Mr. CRANSTON. I thank the Senator very much.

I also thank again the distinguished Senator from Wisconsin for all his help and cooperation in the matter.

Mr. NELSON. Mr. President, I have no objection to the amendments. I think they are useful improvements in the language of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

LOS ANGELES UNIFIED SCHOOL DISTRICT EMERGENCY EMPLOYMENT ACT OF 1973, NUMBER AND KINDS OF POSITIONS

Position	Positions funded as subagents of city of Los Angeles	Positions funded as subagents of county of Los Angeles	Total
Accounting Analyst	1		1
Accounting Clerk	1		1
Administrative Aide	4	1	5
Administrative Assistant	1		1
Administrative Trainee (P/T)	7		7
Apprentice Auto Mechanic	7		7
Apprentice Gardener	38	8	46
Apprentice Office Machine Repairman	8		8
Apprentice Painter	12	6	18
Area Custodial Supervisor (A)	1		1
Area Gardening Supervisor (A)	1		1
Assistant Area Operations Supervisor	2		2
Assistant EDP Programer Analyst	6		6
Assistant Playground Director			0
Assistant Public Information Officer	2		2
Assistant Security Agent	59	13	72
Audio Visual Technician	4		4
Auditor	1		1
Boundary Coordinator	1		1
Building Engineer Trainee	11		11
Carpenter	6	2	8
Children's Attendant (F)(C)	20		20
Clerk	3		3
Clerk Bookkeeper	3		3
Clerk Typist (A)	33	12	45
Clerk Typist (C)	8		8
Coordinator (Certificated)	1		1
Custodian	400	83	483
Data Control Clerk	2		2
Data Systems Analyst	2		2
Education Aide (A)	83	16	99
Education Aide (C)	240	60	300
Elementary Science Aide	5		5
EDP Programmer Analyst	5		5
Field Gardener	4		4
Gardener	18	4	22
Gardener (P/T)	2		2
Handgrader	24		24
Illustrator	2		3
Intermediate Clerk-Stenographer	3		9
Intermediate Clerk-Typist	7	2	3
Key Punch Operator	3		8
Maintenance Helper	12	6	12
Maintenance Supervisor		1	1
Office Machine Repairman	4		4
Painter	36	6	42
Painter Foreman	1		1
Payroll Clerk	3		3
Personnel Analyst		1	1
Personnel Assistant	21		21
Personnel Clerk	11	5	16
Pest Control Operator	4		4
Photographer	1		1
Play Leader			0
Proposal Writer	2		2
Research Assistant	6		6
Security Communications Operator	3		3
Senior Auditor	3		3
Statistical Clerk	3		3
Student Draftsman (P/T)	2		2
Supervising Security Agent	3		3
Teacher (C)	191	17	208
Teacher Assistant	123		123
Temporary Consultant	1		1
Youth Service Workers (summer only)		69	69
Veteran's Advisor	2	1	3
Volunteer Program Aide	2		2
Watchman	2		2

Note: P/T—part time; A—12-month position; C—10-month position; F—Female.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

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

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The result was announced—yeas 75, nays 21, as follows:

[No. 355 Leg.]

YEAS—75

Aiken	Griffin	Montoya
Baker	Gurney	Moss
Bartlett	Hart	Muskie
Bayh	Hartke	Nelson
Beall	Haskell	Nunn
Bellmon	Hatfield	Packwood
Bentsen	Hathaway	Pastore
Bible	Huddleston	Pearson
Biden	Hughes	Pell
Brooke	Humphrey	Percy
Burdick	Inouye	Proxmire
Byrd, Robert C.	Jackson	Randolph
Cannon	Javits	Ribicoff
Case	Johnston	Schweiker
Chiles	Kennedy	Scott, Pa.
Church	Long	Sparkman
Clark	Magnuson	Stafford
Cook	Mansfield	Stevens
Cranston	Mathias	Stevenson
Dole	McClellan	Symington
Domenici	McGee	Talmadge
Eagleton	McGovern	Tunney
Ervin	McIntyre	Weicker
Fong	Metcalf	Williams
Fulbright	Mondale	Young

NAYS—21

Allen	Dominick	Roth
Bennett	Eastland	Saxbe
Brock	Fannin	Scott, Va.
Buckley	Hansen	Taft
Byrd,	Helms	Thurmond
Harry F., Jr.	Hollings	Tower
Cotton	Hruska	
Curtis	McClure	

NOT VOTING—4

Abourezk	Gravel	Stennis
Goldwater		

So the bill (S. 1560) was passed, as follows:

S. 1560

An act to extend the Emergency Employment Act of 1971, to provide public service employment for disadvantaged and long-term unemployed persons, and for other purposes

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 Employment Amendments of 1973".

AUTHORIZED APPROPRIATIONS

SEC. 2. (a) Section 5(a) of the Emergency Employment Act of 1971 is amended by striking out "and $1,000,000,000" and inserting in lieu thereof "$1,000,000,000 each" and by inserting before the period at the end thereof a comma and the following: "and for the fiscal year ending June 30, 1974, and such sums as may be necessary for the fiscal year ending June 30, 1975".

(b) Section 5 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary makes a determination that the rate of national unemployment (seasonally adjusted) has exceeded 5 per centum for three consecutive months, he shall within ten days of such determination, notify the Congress and shall publish such determination in the Federal Register. At such time the Secretary shall recommend to the Congress any further steps including recommendations for legislation, if any, he deems appropriate."

(c) Section 6(a) of such Act is amended in the second sentence thereof by striking out "for the succeeding fiscal year" and inserting in lieu thereof "for the two succeeding fiscal years, and such sums as may be necessary for the fiscal year ending June 30, 1975".

EMPLOYMENT OF THE ECONOMICALLY DISADVANTAGED LONG-TERM UNEMPLOYED

SEC. 3. (a) Subparagraph (17) of section 7(c) of the Emergency Employment Act of 1971 is amended to read as follows:

"(17) assurances that all persons employed under any such program, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed and underemployed persons who are from economically disadvantaged backgrounds or have been unemployed for not less than fifteen weeks immediately prior to employment under such program;".

(b) The amendment made by subsection (a) shall be applicable with respect to all persons to be newly hired in public service jobs from funds made available from appropriations for fiscal years beginning after June 30, 1973, except that the requirements set forth in the amendment made by subsection (a) are authorized to be modified (in accordance with regulations which the Secretary shall prescribe) to the extent appropriate to provide public service jobs for persons unemployed as the result of the closing of a Defense Department facility or reduction in activities at a Defense Department facility sufficient to cause a substantial increase in unemployment.

ALLOCATION OF FUNDS

SEC. 4. Section 9 of the Emergency Employment Act of 1971 is amended by striking out "in an equitable manner, taking into consideration the" each place it appears in subsections (a)and (b) of such section and inserting in lieu thereof the following: "in the same".

PRIORITY FOR VETERANS

SEC. 5. (a) Subparagraph (4) of section 7(c) of the Emergency Employment Act of 1971 is amended to read as follows:

"(4) plans for providing public service jobs supported under this Act to disabled veterans or veterans of the Vietnam era residing in the area served, including (A) the commitment that by the end of the fiscal year ending June 30, 1974, not less than 50 per centum of all public service jobs supported under this Act will be filled by such veterans and the specific steps to be undertaken during such fiscal year for progressing toward the achievement of such commitment, and the commitment to maintain not less than such per centum during the succeeding fiscal year, except that the requirements set forth in this clause may be modified (in accordance with regulations which the Secretary shall prescribe) to the extent appropriate where there are not a sufficient number of job openings in the program or the population of such area does not include a sufficient number of such veterans who are unemployed or underemployed, (B) descriptions of the types of jobs to be made available to such veterans, with special emphasis on the development of jobs which will utilize, to the maximum extent feasible, the skills which such veterans acquired in connection with their military training and service, (C) the special efforts to be made by the applicant to acquaint such veterans with the program and the public service jobs available to veterans under this Act, and (D) the method the applicant proposes to utilize to coordinate efforts in behalf of such veterans with those activities authorized by chapter 41 of title 38, United States Code (relating to Job Counseling and Employment Services for Veterans), or carried out by other public or private organizations or agencies;".

(b) Subsection (a) of section 14 of such Act is amended at the end of clause (B) of subparagraph (6) by striking out the period and inserting in lieu thereof a semicolon, and by inserting after subparagraph (6) the following new subparagraph:

"(7) 'disabled veteran' means a person defined as a 'disabled veteran' in section 2011 (1) of title 38, United States Code; and 'veteran of the Vietnam era' means a person defined as a 'veteran of the Vietnam era' in section 2011(2)(A) of such title;".

CLARIFYING AMENDMENT

SEC. 6. Subparagraph (3) of section 4 of the Emergency Employment Act of 1971 is amended to read as follows:

"(3) Indian tribal organizations."

COMMENTS ON APPLICATIONS

SEC. 7. Section 8 of the Emergency Employment Act of 1971 is amended by striking out "and" at the end of subparagraph (3), by striking out the period at the end of subparagraph (4) and inserting in lieu thereof "; and", and by inserting after subparagraph (4) the following new subparagraph:

"(5) an opportunity has been provided to labor organizations representing employees who are engaged in similar work in the same area to that proposed to be performed under the application to submit comments with respect to the application to the applicant and to the Secretary."

MAINTENANCE OF EFFORT

SEC. 8. Section 12(a) of the Emergency Employment Act of 1971 is amended by striking out "and" at the end of subparagraph (7), by striking the period at the end of subparagraph (8) and inserting in lieu thereof "; and ", and by inserting after subparagraph (8) the following new subparagraph:

"(9) no funds under this Act will be used to hire any person to fill a job opening created by the action of an employer in laying off or terminating the employment (except for cause pursuant to applicable personnel procedures) of any regular employee not supported under this Act."

SPECIAL PROVISIONS

SEC. 9. (a) Section 2 of the Emergency Employment Act of 1971 is amended—

(1) in subparagraph (1) by inserting "both men and women in" after "to"; and

(2) in subparagraph (2) by inserting "the many women who are entering or reentering the labor force," after "including".

(b) Subparagraph (7) of section 7(c) of such Act is amended by adding at the end thereof a comma and "including a description of the special methods to be used to acquaint persons of limited English-speaking ability with the availability of public service jobs funded under this Act".

(c) Subparagraph (15) of section 7(c) of such Act is amended to read as follows:

"(15) assurances that agencies and institutions to whom financial assistance is made available under this Act have undertaken, or will undertake, analyses of job descriptions and reevaluations and, where shown necessary, revisions of qualification requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations prescribed by the Secretary, with a view toward removing artificial barriers to public employment of those whom it is the purpose of this Act to assist;".

(d) Section 7(c) of such Act is amended by adding after subparagraph (18) the following new subparagraph and renumbering the succeeding subparagraphs as appropriate:

"(19) assurances that due consideration will be given to employing welfare recipients who want and are available for work and that appropriate linkages will be established and maintained with welfare agencies and with other programs making special efforts to assist welfare recipients to become self-sufficient;"

(e) Section 11(c) of such Act is amended to read as follows:

"(c) The Secretary shall set aside for each fiscal year, out of sums available under section 9(a)(2) of this Act, an amount, not to exceed 1 per centum, which he determines is necessary and appropriate to enable him to provide for technical assistance to eligible applicants seeking to comply with the requirements of this Act (including such assistance as is necessary to assist such applicants to comply with assurances made pursuant to subparagraph (15) of section 7(c) of this Act) and a continuing evaluation of programs assisted under this Act and their impact on related programs; and shall no later than thirty days after such sums are

made available notify the appropriate committees of the Congress of the amount so set aside and the basis for his determination of need and appropriateness."

VETERANS OUTREACH

SEC. 10. Section 14(a) of the Emergency Employment Act of 1971 is amended—

(1) in subparagraph (3) by inserting "veterans outreach," after "beautification,"; and

(2) by adding at the end of subparagraph (7) (as inserted by section 5(b) of this Act) the following new subparagraph:

"(8) 'veterans outreach' means the veterans outreach services program carried out under subchapter IV of chapter 3 of title 38, United States Code, with full utilization of veterans receiving educational assistance or vocational rehabilitation under chapter 31 or 34 of such title 38."

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

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

The motion to lay on the table was agreed to.

Mr. MOSS subsequently said: Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1560 which was passed earlier today by the Senate.

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

DISABILITY PAY TO RETIRING GENERALS AND ADMIRALS

Mr. HARRY F. BYRD, JR. Mr. President, as chairman of the General Legislation Subcommittee of the Committee on Armed Services, I have received a letter dated July 24, 1973, showing a sharp drop in awards of disability pay to retiring generals and admirals from 1972 to 1973.

During the Armed Services Committee hearings, and as a result of those hearings, I directed an inquiry to the Department of Defense. The results of that inquiry show that a high percentage of top ranking officers were drawing tax-free disability pay, on retirement.

For example, in the Air Force, more than half the retiring generals were given disability, even though 77 percent of them had passed flight pay physicals within 6 months of retirement.

When the figures showing such a high percentage of disability awards to retiring generals and admirals were divulged, I held a special meeting of the General Legislation Subcommittee of the Committee on Armed Services, and as a result of that, the letter which I have received today shows that there has been a substantial change in Department policy.

The figures I have just received from the Department of Defense show that for the period from March 1 to May 31 of this year, only 12.1 percent of retiring generals and admirals received disability pay, compared to 52.3 percent for the same months in 1972.

For Army and Air Force colonels and Navy captains, there was a drop from 22.4 percent in 1972 to 11.7 percent this year.

Mr. President, I wish to stress that I have no wish to deny disability pay to service personnel of any rank who are legitimately entitled to it. My only purpose is to eliminate abuses of the system. I am pleased that the Defense Department has acted to prevent the award of unjustified disability pay, and I commend Dr. Wilbur, the Assistant Secretary.

It is to be noted, under the new Pentagon guidelines, that the percentage of disability awards to retiring enlisted personnel and lower-ranking officers has declined less drastically than the percentage for generals and admirals.

This seems to indicate that the system is being applied fairly, and that those actually entitled to disability are receiving it.

That is all that I seek, Mr. President.

Mr. President, I ask unanimous consent that the letter from the Department of Defense to me as chairman of the subcommittee and signed by Richard S. Wilbur, Assistant Secretary of Defense for Health and Environment, be printed in the RECORD.

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

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 24, 1973.

Senator HARRY F. BYRD, JR.,
Chairman, Subcommittee on General Legislation, Senate Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In late 1972, the Secretary of Defense recognized that there were variances in treatment of members under the physical disability retirement laws. Accordingly, additional guidelines (see Enclosure 1) were issued to the Military Departments on January 29, 1973, for use in making determinations of unfitness. The Office of Assistant Secretary of Defense (Health and Environment) was directed to closely monitor determinations of fitness and review directly those cases that would result in disability retirement of a general/flag-rank officer or a medical corps officer.

Under the new guidelines, disability retirement and its attendent tax relief will not be conferred in cases where a service-incurred condition is not disabling for the duties of the member's grade or office. For the first time, it is recognized that deterioration of the human body with age—and within boundaries—is normal, to be expected, and not of itself unfitting.

Literal and strict interpretation of present policy means that when a member is fit to perform the duties of his office, rank, grade, or rating, he may not be separated for physical disability; if he is unfit to perform such duties, he may not be retained on active duty—unless he is retained as an exception to policy in a limited assignment status. We believe application of these new guidelines will insure closer adherence to the letter and spirit of the laws, and this the intent of Congress.

The enclosed tables represent the first comparative data available which depicts the impact generated by the new guidelines. The data are generally self-explanatory and, while some of the numbers are small, we believe them to be significant. In Enclosure 2, representing retirements in the Army, Navy, Air Force and Marine Corps, the percentage of retiring officers retired for physical disability has fallen from 18.9% to 10.5% when comparing the first three months under the new rules with the same three months last year. Enlisted men for the same period have dropped from 23.0% to 12.7%

The decreases for higher ranking personnel, in both the officer and enlisted ranks, are even greater. Disability retirement for general/flag rank officers has gone from 52.3% to 12.1% and for colonel/captain—22.4% to 11.7%. The rate of disability retirements for lower ranking personnel has remained about the same—even rising in the case of E1 to E3—indicating that proper medical evaluation is not being denied any member in the determination of fitness.

Enclosure 3 represents retirements only in the Army, Navy, and Air Force since the Marine Corps does not have a separate medical service. While disability retirements have fallen off more than 50% for medical service officers as it has for all other officers, it can be noted that the relative difference between the two groups has remained about constant. This statistic will be monitored closely to determine possible causes. Under present guidelines, the differences should disappear. Medical service personnel fill a unique role in the military, i.e., one that is non-combative in nature requiring less stamina and physical acuity. The fact that they may be allowed to enter active duty without meeting all the normal standards of physical fitness does not justify higher rates of disability, however, because evaluation at time of departure also would be in conformance with lesser standards. This is because all members in an active duty status will be considered fit for duty so long as they are physically able to perform assigned duties to a degree that will satisfy continued employment.

Information on retiring members who have drawn hazardous-duty pay within six months of retirement is also being gathered but is not yet complete. When a member is being processed for separation for reasons other than physical disability, his continued performance of duty until he is scheduled for separation for other purposes creates a strong presumption that the member is fit for duty. The full impact of this concept should eliminate physical disability retirement for most personnel receiving hazardous-duty pay.

We intend to observe closely the present system through December 1973 to determine whether further changes are indicated. When maximum objectivity and uniformity have been achieved, the guidelines will be published in a change to Department of Defense Directive 1332.18, subject: "Uniform Interpretation of Laws Relating to Separation From the Military Service by Reason of Physical Disability." Monitorship will be continued thereafter in the Office of the Assistant Secretary of Defense (Health and Environment).

Hopefully you will find the enclosed data informative and indicative of present trends in the application of physical disability retirement within the Department of Defense.

Sincerely,

RICHARD S. WILBUR, M.D.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1672) to amend the Small Business Act, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PATMAN, Mr. STEPHENS, Mr. GONZALEZ, Mr. GETTYS, Mr. ANNUNZIO, Mr. HANLEY, Mr. BRASCO, Mr. KOCH, Mr. MITCHELL of Maryland, Mr. WIDNALL, Mr. J. WILLIAM STANTON, Mr. WILLIAMS, Mrs. HECKLER of Massachusetts, Mr. ROUSSELOT, and Mr. BURGENER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H.J. Res. 542) concerning the war powers of Congress and the President; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ZABLOCKI, Mr. MORGAN, Mr. HAYS, Mr. FRASER, Mr. FASCELL, Mr. MAILLIARD, Mr. FINDLEY, Mr. BROOMFIELD, and Mr. FRELINGHUYSEN were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 3867. An act to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing for Federal acquisition of that part of the tribal lands described herein, and for other purposes; and

H.R. 8947. An act making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1974, and for other purposes.

VISIT TO THE SENATE BY HON. KAKUEI TANAKA, PRIME MINISTER OF JAPAN, AND OTHER DISTINGUISHED VISITORS FROM JAPAN

Mr. MANSFIELD. Mr. President and Members of the Senate, this body is indeed fortunate this afternoon to have as its guests a most distinguished statesman—a leader of a great nation of the Pacific, His Excellency the Prime Minister of Japan, Mr. Kakuei Tanaka, accompanied by His Excellency Mr. Masayoshi Ohira, Minister for Foreign Affairs; His Excellency Mr. Takeshi Yasukawa, Ambassador to the United States; His Excellency Kiyohiko Tsurumi, Principal Adviser—Deputy Vice Minister for Foreign Affairs; Mr. Yoshio Okawara, Senior Adviser—Director General of the American Affairs Bureau, Ministry of Foreign Affairs; Mr. Akitane Kiuchi, private secretary to the Prime Minister; Mr. Hiroaki Fujii, private secretary to the Foreign Minister; Mr. Yukio Satoh, First Secretary, Embassy of Japan; Mr. Masumi Muramatsu, interpreter; Mr. Sadaaki Numata, interpreter; and Mr. Konosuke Ishii, official cameraman.

It is a distinct privilege for the joint leadership and the Members of this body on both sides of the aisle to participate in this welcome to these representatives of a country for which we have the great affection, highest regard, and deepest respect; a country toward which we look forward to strengthening our mutual interdependence based upon a firm foundation of equality; a country which has contributed much to peace in recent years in the Pacific and can contribute much to peace in that part of the world in the years and in the decades ahead.

I would like at this time to yield to the distinguished Republican leader.

Mr. SCOTT of Pennsylvania. Mr. President, I join in the statement by the distinguished majority leader recognizing the presence of the distinguished Prime Minister of Japan, Mr. Kakuei Tanaka, together with Mr. Masayoshi Ohira, Minister for Foreign Affairs; Mr. Takeshi Yasukawa, Ambassador to the United States; Mr. Kiyohiko Tsurumi, Principal Adviser; Mr. Yoshio Okawara, Senior Adviser; and other members of the Prime Minister's party.

As one who has had the pleasure of visiting in Japan some 18 times, I am particularly pleased to join in this recognition of the presence of these distinguished visitors and to note our very great pleasure that they are here, and to note again this opportunity for renewal of our warm friendship and regard for the people of Japan, for their peaceloving disposition, their power and influence in the world as a force for good, and of our delighted privilege to be able to pay this tribute to them at this time.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, if the Senator will yield, I would like to ask unanimous consent, on behalf of the distinguished Republican leader and myself, that the Senate stand in recess, subject to the call of the Chair, for the purpose of paying our respects to the Prime Minister and his party.

Mr. SCOTT of Pennsylvania. Mr. President, I will match that by saying I have been there 18 times, and I am sure the Prime Minister will understand me if I say I am proud of those 18 ju hachi ki visits.

[Applause, Senators standing.]

The PRESIDING OFFICER. Without objection, the Senate will stand in recess subject to the call of the Chair.

At 3:33 p.m. the Senate took a recess subject to the call of the Chair; whereupon, the Senate reassembled at 3:36 p.m., when called to order by the Presiding Officer (Mr. HELMS).

IMPOUNDMENT PROCEDURES

Mr. ERVIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 373.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 373) to insure the separation of Federal powers and to protect the legislative function by requiring the President to notify the Congress whenever he, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States, impounds, orders the impounding, or permits the impounding of budget authority, and to provide a procedure under which the Senate and the House of Representatives may approve the impounding action, in whole or in part, or require the President, the Director of the Office of Management and Budget, the department or agency of the United States, or the officer or employee of the United States, to cease such action, in whole or in part, as directed by Congress, and to establish a ceiling on fiscal year 1974 expenditures, which were to strike out all after the enacting clause, and insert:

TITLE I—IMPOUNDMENT CONTROL PROCEDURES

SEC. 101. (a) Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States, at any time on or after the date of the enactment of this Act and before July 1, 1974, impounds any funds authorized or made available for a specific purpose or project, or orders, permits, or approves the impounding of any such funds by any other officer or employee of the United States, the President shall, within ten days thereafter, transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of the funds impounded;

(2) the date on which the funds were ordered to be impounded;

(3) the date the funds were impounded;

(4) any account, department, or establishment of the Government to which such impounded funds would have been available for obligation except for such impoundment, and the specific projects or governmental functions involved;

(5) the period of time during which the funds are to be impounded;

(6) the reasons for the impoundment, including any legal authority invoked by him to justify the impoundment; and

(7) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the impoundment.

(b) Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate; and each such message shall be printed as a document for each House.

(c) A copy of each special message submitted pursuant to subsection (a) shall be transmitted to the Comptroller General of the United States on the same day it is transmitted to the House of Representatives and the Senate. In order to assist the Congress in the exercise of its functions under sections 102 and 104, the Comptroller General shall review each such message and inform the House of Representatives and the Senate as promptly as possible with respect to (1) the facts surrounding the impoundment set forth in such message (including the probable effects thereof) and (2) whether or not (or to what extent), in his judgment, such impoundment was in accordance with existing statutory authority.

(d) If any information contained in a special message submitted pursuant to subsection (a) is subsequently revised, the President shall within ten days transmit to the Congress and the Comptroller General a supplementary message stating and explaining such revision. Any such supplementary message shall be delivered, referred, and printed as provided in subsection (b); and the Comptroller General shall promptly notify the House of Representatives and the Senate of any changes in the information submitted by him under subsection (c) which may be necessitated by such revision.

(e) Any special or supplementary message transmitted pursuant to this section shall be printed in the first issue of the Federal Register published after such transmittal.

(f) The President shall publish in the Federal Register, in each month which begins on or after the date of the enactment of this Act and before July 1, 1974, a list of any funds impounded as of the first calendar day of that month. Each such list shall be published

no later than the tenth calendar day of the month and shall contain the information required to be submitted by special message pursuant to subsection (a).

SEC. 102. Any impoundment of funds set forth in a special message transmitted pursuant to section 101 shall cease if within sixty calender days of continuous session after the date on which the message is received by the Congress the specific impoundment shall have been disapproved by either House of Congress by passage of a resolution in accordance with the procedure set out in section 104. The effect of such disapproval shall be to require an immediate end to the impoundment.

SEC. 103. For purposes of this title, the impounding of funds includes—

(1) withholding or delaying the expenditure or obligation of funds (whether by establishing reserves or otherwise) appropriated for projects or activities, and the termination of authorized projects or activities for which appropriations have been made, and

(2) any other type of executive action or inaction which effectively precludes the obligation or expenditure of available funds or the creation of obligations by contract in advance of appropriations as specifically authorized by law.

SEC. 104. (a) The following subsections of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they shall supersede other rules only to the extent that they are inconsistent therewith; and

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

(b)(1) For purposes of this section and section 102 the term "resolution" means only a resolution of the House of Representatives or the Senate which expresses its disapproval of an impoundment of funds set forth in a special message transmitted by the President under section 101, and which is introduced and acted upon by the House of Representatives or the Senate (as the case may be) before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress.

(2) For purposes of this section and section 102, the continuity of a session shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period referred to in paragraph (1) of this subsection (and in section 102) and the thirty-day period referred to in subsection (d)(1). If a special message is transmitted under section 101 during any Congress and the last session of such Congress adjourns sine die before the expiration of sixty calendar day of continuous session (or a special message is so transmitted after the last session of the Congress adjourns sine die), the message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the sixty-day period referred to in paragraph (1) of this subsection and in section 102 (with respect to such message) shall commence on such first day.

(c) Any resolution introduced with respect to a special message shall be referred to the Committee on Appropriations of the House of Representatives or the Senate, as the case may be.

(d)(1) If the committee to which a resolution with respect to a special message has been referred has not reported it at the end of thirty calendar days of continuous session after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same message which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same special message); and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same special message.

(e)(1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a special message, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) Motions to postpone, made with respect to the consideration of a resolution with respect to a special message, and motions to proceed to the consideration of other business, shall be decided without debate.

(g) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to any resolution referred to in this section shall be decided without debate.

SEC. 105. If the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States impounds any funds authorized or made available for a specific purpose or project or orders, permits, or approves the impounding of any such funds by any other officer or employee of the United States, and the President fails to transmit a special message with respect to such impoundment as required by this title, the Comptroller General shall report such impoundment and any available information concerning it to both Houses of Congress; and the provisions of this title shall apply with respect to such impoundment in the same manner and with the same effect as if such report of the Comptroller General were a special message submitted by the President under section 101, with the sixty-day period provided in section 102 being deemed to have commenced at the time at which the Comptroller General makes the report. As used in section 104, the term "special message" includes a report made by the Comptroller General under this section.

SEC. 106. The Comptroller General is hereby expressly empowered as the representative of the Congress through attorneys of his own selection to sue any department, agency, officer, or employee of the United States in a civil action in the United States District Court for the District of Columbia to enforce the provisions of this title, and such court is hereby expressly empowered to enter in such civil action any decree, judgment, or order which may be necessary or appropriate to secure compliance with the provisions of this title by such department, agency, officer, or employee. Within the purview of this section, the Office of Management and Budget shall be construed to be an agency of the United States, and the officers and employees of the Office of Management and Budget shall be construed to be officers or employees of the United States.

SEC. 107. Section 203 of the Budget and Accounting Procedures Act of 1950 shall not be applicable with respect to funds impounded on or after the date of the enactment of this Act and before July 1, 1974.

SEC. 108. Nothing contained in this title shall be construed as—

(1) asserting or conceding the constitutional powers or limitations of either the Congress or the President;

(2) ratifying any impoundment heretofore or hereafter executed or approved by the President or any other Federal officer or employee, except insofar as pursuant to statutory authorization then in effect; or

(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment ordered or executed before the date of the enactment of this Act.

TITLE II—CEILING ON FISCAL YEAR 1974 EXPENDITURES

SEC. 201. Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $267,100,000,000.

SEC. 202. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from expenditures and net lending, from appropriations or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 201.

(b) In carrying out the provisions of subsection (a) the President shall reserve amounts proportionately from appropriations and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in the United States Budget in Brief), except that—

(1) no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries; and

(2) no reservations from authority available for any functional category or subfunctional category shall have the effect of reducing the total amount available for any specific program or activity (as set out in the budget accounts listing in the Budget of the United States Government for Fiscal Year 1974, pages 167–312) within that particular category by a percentage which is more than 10 percentage points higher than the net percentage of the overall reduction in expenditures and net lending resulting from all reservations made as required by subsection (a).

(c)(1) Reservations made to carry out the provisions of subsection (a) shall be subject to the provisions of title I of this Act unless made in accordance with the proportional reservation and percentage requirements of subsection (b).

(2) In order to assist the Congress in the exercise of its functions under this title and title I with respect to reservations made to carry out the provisions of subsection (a), the Comptroller General shall review each such reservation and inform the House of Representatives and the Senate as promptly as possible whether or not, in his judgment, such reservation was made in accordance with the requirements of subsection (b).

(d) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or combination of which has been authorized by Congress.

SEC. 203. In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this title, and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution,

the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

And amend the title so as to read: "An Act to require the President to notify the Congress whenever he impounds funds during the fiscal year 1974, to provide a procedure under which the House of Representatives or the Senate may disapprove the President's action and require him to cease such impounding, and to establish for the fiscal year 1974 a ceiling on total Federal expenditures."

Mr. ERVIN. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives and request a conference on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed; and the Presiding Officer appointed Mr. ERVIN, Mr. MUSKIE, Mr. RIBICOFF, Mr. CHILES, Mr. PERCY, Mr. JAVITS, and Mr. GURNEY conferees on the part of the Senate.

UNANIMOUS-CONSENT AGREEMENT ON H.R. 8917

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the bill (H.R. 8917), making appropriations for the Department of the Interior, is called up and made the pending question before the Senate, there be a time limitation thereon of 2 hours, to be equally divided between the Senator from Alaska (Mr. STEVENS) and the Senator from Nevada (Mr. BIBLE), with one-half hour on any amendment, debatable motion, or appeal, and that the agreement be in the usual form as to the division and control of time.

Mr. JAVITS. Mr. President, will the Senator yield for one question?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Which one is this?

Mr. ROBERT C. BYRD. This is the one making appropriations for the Department of the Interior. This has been cleared with the Senator from North Dakota (Mr. YOUNG) and the Senator from Alaska (Mr. STEVENS) on the Senator's side of the aisle.

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

The text of the unanimous-consent agreement is as follows:

Ordered, That, during the consideration of H.R. 8917, the Department of the Interior Appropriation Bill, debate on any amendment, debatable motion or appeal shall be limited to ½ hour, to be equally divided and controlled by the mover of any such amendment or motion and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Alaska (Mr. STEVENS) and the Senator from Nevada (Mr. BIBLE): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

HOBBY PROTECTION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 338, H.R. 5777, which is a similar bill to Calendar No. 328, S. 1880.

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

The assistant legislative clerk read as follows:

A bill (H.R. 5777), to require that reproductions and imitations of coins and political items be marked as copies or with date of manufacture.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. JACKSON. Mr. President, I ask unanimous consent that the following professional staff members of the Committee on Interior and Insular Affairs be granted the privilege of the floor during the Senate's consideration of H.R. 5777, the pending measure: William Van Ness, Jr., Grenville Garside, Jim Barnes, and Peter Van Oppen.

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

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of H.R. 5777 and amendments thereto, Mr. Larry Combest of my staff be permitted to be present on the floor.

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

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

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

Mr. MAGNUSON. Mr. President, S. 1880 and H.R. 5777, the House-passed version of this bill, would require the marking of imitation numismatic and political items in order to prevent their being sold or traded as originals.

This act requires that any imitation political items be plainly and permanently marked with the calendar year of manufacture. Additionally, any imitation numismatic item would be permanently marked "copy".

There are many collectors of these items in the United States and millions of dollars are spent in the buying and selling of these items. The amateur hobbyist is not sufficiently well versed to identify the counterfeit items and the counterfeit laws do not cover these matters.

It is necessary and important that this legislation be passed giving the Federal Trade Commission authority to act as well as providing for civil suits to stop people from marketing imitation items which are not marked with the calendar year of manufacture or with the word "copy."

Mr. President, I do not believe there will be any objection to the bill by the Senate.

My colleague from Washington intends to add an amendment to the bill. It is an amendment concerning petroleum allocation programs. I have talked to members of the committee who are interested, and they are willing that we should accept the amendment to this bill.

So far as I am concerned, and the rest of the Commerce Committee, we are in agreement with this amendment.

Mr. JACKSON. Mr. President, I want to express my appreciation to the distinguished chairman of the Commerce Committee for his report in connection with the amendment to provide for a program of mandatory fuel allocations. The amendment is similar to S. 1570 which was previously passed by the Senate. I will offer in a modified form which I believe will be acceptable on the House side.

Mr. President, I now call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that the Senator from Minnesota (Mr. HUMPHREY) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

On page 5, after line 8, insert the following new title:

TITLE II—EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

FINDINGS AND PURPOSES

SEC. 101. (a) The Congress hereby determines that shortages of crude oil and refined petroleum products caused by inadequate domestic production of crude oil and refined petroleum products, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent. The Congress further determines that such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businessses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential

goods. The Congress further determines that such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the executive branch of Government.

(b) The purpose of this Act is to grant to the President of the United States specific temporary authority to deal with shortages of crude oil and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

DEFINITIONS

SEC. 102. For purposes of this Act—

(2) The term "independent marketer or distributor" means a person who is engaged in the marketing or distributing of refined petroleum products, other than a person who is engaged in the marketing or distribution of a refined petroleum product pursuant to—

(A) an agreement or contract with a refiner to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner (or by a person who controls, is controlled by, or is under common control with such refiner), or

(B) an agreement or contract under which any such person engaged in the marketing or distribution of a refined petroleum product is granted authority to occupy premises owned, leased, or in any way controlled by a refiner (or person who controls, is controlled by, or is under common control with, such refiner).

(2) The term "refined petroleum product" means gasoline, kerosene, distillates (including number 2 fuel oil), or diesel fuel.

MANDATORY ALLOCATION

SEC. 103. (a) Not later than ten days after the date of enactment of this Act the President shall promulgate a regulation providing for the mandatory allocation of crude oil and refined petroleum products in amounts based upon historic supply relationships to the extent practicable and equitable and at prices determined under such order. Such regulation shall take effect not later than fifteen days after its promulgation. Such regulation shall to the maximum extent practicable provide for—

(1) protection of public health, safety, and welfare, and the national defense;

(2) maintenance of all public services (including facilities and services provided by any State or local government or authority);

(3) maintenance of all essential agricultural operations, including farming, ranching, dairy and fishing activities and services directly related to the cultivation, production and preservation of food;

(4) preservation of an economically sound and competitive petroleum industry, including the priority need to restore and foster competition in the producing, refining, distribution, and marketing sectors of such industry, and to preserve the competitive viability of independent refiners, marketers and distributors;

(5) equitable distribution of crude oil and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry including the petrochemical industry, independent marketers, refiners and distributors and among all classes of consumers;

(6) economic efficiency; and

(7) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms.

(b) The order promulgated and made effective under subsection (a) shall remain in effect until March 1, 1975, except that the President or his delegee may amend the regulation issued under subsection (a) so long as the regulation, as amended, meets the requirements of that subsection.

ADMINISTRATION AND ENFORCEMENT

SEC. 104. (a) Sections 205 through 213 of the Economic Stabilization Act of 1970 (as in effect on the date of enactment of this Act) shall apply to regulations prescribed under section 103 and to any action taken by the President (or his delegate) under this Act as if such regulation had been prescribed and such action taken under the Economic Stabilization Act of 1970; except that the expiration of authority to issue and enforce regulations and orders under section 218 of such Act shall not affect any authority to issue and enforce regulations under this Act.

(b) The President may delegate all or any portion of the authority granted to him under this Act to any officer or employee of the Federal government he deems appropriate.

EXPIRATION

SEC. 105. The authority to issue, amend, and enforce regulations under sections 103 and 104 expires at midnight February 28, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to March 1, 1975.

EFFECT ON OTHER LAW AND ACTIONS TAKEN THEREUNDER

SEC. 106. (a) All actions duly taken pursuant to clause (3) of the first sentence of section 203(a) of the Economic Stabilization Act of 1970 in effect immediately prior to the date of enactment of this Act, shall continue in effect until modified or rescinded by or pursuant to this Act.

(b) The provisions of this Act, and the authority granted therein, shall take precedence over any program for the emergency allocation of crude oil or petroleum products established by any State or local government, and any conflict between such a program and any program, plan, regulation, or order established pursuant to this Act shall be resolved in favor of the latter.

MONITORING BY FEDERAL TRADE COMMISSION

SEC. 107 (a) During the forty-five-day period beginning on the effective date of the regulation first issued under section 103 —, the Federal Trade Commission (hereafter in this section referred to as "Commission") shall monitor the actions taken pursuant to this Act by the President and his delegate, and by persons subject to the provisions of this Act; and not later than sixty days after such effective date shall report to the President and to the Congress respecting the effectiveness of this Act and actions taken pursuant thereto.

(b) The Commission shall have the authority under sections 6, 9, and 10 of the Federal Trade Commission Act (notwithstanding the exceptions in section 6 (a) and (b) of the Federal Trade Commission Act) to gather and compile such information concerning the effectiveness of this act and actions taken pursuant thereto and to require the furnishing of such information by all persons as may be required to implement the provisions of this section.

(c) For purposes of implementing this section, officers or employees duly designated by the Commission, upon presenting appropriate credentials and a written notice from the Commission to the owner, operator, or agent in charge, are authorized—

(1) to enter, at reasonable times, (A) any premises in which anyactivity relating to the production, transportation, refining, or sale of petroleum products is conducted; and

(2) to inspect, at reasonable times and in a reasonable manner, such premises. Each such inspection shall be commenced and completed with reasonable promptness.

(d) Notwithstanding any other provision of law—

(1) the Commission in carrying out this section may appear in its own name and be represented by its own attorneys;

(2) chapter 35 of title 44, United States Code, shall not apply to the activities of the Commission under this section.

Mr. JACKSON. Mr. President, the amendment I propose is an emergency measure to deal with an urgent problem to which Members of the Senate need no introduction.

Mr. President, for months we have been receiving phone calls, telegrams, letters, and personal visits from those directly affected by fuel shortages. We are hearing from farmers, builders, city officials, independent refiners, and marketers of petroleum products. They are all concerned with fuel shortages and the failure of the "voluntary" allocation program to provide any relief.

It is clear that we are no longer dealing with the isolated, spot shortages predicted by some earlier this year. What we are confronting is the prospect of serious, prolonged, and widespread shortages which are beginning to have a real impact on our economy, on the standard of living enjoyed by many Americans, on competition, and on the structure of the petroleum industry.

When cities cannot get bids on fuel contracts for vital public services, when independent gas stations are closing by the thousands, when crop planting and food distribution are threatened by fuel shortages, when a major shortage in heating oil this fall and winter appears inevitable, then there can be no doubt that our national fuel distribution system has stopped functioning effectively.

Congress recognized the need to adopt policies designed to deal with fuel shortages when it authorized the President in the Economic Stabilization Act amendments to establish priorities of use and to provide for the allocation of crude oil and petroleum products to meet essential needs and prevent anticompetitive effects resulting from shortages.

The Senate again recognized on June 5, 1973, when it adopted S. 1570, the "Emergency Petroleum Allocation Act of 1973," by an overwhelming majority, that a "voluntary" allocation program would not and could not work.

I regret that the House of Representatives has not yet acted on S. 1570 as passed by the Senate. The House's failure to act was, in part, based upon reliance on the statements and testimony of administration spokesmen that in the next few days or weeks the President would act to implement a mandatory fuel allocation program. That reliance now appears to have been misplaced. On June 10, Deputy Secretary Simons of the Treasury Department, in testimony before the House Interstate and Foreign Commerce Committee, indicated that the administration would make a decision on a mandatory allocation program within 7 days. That was 21 days—3 weeks ago.

Now, in the last few days before the August recess, there has still been no decision from the administration as to

"when," or even "if," there will be a mandatory fuel allocation program.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a July 25 floor statement by Congressman TORBERT H. MACDONALD on the reliance the House placed on administration statements and the causes of the delay.

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

(See exhibit 1.)

Mr. JACKSON. Mr. President, the administration's reluctance to act is apparently the result of a conflict between two groups of White House advisers and Cabinet officers. One group—composed of those familiar with the situation—openly admits the failure of the voluntary allocation program and has been urging adoption of a mandatory program for the past 2 months. This group recognizes that without a mandatory program it is absolutely inevitable that the already crippled independent sector of the petroleum industry will be effectively wiped out by the end of September. The loss of the independents will mean the loss of the only aggressive source of competition and lower prices in the marketing of gasoline and other fuels.

The second group, in part made up of advisers and Cabinet officers, opposed a mandatory allocation program on the grounds that Government should not interfere with the forces of the marketplace.

Mr. President, the country cannot afford any more extended internal debate in the White House on this issue. The Nation needs and must have an equitable mandatory allocation program; and we must have it now before Congress adjourns for the August recess.

There is no assurance that the administration will act after the recess. We have had weeks and months of indecision already.

Since the Senate passed S. 1570 on June 5 there has been little improvement in either supply or in the system for allocation of the Nation's available petroleum. Those few highly advertised gains which have been made have been short term, cosmetic in nature, and have ominous implications for the future. What the Senate in June foresaw in the weakness of a system of voluntary allocations has since been demonstrated. This is evident in press reports, and in each day's constituent mail from farmers, independent gasoline retailers, municipalities, and motorists.

Last week, in describing our current fuel situation in testimony before the Senate Interior Committee, Gov. John Love, who is now charged with coordination of energy policy for the administration, made the following statement:

I believe that most of us are aware that the gasoline situation has improved significantly. While there still are spot shortages, this is primarily due to the significant increases in refinery output, with U.S. refineries hitting an all time high during the week of July 6, 1973, of 98.8% of capacity. While I recognize that we have simultaneously drawn down our crude stocks somewhat and that our refinery output could be reduced due to maintenance or accidents, I am encouraged by the current production. I hope that these high production levels can be maintained. In spite of claims to the contrary by some, I believe that we probably continue to have significant potential for refinery debottlenecking and minor expansions in the near term.

I am less certain of the situation for this winter. I have directed an intensive review. While our projections are preliminary at this stage, they seem to indicate that we will be able to meet fuel needs this winter, if all goes well and we do not experience severe cold conditions; if we have bad weather, we can expect some shortages. (Emphasis supplied)

Mr. President, I share Governor Love's "hopes." I also share his uncertainty for the situation this winter. However, I am not encouraged by the figures I see. I strongly doubt that we can maintain refinery runs at the current levels and, even if we do, they will not be adequate to meet the growing demand for fuel oil. My review of the situation indicates that gasoline and diesel fuel shortages still exist; that while refineries are operating close to capacity, the production is of motor fuels and that not only are we drawing down crude oil stocks, we are also failing to build up critically needed inventories of heating oils. Furthermore, current production levels are often at the expense of routine preventive maintenance which will probably result in future refinery breakdowns. We simply cannot operate on an "if all goes well" basis and fail to take into consideration, at least for planning purposes, that we may have cold weather this winter.

Mr. President, the administration's latest public pronouncement on their intention concerning a mandatory program was made yesterday by Governor Love before a House Banking Subcommittee. I have not read Governor Love's full statement, but if the story on page 4 of this morning's Washington Post is correct, it is clear that Congress must act on this matter before the August recess.

The story quotes Governor Love as saying:

There has been a noticeable deterioration in the compliance of most oil companies in the past two or three weeks. . . . Some companies have given formal notice that they do not intend to comply further with the voluntary petroleum allocation program.

The article continues:

Since mid-June hearings which revealed that some companies were not complying with the guidelines, Love said that several major oil companies have notified his office they can no longer comply.

He said companies such as Sunoco, Phillips, Cities Service and Gulf had delayed plans to withdraw from various marketing areas in order to comply with the various allocation plans.

But he said, they have recently notified him, they will continue to withdraw unless mandatory provisions are imposed.

Mr. President, this is not news. Two months ago when the Senate was considering S. 1570, I stated on the floor of the Senate that the major oil companies were not complying with the voluntary program. It was clear then that unless Government acted they would continue to withdraw from low-profit market areas. I would remind Members of the Senate that many of these low-profit market areas are in their States. And once an oil company moves out and cuts off supply it will not be easy to get new sources of supply.

In the face of the uncontested failure of the voluntary program, and in view of the admitted disaster present policies hold for the American consumer, for vital public services, for competition, and for the independent sector of the petroleum industry, it is remarkable that the administration has failed to act.

The administration has not only failed to act, they have failed to even make a decision.

This morning's story in the Washington Post states:

Love said he hopes to announce a decision this week on *whether* the program will be replaced with a mandatory system. (Emphasis added.)

Mr. President, I would have thought the issue would be "when" and not "whether."

The article goes on to state that Governor Love told a House Banking Subcommittee that no decision on a mandatory program has been made yet.

The article further states:

Love said he is still weighing the options now open including retaining a revised voluntary allocation program, adopting a half mandatory and half voluntary program or adopting a fully mandatory system for all of the industry.

Mr. President, we have had enough footdragging and weighing of options. We have had enough study; we have had too much delay.

The administration's failure to act is irresponsible. The major oil companies say they need a mandatory program. The independents' survival requires a mandatory program. State and local government support a mandatory program.

The only opposition I am aware of comes from a few White House advisers who would rather see the country go to hell in a hand basket before they would support any form of Federal intervention in the marketplace.

Mr. President, the Nation cannot afford this type of ideological rigidity at the highest seat of government.

We cannot allow competition in the oil industry to be destroyed simply for the purpose of proving or disproving a disputed principle among two schools of economic theory.

The country needs leadership on this matter, and if the administration is going to default, it is incumbent upon Congress to act.

The nationwide fuel shortages have major impact upon the consumer. They also have a severe and longer lasting impact on the independent marketer, on the structure of the industry, and on competition. The major oil companies tell us that supplies are up over last year. Be this as it may, because of the inability of independent marketers to obtain adequate supplies of gasoline, many efficient independent operators have already gone out of business and others are in very serious financial condition. Having been already weakened by the failure of the administration's voluntary allocations program, these small distributors who have survived are now faced with near certain bankruptcy and eviction from the marketplace in the form of the pro-

posed oil price regulations effective under phase IV.

As interpreted by the Cost of Living Council, these regulations forbid any automatic rise in prices at the retail dealer's pump even if prices charged to him by the supplier have increased. This results from a provision of the regulations which fix the post-August 12 ceiling retail price of diesel fuel, heating oil, and gasoline as the price paid to the supplier on August 12 plus the margin available on January 10, 1973. The regulation allows no pass-through for increased costs. In January, prior to the curtailment of supplies, independents were generally operating on a high volume, low margin, low price basis. Since that time the supplies to a large number of independents have been drastically cut. There consequently is no way that independents facing such circumstances can maintain margins of the January 10 level and continue to operate as viable business enterprises.

Mr. President, it is imperative that the United States maintain a competitive structure in the gasoline marketing industry. To that end, what is required is some relief for the independent sector of the industry and not further Government regulations which will serve to drive many out of business and thereby further reduce competition. The White House staff rationale for this policy has been quoted as the belief that "station prices are the most visible to the public and must be held down." Mr. President, the destruction of the already weakened competitive structure of this country's petroleum distribution system is too high a price to pay for good public relations at the White House, no matter how great their current need.

Mr. President, I ask unanimous consent that the text of a letter I recently wrote to the Cost of Living Council on this matter together with some reports from the trade press be included in the RECORD at the end of my remarks.

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

(See exhibit 2.)

Mr. JACKSON. Mr. President, it is essential that the administration move now, and move decisively to minimize the impact of fuel shortages and dislocations in the fuel distribution system. More specifically, mandatory action must be taken to: protect the public health, safety, and welfare; to maintain public services and essential agricultural operations; to preserve an economically sound and competitive petroleum industry; to provide for equitable distribution of fuels at equitable prices among all regions and areas of the United States and all classes of consumers; to achieve economic efficiency and minimize economic distortion, inflexibility and unnecessary interference with market mechanisms.

The administration has already waited too long to address the problem. Congress must insure that it waits no longer. By the time Congress returns in September, the fuel demands of the harvest season will be upon us and the surging seasonal requirements for heating oils will be imminent. Neither of these needs will stand deferment.

Mr. President, I ask unanimous consent that a report by the Petroleum Industry Research Foundation on the expected shortages of heating oil in the fall and winter be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. JACKSON. The report states:

Our calculations show that—after adjustment for a decline in secondary stocks at the East Coast—we will enter the coming heating season with stocks only slightly higher than a year ago. Since demand is expected to be up by over 6% and since last year's comparable stock level would have been clearly insufficient for a normal winter, the distillate heating oil supply outlook for next winter is quite precarious, notwithstanding the apparent high level of current primary stock accumulation.

If the winter is even slightly colder than normal, if the substitution of distillate fuel oil for curtailed gas supplies is significantly larger than last year, if refinery runs cannot be sustained at an average rate of 92% of capacity over the next 9 months or if the level of imports falls 3–4% below our projected average volume of 500,000 b/d during the heating season, a shortage could be expected to develop.

Mr. President, the amendment I propose today is patterned after the essential elements of S. 1570 as adopted by the Senate on June 5, 1973. The amendment has been shortened and simplified. It is a broad delegation of power to the President, but it does require the implementation of a mandatory allocation program.

This amendment, in much the same way as did S. 1570, states that it is the finding of Congress that extraordinary shortages of petroleum products exist and that they have created severe dislocations and hardships. It finds that the absence of governmental intervention will result in the effective elimination from the marketplace of the independent sector of the petroleum industry. The amendment establishes a petroleum allocation program having as objectives the necessary actions which I have discussed. The amendment directs that this program be mandatory and it requires that it be put into effect not later than August 15, 1973.

Mr. President, the need for this legislation is both critical and urgent. Congress must seize the initiative and act if we are to avert a still greater crisis than that which we now face. I hope that this measure will receive the strongest support of my colleagues.

Mr. President, only a few days ago, administration spokesmen were belittling and viewing with alarm the Federal Trade Commission's action against the major oil companies to restore some semblance and degree of healthy competition to this industry. This puzzling concern for and defense of the giants of the oil industry must be contrasted with the administration's callous indifference to the plight of the independent refiner, terminal operator, distributor, and marketer.

Competition in the oil industry is a major issue of public policy. Congress cannot stand idly by while the independent sector is strangled as a result of Government inaction. The beneficiaries of this failure to act are the major oil companies. Ironically, with administration assistance the majors stand to achieve increased power and market dominance—an objective that the antitrust laws have in the past denied them.

The recent report of the Federal Trade Commission made a similar finding as to the general effect of Federal and State energy policy. At page 27 of the report, in a summary to chapter III, the report notes:

The industry operates much like a cartel with 15 to 20 integrated firms being the beneficiaries of much federal and state policy. Thus, the federal and state governments with the force of law do for the major companies that which would be illegal for the companies to do themselves.

Mr. President, I urge early and favorable action on the amendment. This is the last chance for Congress to preserve competition and a viable independent sector in the oil industry.

I ask unanimous consent to have printed in the RECORD several newspaper articles.

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

(See exhibit 4.)

EXHIBIT 1

STATEMENT OF CONGRESSMAN TORBERT H. MACDONALD, JULY 25, 1973

In the course of the first session of this Congress, a great many members have addressed the House on the subject of the "energy crisis." Indeed, I know of no other subject which has attracted as much attention and debate nor one which has produced as much confusion and misinformation.

As the ranking majority member of your Committee on Interstate and Foreign Commerce and Chairman of the Subcommittee assigned responsibility for energy matters, I have endeavored to measure the dimensions of the crisis and to chart an appropriate legislative course to deal with it. While that effort continues, I must report to you that—with each passing day—I grow more convinced that crisis conditions do not exist in fact but only in the advertising copy of the major oil and gas companies. Increasingly, economists and engineers have come forward to testify to the adequacy of domestic and world reserves to meet our short and long term demand for fossil fuels. To this the companies now respond that the problem is not that there are shortages in the basic fuels but that we have failed to provide sufficient economic incentives for corporate America to go get them. For those of my colleagues who have heard this argument let me only point out that the largest of the major oil companies reported an increase in earnings of 54% in the second quarter of this year—and that this was accomplished in spite of price controls. How will we be able to create economic incentives sufficiently high to encourage increased production when oil companies are permitted to profit so handsomely from the shortage?

I remain skeptical. There is, however, one aspect of the co-called energy crisis which is very real and that is the shortage of refined petroleum products. Over 2,000 independent marketers of gasoline who have been driven out of business in the last few months can attest to this shortage as can the thousands of motorists in Denever who have been forced to wait in long lines for limited supplies of gasoline. In my own section of the country, New England, the shortage has been especially acute and its effect on the independ-

ent jobber and retailer especially devastating.

Several members have suggested on this floor that the gasoline shortage has been contrived or orchestrated by the major oil companies to purge from the business their only significant competitors, the independent non-branded dealers. I do not know the truth of that allegation but—whether intended or not—this clearly has been the result.

In April, Congress included authority in the "Economic Stabilization Act Amendments of 1973" to permit the President to order mandatory allocations of gasoline and other petroleum products to prevent the major oil companies from taking unfair competitive advantage during the period of shortage. The President decided instead to rely on a "voluntary" program which encouraged the major companies to share their supplies with their competitors. As we are all aware, the voluntary program has failed miserably. Convinced that it would, I introduced legislation in May to set up a mandatory allocation program to preserve the independent marketing segment of this industry. Because nearly one third of the northeast market is serviced by independents, virtually the entire New England delegation joined me in this effort as well as 74 other co-sponsors. Similar legislation was introduced by my colleagues from other sections of the country. Nevertheless, I believe most of us who urged mandatory controls were hopeful that the Administration would see the light and act to make legislation unnecessary. This hope was soon shown to have been misplaced.

After the situation worsened in June, the full Commerce Committee was convened for the priority consideration of my proposal to legislatively mandate controls. Our initial witness, Deputy Secretary of the Treasury William Simon, appearing on behalf of the Administration, urged the Committee not to take action. We were told a decision on whether to go to mandatory controls would be made within the week by the Administration. Knowing that the Congress would not be able to act within a week's time to bring legislative relief for the independent marketer, I was willing to wait an additional seven days to see if the Administration would finally do the right thing.

Seven days stretched to eight, then nine, then ten. I was disposed to be patient. The President was in the hospital; his energy advisor, Governor John Love of Colorado, was new to the job. Yet with each additional day's delay, the competitive situation grew worse. I began to probe the bureaucratic reaches of the Administration to find out when a decision would be made and announced. With each inquiry I received new promises that a decision was forthcoming. It is now fifteen days since the Committee was told a decision would be made "within a week."

When I asked Governor Love to come before the Committee to report on what is delaying the decision, I was told that the earliest he could do so would be the end of next week. I recognize, of course, that he has an extremely difficult task before him and there are great demands placed on his time, but to refuse to appear until the day before the Congress proposes to adjourn evidences on behalf of the Administration indifference to the problem facing the independent marketer and to the concern which has been expressed by the Congress.

Mr. Speaker, I do not report these events with a sense of anger—although I think there is some basis for that. Rather I feel a sense of regret and disappointment because I can only conclude that the failure of the Administration to act results either from a paralysis of the decision-making process or a lack of resolve to take steps which are opposed by the major oil companies. Whatever the cause, small business and the American people will pay the price for the indecision of these last weeks. If, as a result, independent distributors and dealers of gasoline are forced out of the market, the price could well be measured in the millions of dollars.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., July 26, 1973.

DR. JOHN T. DUNLOP,
Director, Cost of Living Council,
Washington, D.C.

DEAR DR. DUNLOP: I have been seriously disturbed by the inability of independent marketers to obtain adequate supplies of gasoline. Because of the supply problem many efficient independent operators have already gone out of business and others are in very serious financial condition.

The purpose of this letter is to call to your attention that the Phase IV gasoline regulations appear to further aggravate the critical problems facing the independent marketer. Information that I have received indicates that your Council's gasoline regulations coupled with the failure of the Voluntary Petroleum Allocation Program could force many of the already weakened efficient independents out of business and into bankruptcy.

In light of the foregoing, I am concerned about the Cost of Living Council's decision to set January 10, 1973 as the profit margin date for marketers in Phase IV, while setting the comparable date for crude oil producers and refiners at May 15, 1973.

The January 10, 1973, date is a time when many independent marketers had relatively low margins. At that time several marketers were experiencing price wars and margins were compressed. Furthermore, many independents had not experienced supply cutbacks in early January of the magnitude they are now experiencing. As a consequence, independents were generally operating in January on a high volume, *low margin* and low price basis. Since that time the supplies to large numbers of independents have been drastically reduced as a result of the current gasoline shortage. There is no way that independents facing such circumstances can maintain margins of the January 10 level and continue to operate as viable business enterprises.

It is urgent that the United States maintain a competitive structure in the gasoline marketing industry. Price competition has all but disappeared since gasoline supplies have been reduced and the independent marketers' sources of supply have been cut in half. The independents need and deserve some relief and not a further government regulation which will have the effect of driving many out of business and reducing competition. This seems, however, to be the consequence of the gasoline price regulations.

It would indeed be tragic if at a time when Congressional and public concern over the need to maintain and restore competition in the petroleum marketing industry is at its highest point the government, by indirection, imposed a price regulation which has the direct effect of helping to put the primary source of competition in the marketing of gasoline out of business.

I would appreciate receiving a full report on the Council's rationale regarding margins and permissible cost pass-throughs by July 31, 1973. In addition, you should be informed that hearings on this and related questions may be held the latter part of next week.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

EXHIBIT 3

THE OUTLOOK FOR DISTILLATE HEATING OIL, IN THE WINTER OF 1973–74

(Report of Petroleum Industry Research Foundation, Inc.)

SUMMARY OF FINDINGS

For the second consecutive year we approach the winter with the likelihood that heating oil supplies will be insufficient to meet demand. Last winter a shortage was averted as a result of a very mild 1st quarter—approximately 10% warmer than normal—following a 6% colder than normal 4th quarter.

Had the 1st quarter been normal, the additional increase in demand would have reduced distillate stocks by more than 20 million barrels which would have resulted in widespread shortages.

Our calculations show that—after adjustment for a decline in secondary stocks at the East Coast—we will enter the coming heating season with stocks only slightly higher than a year ago. Since demand is expected to be up by over 6% and since last year's comparable stock level would have been clearly insufficient for a normal winter, the distillate heating oil supply outlook for next winter is quite precarious, notwithstanding the apparent high level of current primary stock accumulation.

If the winter is even slightly colder than normal, if the substitution of distillate fuel oil for curtailed gas supplies is significantly larger than last year, if refinery runs cannot be sustained at an average rate of 92% of capacity over the next 9 months or if the level of imports falls 3–4% below our projected average volume of 500,000 b/d during the heating season, a shortage could be expected to develop. To prevent, or at least contain, the shortage, the government must take several steps in advance of the heating season. These would include imposition of mandatory product allocation so that available supplies of heating oil are evenly distributed throughout the market, encouragement of maximum imports by permitting a full pass-through of the substantially higher cost of foreign oil; and raising the permissible sulfur level of all distillate imports to 0.5–0.7%, since the available quantities of foreign oil with a lower sulfur content are insufficient to meet our projected import requirements.

An analysis of the above findings is found in the following pages.

Historic growth

In the past two years distillate demand increased at an average annual rate of 7%—more than 3 times its average growth during the previous five years (1964–69). This reflects the sharp rise in the requirements of peripheral distillate fuel oil markets—electric power plants and natural gas customers with alternate fuel facilities. The effect of the increase in electric utility demand on total distillate fuel oil demand is shown below.

TABLE I.—DISTILLATE DEMAND—I–IV

[In thousand barrels per day]

	1970	1971	1972	Annual increase
Utility	66	92	144	+48.0
Other	2,242	2,305	2,497	5.5
Total	2,308	2,397	2,641	7.0

Outlook for 1973 Heating Season

Table II below shows the actual distillate supply-demand position for the 1st quarter of 1973 and projections for the subsequent four quarters.

TABLE II.—DISTILLATE SUPPLY-DEMAND PROJECTION, DISTRICT I–IV

[Thousand barrels per day]

	1973: Quarter—					
	1st (actual)	2d	3d	4th	Year	1974, 1st quarter
Crude runs [1]	10,359	10,483	10,600	10,545	10,498	10,495
Distillate yield	25.17	22.40	22.75	24.0	23.6	24.75
Output	2,607	2,348	2,410	2,530	2,473	2,598
Plant	5	5	5	5	5	5
Imports	531	200	175	450	338	550
Net to V	−13	−25	−20	−20	−19	−20
Supply	3,130	2,528	2,570	2,965	2,797	3,133
Demand	3,567	2,230	1,885	3,250	2,730	3,900
Stock (million barrels)	(−39.3)	(+28.0)	(+13.0)	(−26.2)		(−69.07)
Stock end quarter (million barrels)	102.1	130.1	193.1	166.9		97.9

[1] Includes net unfinished oil.

We are projecting an increase in demand of 6.2% over the comparable period of the year before—with distillate demand averaging 3,571,000 b/d for the entire heating season. The increase is about in line with the increase in the last heating season after adjustment for degree day differential.[1]

The stock levels in Table II are the balancing items in our projection. The 97.9 million barrels figure shown for the end of the heating season will be equal to about 25 days of 1st quarter demand. This would be the lowest ratio in more than a decade. Thus, the stock levels shown in Table II do not assure adequate supplies in the 1st quarter of 1974. On the other hand, these stock levels would probably be sufficient to minimize a shortage. The question is therefore whether it is likely that the supply projections in Table II will be attained and the demand projections not exceeded. As is shown in the following paragraphs, this is by no means certain. In the absence of specific government actions it may even be considered unlikely.

(1) In the past the industry has estimated the maximum sustained utilization of refining capacity at 92%. This rate has been used in our projection. Currently U.S. refineries are running at a higher rate. In a major attempt to resolve the gasoline shortage refineries during the past several weeks have been operating in excess of 95% of capacity.[2] It is not known how long the industry can continue to operate at this rate. Several refineries that should have come down for normal maintenance were not shut down this summer. Last year the industry experienced several breakdowns. It is conceivable that the stress placed on refineries this summer due to the high operating rates and the higher average sulfur content of imported crudes could result in additional unscheduled downtime during the next eight months.

(2) We have assumed that the '73–'74 winter will be normal. If it turns out to be only 3% colder, demand would increase by more than 75,000 b/d—and stocks at the end of the 1st quarter would be drawn down by an additional 14 million barrels. To make up this shortfall refineries would have to operate at a sustained crude throughput rate of 95%. Since this is unlikely, a heating oil shortage during the first quarter would probably develop.

HEATING SEASON DEMAND—PAD I–IV

	Thousand barrels per day	Stocks end 1st quarter (million barrels)
A. Normal winter	3,571	97.9
B. 3 percent colder	3,648	83.9

[1] The 1972/73 season was colder than the previous one.

[2] Crude runs to refinery capacity excludes NGL's etc.

(3) Even if the weather is normal, our demand projection in Table II could prove conservative. This is due to the uncertainty surrounding the extent of the *natural gas shortage* this winter—and the effect it will have on distillate heating oil demand. Firm gas curtailments[3] last winter (November-March) totaled 565.6 billion cu ft. Based in part on data presented by the Federal Power Commission to the Cost of Living Council it can be projected that approximately 27% of this shortfall was replaced by distillate fuel oil—the equivalent of 26 million barrels. Given an FPC projection of a firm gas shortfall of 670.2 billion cu ft for this winter the equivalent distillate requirement would amount to 31 million barrels as illustrated on the following page.

FIRM GAS CURTAILMENTS, WINTER (NOVEMBER-MARCH)

	1972–73 billion ft[3]	Million barrels	1973–74 billion ft[3]	Million barrels
Met by:				
Distillate	152.7	26	181.0	31
Residual	260.2	41	308.3	49
Other fuels and unmet demand	152.7		180.9	
Total	565.6		670.2	

A large portion of the shortfall last year was met either by other fuels or remained unmet. If customers this winter attempt to have all their needs met and other fuels are not available, distillate demand could be considerably higher than projected, as a result of the firm gas shortfall.

In addition, there is virtually no information on the volume of distillate and residual fuel oil consumed as a result of gas curtailments to interruptible users.

(4) Another problem this winter not generally encountered in the past is that *secondary stocks are currently very low*, relative to primary stocks,[4] and will likely remain so into the heating season. This would affect our estimate of a minimum safe working inventory of primary stocks, since it assumes a normal relationship between secondary and primary stocks.

A survey of the expected stock levels of most East Coast independent terminal operators indicates that they expect to go into the heating season with inventories some 9 million barrels below what they consider normal—about 70% of physical storage capacity.

STOCKS OF INDEPENDENT TERMINAL OPERATORS—DISTRICT 1

[In millions of barrels]

	Sept. 30		
Expected L level	Desired level	Shortfall	Capacity
3.5	12.05	8.55	17.5

On September 30, 1972 the combined stock levels of this group was 8 million barrels which was then considered insufficient for a normal winter. This projected shortfall in stocks is serious since the independent terminal operators account for approximately 25% of District I distillate fuel oil sales (and 40% of New England's sales). In a number of markets distribution facilities are predominantly controlled by Independents. If these marketers are short of oil their customers will be, too, even if the overall level of primary stocks appears adequate. It is for this reason that mandatory governmental allocation of available supplies are required. In the absence of such allocation there is a considerable possibility of sporadic shortages next winter.

(5) Table II projects an *import level of 500,000 b/d* during the six month winter period and while 531,000 b/d did come in during the 1st quarter of 1973, it is likely that a portion of that volume had been stored offshore in expectation that restrictions on imports would be relaxed. Furthermore, European distillate stocks were unusually high last February as a result of a very mild winter. Thus, the record imports of the first quarter are no indication that this level can be maintained throughout next winter.

(6) Another factor which could well impede imports of distillate fuel oil is the statutory *sulfur content* of this product. In a growing number of markets in the Northeast air pollution regulations require a maximum sulfur level of 0.3 or 0.2 percent for distillate heating oil. Next October sulfur levels will be lowered in Philadelphia and both counties of Long Island. U.S. supplies can generally meet the lower sulfur levels without difficulty. However, foreign distillate heating oil—particularly European products—cannot. Most European product has a sulfur level of 0.5% or slightly more. In the first quarter of this year the U.S. brought in 200,000 b/d of distillate from Europe and other Eastern Hemisphere sources of which only about 25% had a sulfur below 0.5%. This winter our demand for this type of product will be significantly higher while Europe's supply will be lower since low-sulfur African crude oil shipments to Europe are on the decline while high-sulfur Middle East shipments are rising, as the following table shows.

[3] Excludes gas curtailments for interruptible gas users.

[4] Primary stocks are those carried by refiners and pipelines. Only primary stocks are reported to the API and are the basis for inventory calculations both by the API and the Bureau of Mines. Stock figure in Table II are primary stocks.

WESTERN EUROPEAN CRUDE OIL IMPORTS

[In million barrels]

	African	Middle East
1970	1,665	2,072
1971	1,415	2,494
1972	1,332	2,950

If the U.S. is to import 500,000 b/d of distillate oil, in excess of 200,000 b/d will have to come from Eastern Hemisphere sources (primarily Western Europe). This can only be accomplished if the sulfur levels of imported distillate could be temporarily raised by means of legal waivers to about 0.5–0.7% in areas where statutory limitations require a lower sulfur content. Since about ⅔ of East Coast distillate supplies will be of domestic origin and, hence, can probably meet the more stringent sulfur level requirements a waiver on the sulfur levels of imports would not significantly increase air pollution.

(7) Another way to increase distillate imports would be to temporarily *relax statutory sulfur levels of residual fuel oil.* The entire increase in residual fuel oil imports into PAD I during the next heating season—about 125,000–130,000 b/d—will be in the sulfur level category of 0.5% and less.

This type of residual fuel oil is qualitatively very close to distillate fuel oil. Most of it is made in Caribbean export refineries from a mixture of 65–75% low-sulfur African crude and 25–35% Venezuelan or other high-sulfur crude. In the second half of last year 450–500,000 b/d of low-sulfur crude oil was imported into the Caribbean for this purpose. This year the volume of this crude oil required to meet East Coast low-sulfur residual fuel oil demand is likely to be 150–200,000 b/d higher, according to industry estimates.

If residual fuel oil sulfur levels in all East Coast areas where the statutory limit is below 1% could be raised to 1% for the heating season, this would permit the importation into the U.S. of significant volumes of distillate heating oil which otherwise would go into the production of low-sulfur residual fuel oil. While it is difficult to determine the magnitude of this volume, a rough estimate would be 100,000 b/d.

The raising of residual fuel oil sulfur levels in the U.S. would also permit the substitution of high-sulfur Middle East crude for low-sulfur African crude in Caribbean refineries, with the result that some of the freed low-sulfur crude could be imported into the U.S. In this connection, the National Petroleum Refiners Association has estimated that 350,000 b/d of U.S. refining capacity is idle because of inability to obtain low-sulfur crude oil, the only usable feedstock for certain domestic refineries. If this capacity could be activated it would yield up to 95,000 b/d of distillate fuel oil.

(8) The *substantial current price differential between imported distillate oil and domestic contract cargo supplies* could also impede maximization of imports.

Historically, imported distillate fuel oil has generally been lower priced than the domestic product. This relationship prevailed until the late fall of 1972. At the beginning of last year's heating season, the landed price of distillate heating oil (ex-duty) ranged from 9.0¢ to 9.5¢/gallon, while the domestic cargo contract price stood at 10.9¢/gallon.

Since last December this relationship has drastically changed. The landed price of the foreign product ranges currently from 21.5¢ to 23.5¢/gallon, while the domestic contract cargo price is 12¢/gallon. Thus, the imported product is now nearly twice as expensive as the domestic product purchased under contract.

Under these circumstances marketers with substantial deficits between contractual supplies and total requirements are reluctant to import distillate fuel oil, since this would render them uncompetitive with marketers able to draw primarily on domestic supplies, such as integrated refiners and their contract customers. The current relatively low level of imports is evidence of this reluctance. More foreign oil could be imported than is actually the case. But despite inadequate inventories, independent cargo buyers are fearful of bringing in a product whose landed cost approaches the prevailing retail price to ultimate consumers.

Permission by the Cost of Living Council to average the cost of foreign and domestic supplies in the determination of resale prices does not significantly alleviate the problem for marketers with a preponderance of import requirements.

In an uncontrolled market prices would tend to rise to the level of imports. Under the existing system of controlled domestic prices this is of course not possible. Thus, the attempt to protect the consumer from price increases may aggravate the shortage, unless a way can be found to distribute the higher cost of imports more evenly among all marketers than is presently the case.

APPENDIX

1972—DISTILLATE FUEL OIL DEMAND

[Thousand barrels per day]

	Quarter—				
	1st	2d	3d	4th	Year
District:					
I	2,040	1,088	736	1,735	1,396
II	1,112	741	623	1,049	883
III	281	238	321	280	278
IV	68	80	83	96	84
I–IV	3,501	2,147	1,763	3,160	2,641

EXHIBIT 4

[From the Oil Daily, July 27, 1973]

GASOLINE DEALERS FACE PRICE SQUEEZE: NEW RULING BARS AUTOMATIC INCREASE

WASHINGTON.—Gasoline dealer representatives have been jolted by an interpretation from the Cost of Living Council on the Phase IV proposed oil price regulations which they say would bar any automatic increase in their pump postings after Aug. 12 for increased prices to them from their suppliers.

Charles Binsted, National Congress of Petroleum Retailers, said this interpretation was given to the dealers by an attorney, Mary Jane Reynolds, in the Cost of Living Council's counsel's office earlier this week.

COULDN'T BELIEVE IT

"At first I couldn't believe it," he said, "but she said that is exactly what the regulations propose."

Miss Reynolds, Binsted said, had told him that the virtual "freeze" on station prices, even if suppliers' prices rose, was inspired by the White House staff who, he quoted her as saying, "believe that station prices are the most visible to the public and must be held down."

She pointed out that section 150.358(A) of the proposed oil price rules clearly states that the ceiling retail price of diesel fuel, heating oil and gasoline for any station "is the actual price paid by the seller for the product sold at that location on Aug. 12, 1973, plus the actual mark-up applied by the seller at that location on Jan. 10, 1973, to the cost of the same product."

PASS-THROUGH

There is no provision, she pointed out, for automatic pass-through by dealers of higher prices charged dealers after Aug. 12.

The only upward price adjustment that the price rules permit dealers—usually unbranded dealers—to make is for higher-cost foreign gasoline they import with tickets from the Oil Import Appeals Board. In such cases, they can weight the average of their domestic and foreign product and then add their actual cents-per-gallon mark-up as of Jan. 10, 1973.

Miss Reynolds, Binsted noted, said that the Cost of Living Council would hope that since station prices cannot automatically be raised, if suppliers' or jobbers' prices to stations are raised, suppliers or jobbers will be deterred from raising prices to their station customers.

"WE CAN'T BELIEVE IT"

"This is driving us right up the wall," Binsted said. "We can't believe it. But, that's what she said."

Pressed for an explanation of how dealers could appeal for higher price postings after Aug. 12, if suppliers prices to dealers were increased, Binsted said Miss Reynolds explained that one provision of the general price regulations for Phase IV provides for "periodic" checks by agents of the Internal Revenue Service and implied some adjustments might be permitted after such checks.

Binsted said the dealers in many areas where there were price wars in January this year are also put at a great disadvantage because their margins then were depressed but now the price rules proposed by the government would freeze them at those margins.

He said this was unfair and would also have to be changed.

MORE DETAILS SOUGHT

Binsted said that some 300 dealers and their representatives attended a panel hearing with CLC here Tuesday sought by the dealers for more details on the proposed oil price rules.

But, the higher-price pass-through issue was not raised then, because the dealers were unaware of that issue.

The dealers have been on Capitol Hill pleading for relief and have pressed their case with GOP house leader Ford, Mich., and others—including Sen. Hart, D-Mich., Congressman Conte, R-Mass., and a number of others. It is uncertain yet what the congressmen or senators can do for the dealers, however, if the CLC stands firm.

[From the Washington Post, July 31, 1973]

UNITED STATES WEIGHS SHIFT ON OIL ALLOCATION

(By Peggy Simpson)

John A. Love, White House energy chief, said yesterday that oil company compliance with the voluntary petroleum program has deteriorated noticeably in the past three weeks.

Love said he hopes to announce a decision this week on whether the program will be replaced with a mandatory system.

Love, former governor of Colorado and now director of the President's energy policy office, told a House Banking subcommittee that no decision on a mandatory program has been made yet.

"There has been a noticeable deterioration in the compliance of most oil companies in the past two or three weeks," he said. "Some companies have given formal notice that they do not intend to comply further with the voluntary petroleum allocation program."

Since mid-June hearings which revealed that some companies were not complying with the guidelines, Love said that several major oil companies have notified his office they can no longer comply.

He said companies such as Sunoco, Phillips, Cities Service and Gulf had delayed plans to withdraw from various marketing areas in order to comply with the various allocation plans.

But he said, they have recently notified him, "they will continue to withdraw unless mandatory provisions are imposed."

Of the 2,646 cases of fuel shortages the energy office is reviewing, 17 pertain to mass transit.

He said active cases are increasing at the rate of 235 a week. The complaints are di-

vided into three broad areas—marketers without ample supplies of gasoline, purchasers of bulk wholesale quantities who are complaining about price increases and agricultural producers.

Love said he is still weighing the options now open including retaining a revised voluntary allocation program, adopting a half mandatory and half voluntary program or adopting a fully mandatory system for all of the industry.

In answer to questions he said he did not believe the oil companies had conspired to restrict supplies or raise prices.

"I am convinced the dimensions of the energy problem far exceed anything the oil companies did or did not do," Love said, and added that the problems stem partly from a growing consumer consumption and a fall-off of energy production.

"If people see the problem as some sort of plot they will fail to see the real dimensions of the energy situation," Love said.

He said even if the Alaska oil pipeline is built, he doubts that oil imports can be reduced because the demand is growing so strongly.

HILL PUSH GROWS FOR ALLOCATION; LOVE PROMISES DECISION SHORTLY

(By Jim Collins)

WASHINGTON.—A congressional, and administration, showdown on whether mandatory controls should be imposed on allocations of crude oil to refiners and products to marketers and consumers was clearly in sight at the weekend.

Sen. Jackson, D-Wash., who pushed through detailed mandatory, oil allocation legislation more than a month ago was growing increasingly impatient at the weekend with what he considered "foot-dragging" by the White House on this issue.

Jackson, it was learned, was planning to attach the substance of the mandatory allocation in S-1570—passed overwhelmingly by the Senate June 5—as an amendment to a House-passed bill which is now before the Senate.

QUICK ACTION SEEN

If he succeeded in this, approval after conference of the oil allocation plan in such a bill, would write it into law quickly.

Jackson pressed Nixon energy advisor John Love at a hearing Thursday on promulgation by the administration of a mandatory program quickly, under authority the President already possesses in the Economic Control Extension Law.

The Washington-state senator may also have his eyes on efforts by a potential Democratic rival for the White House in 1976—Sen. Edward Kennedy, D-Mass., who chaired a hearing Friday before the Senate antitrust subcommittee to press Love and other administration officials on a mandatory oil allocation program.

MAY NOT BE TOTAL

Love told Kennedy that he expects to issue a program "the first of the week"— but there was no positive assurance on Friday it would be a totally mandatory system.

Love said he had only been on the job full-time for 10 days and he wants to make sure that the allocation system finally promulgated does not make the situation worse on oil supplies and distribution.

Kennedy cited problems New England fuel oil dealers are having filling storage for next winter. He said they have only about 350,000 barrels now but need about two million barrels to meet anticipated winter demands.

MALDISTRIBUTION

Love agreed there are problems facing the independent fuel oil dealers, but he pointed out stocks "overall" on the East Coast appear to be in good shape. He said the independents' stock shortages were the result of "maldistribution."

Love said that what he is aiming at is improving supplies to the extent possible, as quickly as possible.

He said there are "debottlenecking" steps that can be taken at refineries to increase output, and that an effort will be made to get independent refiners more crude oil.

SAFETY VALVE MEASURE

Love said the administration is also examining possible steps to increase imports of finished products, which he said would be the safety valve possibly available to meet requirements, after all refining capacity that can be used is supplied with the feedstocks available in the U.S.

The former Colorado governor said that when he was the chief executive here before resigning recently to come to the White House he had imposed an allocation system based on 1972 distribution patterns—but that did not accommodate any growth in demands, and growth has been rapid this year.

He said priority requirements of petroleum products are also an important element of any allocation program adopted, and "everyone thinks he is a priority consumer."

RESHUFFLING SUPPLIES

But Love warned that an allocation program cannot increase supplies, all it can do is reshuffle available supplies among competing consumers.

Love said he is also in touch with the Cost of Living Council to make sure that oil price rules proposed by that agency do not get in the way of increasing supplies, or create distribution problems.

He said short-term relief on the fuel oil situation might also be achieved by modifying fuel-sulfur rules, particularly for electric utilities, and this is being closely studied at the White House.

PROBLEMS IN CALIFORNIA

Love said his main hope and purpose is to avoid a consumer rationing program. He pointed out that Sen. Tunney, D-Calif. (a close friend of Kennedy's) had warned that if gasoline rationing were imposed in Los Angeles the government "would have to call out the National Guard to enforce it."

William Simon, another witness Friday before Kennedy, provided the most definitive statements at the hearing.

Simon outlined the background of the shortage of petroleum products, particularly gasoline, and the problems faced by independent refiners, distributors and dealers.

INDEPENDENTS VITAL

He said the independents "have had a healthy influence on the petroleum industry" making it possible for consumers to buy gasoline at lower prices.

And, he said the gasoline shortage has hit the independents the "hardest," with independent refiners no longer able to obtain adequate crude supplies.

Simon said that hundreds of independent gasoline stations have been closed down across the country and those that can buy foreign gasoline find it available only at much higher prices, which hurts them competitively.

MAJORS DEFENDED

Simon defended the majors, however, against charges of holding down prices to squeeze the independents.

He took issue with the Federal Trade Commission staff report on the major oil companies which had suggested that in a normal competitive market the cure would be for prices to increase—but the majors had not increased prices in order to "eradicate the independent market sector."

Simon said that "it is worth pointing out what the major oil companies have been doing in regard to pricing of gasoline is simply following price control regulations. Generally speaking, the price controls during Phase II applied to major companies, but did not affect independents."

FTC COMPLAINT

Simon also asserted that the FTC's complaint against eight major oil companies, which FTC officials say is aimed at a "significant divestiture" of refining and production operations from marketing, "gives me great concern because of its implications for domestic energy supply in the future."

He said antitrust policy was a little out of his line as deputy treasury secretary and chairman of the Oil Policy Committee "but I am most concerned about our nation's petroleum needs and how best to get through the immediate situation facing us."

He said one of the primary problems now is the shortage of refinery capacity, "and I believe that this shortage could be made worse by divestiture."

Simon made these other points:

WIDESPREAD WILLINGNESS

1) There has been "widespread willingness" within the industry to participate "in some form of allocation program."

2) Many companies are "genuinely trying to cooperate, although particular features of the (voluntary) program pose difficulties and, for this reason, different allocation schemes have been adopted by companies.

3) The voluntary program is confronted with "some legal and supply difficulties."

4) Some companies can't fully comply because of prior contracts and others simply do not have enough crude or products to meet base-period requirements.

IMPROVED PLAN NEEDED

5) An "improved" allocation program is needed, "possibly with some mandatory features."

6) The options now available to Love and the administration are (1) retention of a voluntary program with modifications, (2) a partially mandatory-partially voluntary plan, or (3) a fully mandatory program covering all segments of the industry.

Simon said that in considering a mandatory program the objectives would be:

SELF-ADMINISTERING

To make it "self-administering," so far as possible.

Avoid conflicts with existing business practices or contracts.

Develop separate programs for crude oil and products and LPG.

Provide priorities for various essential users of products and LPG.

Pre-empt various state and local allocation plans.

FORCE MAJEURE PROVISIONS

Permit force majeure provisions in contracts to become operative, to end, where necessary, existing contractual obligations.

Avoid "forcing" a supplier to sell crude oil or products "below cost," so it could not be legally challenged as "confiscatory."

And imposition of sanctions for those companies who refuse to comply with a mandatory program, "as well as incentives for those companies agreeing to comply with it."

[From the Oil Daily, July 27, 1973]

LOVE PUSHED FOR ALLOCATION DECISION—MAY COME AT END OF WEEK

WASHINGTON.—Sen. Jackson, D-Wash., chairman of the Senate Interior Committee, Thursday pressed John Love, President Nixon's energy advisor, to issue as quickly as possible a mandatory system of oil allocations.

Love, appearing to talk about establishment of strategic oil reserves in the U.S., said the matter was being given intensive study, and the program might be issued later this week or early next week.

Love said there were serious issues involved

which still have to be settled, however, before the program can be issued.

FUEL OIL DEFICIT

Jackson also cited a study of next winter's fuel oil deficit, prepared by John Lichtblau, Petroleum Industry Research Foundation, Inc., who recommended maximizing imports of crude and products with a pass-through of higher prices and easing of sulfur restrictions on fuel oil.

Jackson tossed the ideas at Love for his comment, but he had little to offer.

The senator said he personally favors easing the fuel-oil sulfur controls and hopes this will be given careful study by the administration.

DEALER PRICE PROBLEMS

Jackson also cited price problems service station dealers would have under the proposed Phase IV price control system on petroleum, which he pointed out would hold dealers' margins to those existing on Jan. 10, 1973, which may have been depressed.

Jackson said he had just sent a letter to Cost of Living Council director Dunlop, urging the CLC to reconsider its proposal for a Jan. 10 ceiling for dealers, asserting that "it is urgent that the U.S. maintain a competitive structure in the gasoline marketing industry."

He told Dunlop price competition has all but disappeared since gasoline supplies have tightened and the independent marketers' source of supply "have been cut in half."

NEED FOR RELIEF

He also told Dunlop the marketers which deserve some relief and not further government regulation will have the effect of driving many out of business and reducing competition.

He asked Dunlop to send him a full report on the CLC's rationale regarding dealer margins and "permissible cost pass-throughs" by July 31.

He told Dunlop that hearings on this and related questions may be held by the Interior Committee next week.

Jackson said he had conferred with station dealer representatives Wednesday about their problems—but he did not mention one of the prime beefs right now, which is that they apparently would be frozen at their Aug. 12 prices, plus margins, for purchases from suppliers, even though suppliers' prices to them rose after Aug. 12.

Mr. MOSS. Mr. President, I firmly support this amendment even though it does not go as far as I would like to see it go. When the Senate passed S. 1570, an amendment which I offered to protect independent dealers and branded dealers from the predatory practices of their suppliers, was added by the Senate. This amendment would have provided for the protection against arbitrary termination and cancellation of franchises for the branded people, and would have prohibited discriminatory practices in dealings with the independents.

No comprehensive petroleum industry plan is going to work until each member in the distribution chain is adequately protected from the discriminatory practices of his suppliers.

But, since it is the intent of the amendment which we currently offer to act solely as an interim measure, I can well understand the need to make the mandatory allocation amendment as clean and concise as possible in order to gain swift House concurrence. I would think it would be a great tragedy if we were to adjourn this weekend, some 3 months into the gasoline shortage, without Congress taking the necessary step to protect the American people through allocation of petroleum product supplies.

At least, should the House act on S. 1570 before adjournment this fall, adequate protection would exist so that our winter fuel oil shortage and next spring's gasoline shortages will be manageable and the burdens minimum.

Mr. President, I join with the Senators from Washington in moving the adoption of the mandatory allocation amendment.

Mr. MAGNUSON. Mr. President, last week, the voluntary petroleum allocation program, resolved 259 cases. That sounds fine. But last week, the voluntary petroleum allocation program received 319 new, active incidents of fuel shortages. While some might consider the 34-percent success rate in resolving cases as a bright note in this voluntary program, I consider the 66-percent failure rate as a sad commentary on the voluntary program and as a call for mandatory allocation now.

I do not know how long the current energy czar, John Love, is going to wait to implement a mandatory program. He has been around now for about a month. Since the tenure of several other White House energy czars has not been much longer than 1 month, we will probably have a change in leadership before a mandatory program is ever implemented.

It is somewhat ironic that the State worst hit by gasoline shortages is the State of Colorado, the State that John Love left 1 month ago to become energy czar. According to the Office of Oil and Gas, most Denver service stations open early in the morning and sell their day's quota by noon. This results in the unavailability of gasoline for motorists in the afternoon and evening. It is reported that one-quarter of Denver's gas stations have closed down completely. The Yellow Cab Co. in Denver, which transports some 7,000 passengers a day, will have to close down in a few days since their supplier has told them that they would only have 1 more week's gasoline available.

And out on the west coast, out our way, with our reservoirs down, the problem of blackouts exists, as we may not have enough hydroelectric power. The utilities, threatened with natural gas shutoffs, are going to have to use fuel oil to power generators this winter. It was reported last week that one large utility is going to burn crude oil in order to avoid depending upon refineries for manufactured fuel oil.

The whole attitude has been "'every man for himself." That is wrong. If we are going to have to pull through this together, let us get together and pull. Let us stop this silly voluntary plan in which there is no enforcement and an excessive failure rate, and get on with a mandatory program petroleum allocation.

Mr. McCLURE. Mr. President, I am very pleased to rise in support of H.R. 5777 and urge its passage. I commend the senior Senator from Indiana for his introduction of the measure in the Senate and commend the members of the Commerce Committee for reporting this bill favorably. Protection for America's hobbyist is long overdue. I have heard from one hobbyist after another about the problem of unmarked coin replicas and several numismatic publications have editorially cried out for quick congressional action to curtail one of the numismatic hobby's biggest problems—the traffic and distribution of deceptive fakes and replicas of both United States and foreign coins.

I am proud to be a cosponsor of this bill for, while a Member of the House of Representatives I introduced similar legislation to protect coin collectors against misrepresentation of rare coin reproductions. H.R. 5777 clearly accomplishes this aim by requiring any imitation numismatic item to be plainly and permanently marked "copy." Collectors have had a problem with replicas purchased in a package, and only the package indicating that the coins were imitations. When the coin is removed it is not possible to distinguish it from the original, and some fraud has occurred, because the coin itself was not clearly marked as a copy.

Chester Krause, publisher of the Numismatic News Weekly, in a statement before the committee on February 28, stated the problem clearly when he said that—

> The problem of the numismatists is that obsolete monetary issues from throughout the world, and the American colonial period, are not subject to counterfeit laws. Neither are trade, token or commemorative medal issues, nor obsolete paper money obligations circulated in 19th century America by private firms and banks, all of which fall within the numismatic realm.

Mr. President, passage of this bill would not only plug a loophole in the law and prevent fraud upon the unwary coin collector, but, more important, preserve the integrity of the coin-collecting hobby.

Now, Mr. President, I commend the Senator from Washington for bringing this much needed measure to the floor at this time and in this form.

Certainly, the question of mandatory allocation of supplies is a controversial matter. I do not think any of us welcome the idea that Government must somehow interfere in the usual market distribution in this way. It is with reluctance that many of us have come to the point of accepting the need for mandatory allocations of supplies.

I have said this so often, I hesitate to repeat it. Mandatory allocation does not increase supplies. It really distributes the shortages in a way which may be more equitable for all segments of our society. So I think there is a need for this kind of program.

The voluntary restraints have not worked as well as we had hoped they might, and they have not worked for a number of reasons. One major reason may be that there are antitrust constraints upon the companies that distribute supplies, and they find it difficult to consult together in order to make allocations. So they need legislation of this kind to assist them in making allocations and to be able to sit down with the Government planners who will allow the kind of rational allocations that they otherwise could not make.

The second major reason is that they

have contract commitments which they find difficult to break. I know that some of the energy companies have indicated that they are reluctant and that their legal departments have indicated to them that there is a legal hazard to them to divert supplies from contracts they have signed in order to relieve shortages which they recognize exist.

I know and I have been critical of a number of the attempts that have been made to allocate supplies. I know that some areas of our country are short of supply. It is my firm belief that unless we have some allocations of a mandatory nature, those shortages will continue to plague some areas of our country.

I have been challenged upon a number of occasions to prove there was a shortage to the agricultural economy in my area of the country. I can prove it. I had a staff man today talking to a number of distributors and farmers in my State with respect to whether or not they were actually short of supplies. It occurs in two ways. A farmer told me he has been out of gasoline twice in the last 2 weeks for 2 days each time. Another farmer said he was not short; he simply goes out to his hay baler and gets gasoline, gets another supply, and goes back to the baler. He does it, because he cannot get a delivery to his farm, and the reason he cannot is that he had last year a source of supply from a supplier now out of business, because the distributor cannot get supplies.

So there are these shortages that are plaguing the agricultural economy of our country and it requires the kind of allocation this proposal has.

With respect to the FTC report, I have been critical of the FTC, and I do not necessarily buy all the conclusions and innuendoes in the FTC staff report. But I do think it requires a look at it, and despite that fact, whether I agree with the staff report or not charging collusion and monopoly practices in the industry, the shortages do exist and as they do exist, regardless of the reason, they must be dealt with. That is another reason why the mandatory program is necessary.

Mr. President, I have one question for the Senator from Washington with respect to the priorities of allocation. On the third page of the amendment, starting at line 5 and going through line 4 of the next page it lists a number of considerations in the allocation of fuel supplies. I take it from the fact that agriculture and some others are mentioned in the third listing, that this is not intended as a numerical listing of priorities. Is that correct?

Mr. JACKSON. The Senator is correct. They are not listed in the order of priorities. It is an attempt to state objectives and to identify specific problems we know that affect in a substantial way the public.

Mr. McCLURE. In the past we have indicated there were priorities such as agriculture and transportation, being fundamental to the food supply, as No. 1 priorities, in a quota sense.

Mr. JACKSON. I would say to the Senator that this legislation is being offered in a context of growing food shortages. It is offered in full recognition of all the problems that we are keenly aware of in connection with shortages that have occurred, especially those concerning petroleum supplies on the farm. Therefore, as far as agriculture is concerned, it is obvious to me that in the listing of agriculture as an objective and as a priority the administrator will certainly want to focus very sharply on that aspect of our economy.

Mr. McCLURE. I am certain that is my understanding from the discussions I have had with Governor Love and others within the administration. I know without any question they share that sense of urgency with regard to the agriculture and transportation segments of the industry, and, in general, some of the other problems outlined in the amendment. But I think the record should show we do not intend that we take these in numerical priorities as items we are urging. They are items that demand attention in any allocation. I share that thought with the Senator from Washington.

I know too, while Governor Love stated publicly on a number of occasions he is opposed to mandatory allocations, the administration shares the urgency and they are trying to develop a rational program for meeting the petroleum requirements of industry and various segments of our society. I do not think this amendment now being offered is in conflict with the goals they have stated and upon which I know they are working.

Governor Love was before the Senator's committee this morning, the Committee on Government Operations, talking about a different matter, the proposed reorganization of government in the Department of Energy and Natural Resources. But it was striking that the majority of the discussion among Senators and the majority of questions with respect to the very broad question of governmental reorganization dealt with this problem of energy resources and allocation of supplies in the country today.

It is a very serious problem. For that reason I am pleased to join with the Senator from Washington in sponsoring this amendment. I commend him for bringing it up in this session.

(At this point Mr. BARTLETT assumed the chair.)

Mr. JACKSON. I thank the Senator. I do want to say there have been honest differences of opinion about voluntary versus mandatory allocation programs. This is understandable. I do not think any of us like the phraseology "mandatory." It sounds compulsory. I find, however, that some of the people in the White House and in the administration who previously opposed a mandatory approach are now thinking that we must go the mandatory route, because the voluntary approach is not working.

The article to which I referred quoting Governor Love I think brings home the problem facing Governor Love—the voluntary approach is simply not working.

I do not know Governor Love's private position on this, therefore, I shall not comment. I have an idea what it is, but I will reserve comment on it. However, other high officials in the administration want to move on a mandatory program. I think they recognize there are two major problems: One, there is the problem of sanctity of contracts. For the benefit of the Senate, I ask unanimous consent to have printed in the RECORD page 7 of the committee report on S. 1570 which passed the Senate last month. The report states the six reasons why a voluntary program would not work and why a mandatory program is necessary.

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

REPORT ON S. 1570

A mandatory program is necessary on the following grounds:

(1) *Compliance.* Adherence to a voluntary program is certain to be uneven and to be limited by its cost or inconvenience to individual companies. The more serious fuel shortages become, the greater the possible gains to a particular producer or refiner from non-compliance.

(2) *Equity.* A voluntary allocation program penalizes cooperators and favors non-cooperators. Its cost will be greatest to the most public-spirited (or public relations-sensitive) firms.

(3) *Coverage.* A voluntary allocation program is unlikely to provide an equitable geographic distribution. Both the structure of distribution and the allocation policies of States that are self-sufficient in petroleum will tend to exacerbate regional imbalances unless Federal allocation policies are binding upon producers and refiners.

(4) *Credibility.* An allocation program that depends for its implementation upon the private decisions of the major oil companies, and which is adhered to selectively according to their respective convenience, will not generate maximum public confidence, but will exacerbate the inevitable public resentment over whatever distribution of shortages results from the program.

(5) *Competition.* Under a "voluntary" program, if it is to be effective, producers and refiners must be encouraged to cooperate or coordinate their policies in ways that are ordinarily proscribed in the antitrust laws. The Administration proposals released this month, for example, permit and possibly require if they are to be effective, the allocation of customers and market areas among refiners, and permit the major integrated firms to fix prices on crude oil sales by independents, by keying the latter to "posted" field prices. The encouragement of such practices, however temporary, would undoubtedly have some lasting effect upon market structure and upon competition.

(6) *Lawfulness.* In numerous decisions, the Federal courts have established the principle that encouragement by a Federal administrative or regulatory agency of a proscribed form of market structure or of proscribed economic behavior does not create either civil or criminal immunity from the antitrust laws. To the extent that any voluntary allocation program encourages actions such as market sharing or price fixing that are otherwise illegal, it exposes both the cooperating companies and the program itself to lawsuits.

Mr. JACKSON. The other problem, as my colleague knows, relates to antitrust problems. We have not covered antitrust issues in this amendment. It was an emergency move. It is my hope that when we pass this amendment the House will accept it before the recess and then proceed in September with S. 1570 which is pending in the Committee on Commerce in the House. I have been informed that the committee intends to act on that legislation after the recess. In the meantime, during the August recess the coun-

try faces some very bad situations without this amendment. It is for those reasons that I have introduced this amendment to this bill. I think there are reasonable grounds to believe that the House will accept the amendment and that it can be placed on the President's desk for signature.

Mr. McCLURE. I wish to add that certainly no one would understand that a mandatory allocation program solves any of the short-range or intermediate-range or long-range problems of energy supplies. But it is one of the moves we will have to take necessarily, because of the national crisis in which we find ourselves, that will unjustifiably and inequitably destroy individuals as well as cause distortions in the economy, and which could be avoided in the very short term by a mandatory program.

Mr. JACKSON. It is the lesser of evils.

Mr. McCLURE. I agree with the Senator.

Mr. JACKSON. Anytime one has to deal with shortages it is an unpleasant task. The biggest problem we face is how to solve the problem of shortages in a very complicated industry, the oil industry.

How do we move crude oil and petroleum products from one area of the country to the other when they are subject to a myriad of contracts? This raises all sorts of legal problems for the administration, the industry, and for the independent operator. That is one of the problems we are trying to handle in this amendment. I think we have experimented long enough on a voluntary approach. Governor Love has conceded the problems. Obviously it has not worked. In his hometown of Denver, Colo., there is a classic crisis in which they are having a continuous series of problems by reason of a lack of adequate distribution of petroleum products.

Mr. President, I ask unanimous consent that the distinguished junior Senator from Delaware (Mr. BIDEN) may be added as a cosponsor of the amendment.

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

Mr. McCLURE. I thank the Senator from Utah for yielding me this time.

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

Mr. MOSS. I am happy to yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, are we on a time limitation?

The PRESIDING OFFICER. No, we are not.

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

Mr. MOSS. I am glad to yield to the Senator from Oklahoma.

Mr. BARTLETT. I would like to ask a few questions of the Senator from Washington. First, is this proposal similar to or identical with the proposal he introduced sometime ago as a fuel allocation bill?

Mr. JACKSON. I am sorry. I was distracted for a moment.

Mr. BARTLETT. The question is, Is this proposal identical with or similar to the proposal that was adopted by this Chamber earlier this year, sponsored by the Senator from Washington?

Mr. JACKSON. It is similar to it in that it is a stripped-down version of S. 1570. S. 1570, as adopted had a number of floor amendments that were not directly related to mandatory allocations and, second, S. 1570 did cover the antitrust problem. The amendment I propose today does not cover the antitrust situation, the reason being that the Members on the House side are now holding hearings on S. 1570, which includes the antitrust matter, and they want more time to consider the matter. Therefore, the amendment I have offered is an effort to try to measure up to what they would agree to on a concurring basis without requiring further hearings in the House or a conference. I would like the House to concur in and accept this amendment.

Mr. BARTLETT. I would like to ask the distinguished Senator from Washington and our distinguished chairman a further question. Does this amendent provide for abrogation of contracts, as did the other proposal?

Mr. JACKSON. It covers abrogation of contracts. When I say "stripped-down," what we have done in order to achieve the basic objectives, other than the antitrust laws, contained in S. 1570, it to delegate the power and direct the President to establish a mandatory program. This is the only way we could do it in a bill reduced to its essentials. So while we have a series of specifics in S. 1570 the bill we passed on June, 1973, and which is pending in the House, we have a broader delegation of authority to the President in the proposed amendment.

Mr. BARTLETT. I would further like to ask the distinguished Senator: Does this amendment give any options to the President, or does this mandate directly a fuel allocation program without any options on his part as to when it might start?

Mr. JACKSON. It requires that there be a mandatory program in effect 25 days after enactment. Within that time the President has broad authority to determine how that mandatory system will work; but it is a mandatory system that becomes effective within 25 days to achieve, of course, the objectives set out, starting—if the Senator has a copy of the amendment there——

Mr. BARTLETT. I do not have it before me. I did not receive one.

Mr. JACKSON. I will see that the Senator has one. I will give him a copy.

Starting on page 3 of the unprinted amendment, he has broad authority, subject to the achievement of the objectives which are set out on line 21, section 103. The specific areas that relate to objectives and I indicate to the Senator from Oklahoma that they are not set out in a priority order. These are objectives they want to achieve and what they should do.

Mr. BARTLETT. Do I understand the distinguished Senator correctly that the allocation program would have to be initiated by the President within 10 days after enactment of this act?

Mr. JACKSON. Yes; that is correct.

Mr. BARTLETT. And that, further, it would cover all crude oil and all refined petroleum products?

Mr. JACKSON. There is written in there—I think the Senator has that—"in amounts based upon historic supply relationships to the extent practicable and equitable." So there is discretionary authority.

Mr. BARTLETT. In other words, the President, then, must within 10 days of the enactment of this act, put into effect a mandatory allocation program for crude oil and refined products under certain conditions of relationships, and so on?

Mr. JACKSON. I wanted to add, if the Senator will look down on line 1, right under that——

Mr. BARTLETT. I see that.

Mr. JACKSON. Such regulation shall take effect not later than 15 days after promulgation. So we are saying, really, that the effective date would be about August 25.

Mr. BARTLETT. Because the distinguished Senator modified an amendment of mine concerning the exemption of stripper production from provisions of the Economic Stabilization Act and from fuel allocation provisions, would be receptive to an amendment to his amendment to that effect, using the language that was offered by the distinguished Senator from Washington in that modification?

Mr. JACKSON. As the Senator knows, I am in sympathy with and support what the Senator is talking about, but if we put that in this amendment, there are other important amendments a number of Senators will wish to put in the bill. The House will then not accept the bill and we will defeat what we are trying to do.

I will assure the Senator that, in connection with the amendment in S. 1081, the so-called Alaska pipeline bill, I shall do everything in conference to see that it is retained. As the Senator may know, I believe the House granted a rule today on the so-called Alaska pipeline bill and it will come up for debate on Thursday. Hopefully, the staffs will be able to work on the differences during the recess, and we should be able to complete the conference the first week we return in September, so that we can get the bill to the President early in September. We will do everything we can to see that the Senator's amendment, as modified, will be in that conference report.

Mr. BARTLETT. Mr. President, I would like to observe to the distinguished Senator from Washington that I think this would be a very appropriate place in that on page 3 we have the language the Senator has already covered in pointing out the mandatory allocation of crude oil. This would cover all crude oil. It would seem that this would be a logical step to follow the point the distinguished Senator made in his opening remarks when he cited the importance to the consumer and to the producer of shortages, that we have reference not only to the consumption of crude oil products, but also of meat products where the price is such a controlling factor.

I believe the distinguished Senator from Washington is aware that there are many in the business of agriculture

who consider price to be a very controlling factor, equal to that of supply as far as crude oil is concerned.

As far as the refined products of crude oil are concerned, I would like to ask the distinguished Senator, referring back to his remarks, if an exemption in the case of stripper oil production is not made, might it not very well result in the replacement of that oil by the refined oil and thus result in an increased cost of at least $1 a barrel and result in the plugging of our reserves of crude oil which are in very short supply in this country?

Mr. JACKSON. Mr. President, I am very sympathetic to what the distinguished Senator from Oklahoma has to say. However, the problem before the Senate is not that particular situation. The problem that is facing the Senate is what the House will accept in the way of an amendment to the pending bill.

I have been in touch with Members of the House. I have given my commitment that we would confine the amendment to a stripped-down mandatory bill. They do not want a broad bill on an emergency basis. We should bear in mind that under the procedure in the House—and this is the key and I want my good friend to understand, that the procedures in the House are totally different from those in the Senate in this respect—the procedure would be that in order to concur in a Senate amendment, the mover must get unanimous consent. So, any one Member of the House can object and that will kill the motion to concur in the amendment I am offering.

The only alternative left under the House rules would be for the mover to ask for a rule from the Rules Committee if we start to load this measure down with any amendment. And I have attempted to work with the House committee on this. We would kill the measure if we were to agree to such an amendment. I do not want to take the responsibility for this.

I am fully sympathetic with the position of the Senator, and I have assured him that I will do everything I can to see that the amendment is retained in conference on S. 1081. I do not say that in an idle way. I repeat that his amendment will be considered the first week in September, assuming that the House acts on Thursday and Friday as I understand they will, on the Alaskan pipeline bill.

If this amendment is accepted, we will be back where we started with in S. 1570.

Mr. President, I hope that explains the parliamentary situation.

Mr. BARTLETT. Mr. President, I would like to comment to the distinquished chairman that I think he knows that I have very high regard for his assurance to me personally and as a Senator representing the State of Oklahoma.

I appreciate his interest in this particular area, because it was his modification of my amendment that was almost unanimously accepted.

I think the distinguished chairman knows that in discussions we had in the Committee on Interior and Insular Affairs, I did favor the stripped-down version of the fuel allocations bill. I think the distinguished chairman also knows that I did feel very strongly that one concern with the fuel allocations program, which does not have some exemptions, such as for stripper wells, can become counter-productive, as the Senator cited in making the comparison with crude oil.

In the absence of shortages, there will be a strong inclination to program and prevent any natural increases of prices that are necessary in order to provide a sufficient supply. There has been much talk about shortages, influenced by all of us, including myself. I realize that this proposal is intended to allocate those shortages fairly across the Nation. But I think it is also important for us to be concerned with supply and to have an opportunity, at least, for a small segment of domestic production to have a marketplace function, so that we can provide the independent, small business men, of whom there are still thousands, fortunately, that extra long term to find more oil.

I certainly support the chairman's interest and his proposal for research and development. This is, of course, a longer range approach. Their approaches are shorter range and will deal with the Nation in the immediate future, where there are problems of immediate shortages.

I should like to offer such amendment, and I hope that the distinguished Senator would reach this conclusion. Certainly I recognize that the distinguished Senator is knowledgeable in the area of relationships between the House and the Senate. I have no such knowledge. I would guess and would venture that this amendment, if it proved to be acceptable to the Senate and unacceptable to the House, could be taken out in conference if it were going to be a burden to this particular legislation.

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

Mr. BARTLETT. I yield.

Mr. JACKSON. Again, I wish to emphasize the procedural problem. We have no intention of going to conference on this measure. If we go to conference, the amendment is "dead."

The amendment that the Senator referred to, and which is now pending on the House side, is in S. 1081, the bill that we passed by such a wide margin in the Senate. That bill will come up on the floor of the House on Thursday.

The only reason my amendment is being offered to this bill is that we discussed it with the leadership and with the House Committee on Interstate and Foreign Commerce, and they are willing to accept it. If they do not accept it, that will make the effort here in vain. It is that simple.

I should like to have the antitrust amendment from S. 1570 in the pending amendment, but the House Members want more time on the antitrust amendment, which is now pending before the House Committee on Interstate and Foreign Commerce. So we stripped down from the bill we passed, S. 1570 the essentials and incorporated them into an amendment that would be acceptable to the House Members. If they will accept it, then the bill will go directly to the President, hopefully tomorrow. It is a procedural problem we face.

Mr. FANNIN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JACKSON. I yield.

Mr. FANNIN. Mr. President, I ask unanimous consent that Mr. David Stang, of the staff of the Committee on Interior and Insular Affairs, be accorded the privilege of the floor during the debate on the bill.

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

Mr. BARTLETT. Mr. President, first I should say that I understand a little more clearly the expeditious manner in which the Senator from Washington hopes to move with this amendment to the bill.

But let me ask the Senator this question: Is he saying that this stripper well amendment is unacceptable to the House, or that he does not know whether it is acceptable or not?

Mr. JACKSON. I cannot answer that. I have an understanding that they do not want to go beyond the language contained in the amendment that I have offered. We had a lot of other things in S. 1570, as the Senator knows. A number of other Senators offered amendments that were adopted.

One amendment that is very important, which I had hoped they would go along with, deals with the antitrust problem in connection with allocations. The House wants more time to study and to offer amendments. So I did not include that provision in this particular amendment.

This amendment contains what they would be willing to concur in. We are trying to avoid going to a conference. We are trying to avoid delay. We are trying to make it possible, before we leave for the August recess, for the President to have in his hands the tools to implement a mandatory allocation program.

Without this legislation, the President cannot, under existing law, force movement of oil from areas of surplus to areas of scarcity. He cannot abrogate contracts. This amendment makes it possible to preempt the right to contract if necessary, just as the mandatory allocation that passed the Senate last month provided.

This is why the voluntary program is collapsing.

Mr. PASTORE. Mr. President, will the Senator yield? Do I understand it is also to give the President authority to fix prices?

Mr. JACKSON. No, we do not give him that authority. He has that authority now under the Economic Stabilization Act.

Mr. McCLURE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. BARTLETT. I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, my understanding of the situation is that there is the bill pending in conference between the House and the Senate. That is already there. The bill we acted on earlier will require a conference. There is no possibility of having that done before we leave; the only possibility we have is to do something relatively simple, that has

the possibility of getting passed before the end of this week and being sent to the President.

My understanding is that that other bill could be solved in conference as rapidly as this one could be solved in conference, and I wonder if the Senator from Washington might not agree with the statement that to go to conference on this one would consume as much time as going to conference on the other bill.

I would also assume that if we pass this legislation now, and it is signed into law, and then later on we go to conference on S. 1570 and that becomes law, those more comprehensive provisions of the bill we have already passed would supersede this action. Is that correct?

Mr. JACKSON. The Senator is correct.

Mr. McCLURE. So this is temporary?

Mr. JACKSON. This is an interim, emergency measure to try to deal with a special problem that is very important and very complicated.

There are two major problems in trying to do equity to the American consumer on petroleum products under the existing circumstances. I want to repeat this: It is fine to talk about equitable distribution of oil throughout the country. The problem arises that major oil companies have contracts with independents and others to provide a certain amount of gasoline and petroleum products to those needing it.

It may well be, and it is at this moment in fact the situation, that certain areas of the country have more supply than they need. In order to take care of areas of shortage, we would have to, in effect, take away from areas of surplus, but under the existing contracts, you cannot take it away. That is the problem. There is no law on the books that gives that authority. That is why the program is voluntary, and that is why the oil companies face a serious problem of lawsuits. This is why the voluntary program is breaking down. Governor Love today, in the article which I have read into the RECORD, pointed out that they are running into real trouble.

The second area relates to antitrust, which we covered in the previous bill, S. 1570.

This is simply an emergency move pending House action on S. 1570 after the recess, at which time I would hope we would pass S. 1507, the comprehensive bill referred to by the Senator from Idaho, which will supersede this temporary emergency measure.

Several Senators addressed the Chair.

Mr. BARTLETT. I yield to the Senator from Arizona.

Mr. FANNIN. Only for a question, which I would like to ask as rapidly as I can of the Senator from Washington.

I understand his desire to adjust this amendment in a way that would be accepted by the House of Representatives. To make it more acceptable, does he not consider that if we would delete section 107, which I consider a very controversial section, that would accomplish his objective?

I think it would add greatly to the chances of acceptance by the House of Representatives. I certainly do not think they would want to get into this controversial issue without having considerable debate on the floor. I would just ask the distinguished Senator from Oklahoma, if the Senator from Washington would accept that amendment, if he would offer it.

Mr. BARTLETT. I would like to have the answer of the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, the language starting on line 21 of page 5 of the amendment, entitled "Monitoring by Federal Trade Commission," was language that we put in in lieu of the antitrust language to make it more acceptable to the House members. I believe that this provision will be useful and necesary in the light of all the problems that we are faced with in connection with the plight of the small independent distributor and retailer. I do not see anything in it that is unfair. I think it helps to provide the kind of assurance that is needed for the independent distributor and marketer, and it was in the light of the feelings expressed by members on the House side that we put it in. It is in lieu of the antitrust proposal which, as I say, we will consider when we go to conference after we return from the August recess.

Mr. FANNIN. I would like, if the Senator from Oklahoma will yield, to have his comment, and to have the Members who are present on the floor of the Senate understand just how serious this particular stipulation would be for monitoring by the Federal Trade Commission, which begins on page 5, line 21. Following through to line 13, on page 6, it says:

(c) For purposes of implementing this section, officers or employees duly designated by the Commission, upon presenting appropriate credentials and a written notice from the Commission to the owner, operator, or agent in charge, are authorized—

Listen to this:

(1) to enter, at reasonable times, (A) any premises in which any activity relating to the production, transportation, refining, or sale of petroleum products is conducted, and

(2) to inspect, at reasonable times and in a reasonable manner, such premises.—

And that, of course, is subject to their judgment—

Each such inspection shall be commenced and completed with reasonable promptness.

(d) Notwithstanding any other provision of law—

(1) the Commission in carrying out this section may appear in its own name and be represented by its own attorneys;

(2) chapter 35 of title 44, United States Code, shall not apply to the activities of the Commission under this section.

Mr. President, this is going too far in giving police power to the Federal Trade Commission in this instance, when I think it is unnecessary in this particular amendment, if we really are sincere in wanting to accomplish the objectives we are talking about.

Mr. JACKSON. May I say that this simply provides a reasonable means by which we can monitor this program, to find out whether or not they are really making the allocation on a fair and equitable basis. There is no issue that affects private enterprise to a greater degree in this country today than the survival of the small independent operator, whether it is the refiner, whether it is the distributor, or whether it is the retailer. This is what the country is worked up about, Mr. President. When we talk about the oil shortage, the oil problem in general, the great discussion is, "What will happen to that small independent operator during this squeeze?"

We are not trying to meddle in anyone's business. All we are doing here is to give the FTC the authority to see to it that the mandatory program for equitable allocations is carried out. I think this is a reasonable and sensible administration of the program.

Mr. FANNIN. Mr. President, I have just as much concern as the Senator from Washington about protecting the independent, but will we really accomplish that by this stipulation? I believe that we are working a hardship on the overall oil industry. I believe that we are working a hardship on the independent as well as the majors. I think it is unnecessary to have this amendment, this stipulation. It is, I think, unfair. I would think it should be deleted. The amendment would be greatly enhanced and, certainly, would be far more acceptable to both House and Senate Members if it were deleted.

Mr. BARTLETT. Mr. President, I should like to comment further on what the Senator from Washington had to say about his concern, which I know is sincere, for the independent business man connected with the oil industry, and his feelings towards the station operator, the jobber, the refiner, and all those connected with the industry. But the one who can do something about a solution to the shortages is the independent producer. That was the purpose of the amendment I inquired about, to have the exemption from the provisions of this act so that the independent producer and the small business man would have the incentives and could have the incentives in order to do something about the shortages.

We do a lot of talking about shortages but we do nothing about solving them. It is vital that we have this exemption so that there will be an opportunity when the allocation takes place, and it will be clear from the very beginning, if this bill becomes law, that it did not include the stripper well production, that it did not include the marginal production, that if it is not marketed, sooner or later the stripper well will be plugged and abandoned forever. Those in the oil industry know that once an oil well is plugged, it is plugged forever.

Mr. HANSEN. Mr. President, will the Senator from Oklahoma yield?

Mr. BARTLETT. I yield.

Mr. HANSEN. Mr. President, as the Senator from Washington has oftentimes said, let us be honest with ourselves. I think this is a good time to be honest with ourselves. I do not think that the overriding concern in America today is what may happen to the small independent. It is, what will be the situation with our fuel supplies. That is what the argument is all about. That is what the concern is all about. The concern in New England and up and down the east coast today is not so much the question of from whom are we going to buy our oil or

our gas, as it is the question of will there be any oil or gas to buy.

So I think it is most appropriate that we think of the role that the stripper wells producer does play in the scheme of things. As I understand it, one out of every eight barrels of oil production within the continental United States today comes from a stripper well, a well that by definition has a production of, on a 24-hour basis, of 10 or less barrels per day. That accounts for a whale of a lot of oil that we have here in the United States. Thus, to ignore the impact that an authorization given the President of the United States to vitiate contracts or to decide on his judgment alone where we will divert crude oil from one place to another, can be most disruptive.

I know of stripper well operation that oftentimes the margin, as it became less and less, gets down to where 1 or 2 cents a barrel makes the difference, whether we are plugging the well and abandoning it or keeping it in production.

Now if we do not want to have to look, as I know the Senator from Washington does not want to have to look, toward the Middle East with increasing dependency on those countries over there, who are becoming more aware of the power of the clout they have because of the fact that we look more and more toward the Middle East for our oil supplies, and if we do not want to give them greater authority over our destiny, if we do not want to have to submit—if we are forced into blackmail—into that sort of international activity, then it is important that we look at the contribution the stripper well can make.

I appreciate the legislative situation as the Senator from Washington has spelled it out. I appreciate the fact that there may not be time enough between now and the weekend, when we are going to adjourn, to get a conference between House and Senate which is to include that sort of provision in this amendment to the bill now on the floor of the Senate.

Mr. MOSS. Mr. President, in response to the statement just made by the distinguished Senator from Wyoming (Mr. HANSEN), I am in agreement with him that the real problem, the bedrock problem, we are confronted with, is more production so that we can again get into a surplus or at least into a balanced situation where our demand is not outrunning our supply.

Mr. HANSEN. It is not what we buy from the independent so much as it is, will there be any oil to buy?

Mr. MOSS. That is correct. When we move into that situation, we have a situation of distribution where there may be maldistribution. The so-called Alaska pipeline bill which we passed in this body, and which is now in the House and on which we go to conference, contains provisions from the Senator from Oklahoma on the stripper well. It contains a distribution amendment that I added, which has the "day in court" factor in it, in order to improve distribution, also the antitrust provisions, and so forth.

What we are concerned with here today is, can we, in the 3 days left to us, before we go on our recess, pass and give to the President the power to have allocations made during that interim period, until we finally act on the full bill on petroleum products, rather than have the narrow distribution as we now have it in many parts of the country?

The position taken by the Senator from Washington, with which I agree, is that since the House committee chairman has already committed himself that he will accept this narrow, stripped down amendment, if we pass it today in this bill, that that can become or at least can be passed by the House and, if signed by the President, can be effective during the interim period. There is no other way to get any effective work done. If we put on something else, then it is unknown whether the chairman of the House committee would accept it, and the chances are good that he would not accept any additional amendments.

Mr. BARTLETT. Mr. President, I should like to say to the Senator from Utah, it is for the very concerns that he cites, of having concern not only about allocating shortages but doing something about them positively, that it is most vital in allocating crude oil we do not allocate that crude oil from the stripper wells because, in the process of allocating, it will result in more shortages and would not result in incentives to reduce the shortages, on the other hand. I think it is most appropriate that this bill have that provision.

This particular amendment that I am discussing to the amendment of the Senator from Washington is most appropriate in a stripped down version of a fuels allocation amendment, because it does provide this incentive. In looking at the problem we have today concerning meat and other food, we know that prices become a relevant factor. I would therefore hope that the Senator from Washington could accept this amendment.

I ask the Senator from Washington if he could accept this amendment, because it seems to me that it would be most appropriate to this proposal. It deals with crude oil. It exempts that small portion of it that is in the hands almost entirely of the small businessman, whom he wants to help, in the hands of those people who have found 75 percent of the wildcat oil in this country, and it does do something to reduce the shortages.

So I ask the Senator whether he could accept this amendment.

Mr. JACKSON. No, I cannot accept the amendment, for the reasons previously stated.

The purpose of the amendment before the Senate at this time is to get approval on the House side before August 3 or by August 3, so that it will be on the President's desk. The Senator's amendment, as modified, is pending in the House in S. 1081. The House committee received a rule today from the Rules Committee. The amendment is coming up on Thursday in connection with the so-called Alaska pipeline bill. We will act on that when we reconvene in September.

I have assured the Senator from Oklahoma that I will do everything I can to assist. We have a long list of amendments that we can start tacking on here and kill it. It is that obvious. I am not going to take responsibility for that result.

As I mentioned, we have the antitrust amendment which I would like to see in this bill, but if we do that, the House will not accept it. If the Senator from Oklahoma brings in his amendment, they will not accept it. There is a long list of other amendments. Senator Moss is holding back on his amendment. I have asked him to do that.

The Senate will have to decide whether or not it wants to give the President this stripped-down authority to deal with an emergency situation. If the Senate does not wish to do so, that is fine. The Senate has to work its will.

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

Mr. BARTLETT. I yield.

Mr. HANSEN. I could not agree more with the distinguished Senator from Washington. I think it is important that we know what the facts are. Let us be honest with ourselves. We are talking about an amendment that apparently has been cleared with the House, and I do not deny that. I know that if it were not that way, the Senator from Washington would not report it that way.

But the important thing is this: The way this amendment is drafted, as I read it—and I ask the distinguished Senator from Oklahoma whether it is not a fact—that when you confer upon the President of the United States or anyone else the authority to break contracts, to allocate crude on the basis of his determination where need may exist, you may very well take an action that would result in the closing down of many stripper wells.

In the past 5 years or more, I believe more than 15,000 stripper wells per year have been plugged and abandoned. Yet I am sure I need not remind the distinguished Senator from Washington that one out of every eight barrels of oil we produce in this country comes from a stripper well.

This amendment would give the President of the United States the authority to take action which seemingly would keep every little independent in business. God bless them, I love them all; and I want them to stay in business. But I am more concerned about having this country stay in business, and I am concerned about an action that could diminish the supply of oil in this country by 12.5 percent—one-eighth of the total volume—if we start monkeying around with the allocation of crude oil coming from these stripper wells.

I ask the Senator from Oklahoma if these are not some of the reasons why he put the stripper well amendment on the Alaska pipeline bill?

Mr. BARTLETT. I say to the Senator from Wyoming that that was one of the prime reasons. He will recall that quite a few years ago, back in World War II, we had a subsidy program for stripper wells. In four States in the East, it amounted to 75 cents a barrel. The distinguished Senator from Kansas knows that this had quite an effect in his State, as well as the midcontinent producing

States, to the amount of 35 cents a barrel if the production was quite low, around five barrels or below, and on down to 20 cents a barrel, up to nine barrels.

This amendment, as modified by the distinguished Senator from Washington, does not have a subsidy in it, but it does permit the free marketplace to operate. It is most important that any authority the President would have in allocating fuels contain the freedom of action that would be very beneficial to the entire economy and also to provide some solution, though perhaps small, to the shortages we have.

Mr. JACKSON. I wonder whether I can help clarify the legislative record and the existing law with reference to stripper wells.

No. 1, under the Economic Stabilization Act, price controls apply only to the 23 major oil companies, not to small producers.

No. 2, the President, under existing law and this amendment, has full authority to act in accord with the action taken by the Senate in S. 1081 in exempting the stripper wells. I should like all this to be a part of the legislative record on the amendment. I would hope that the President—and he can do it under the broad authority he has—in connection with the implementation of the mandatory amendment that is now pending, would provide, in his discretion, for relief of stripper wells. I make that as a part of our colloquy here and a part of the legislative record. I hope that the President, in the fulfillment of the legislative intent—as expressed by the Senate previously, when the Bartlett amendment was adopted—would implement it in the context of the discretionary authority that he now has under existing law.

All I am trying to do is to avoid bogging this amendment down with amendments which will not be acted upon by the House. The House is going to act on S. 1570 in September. What is critical is what is going to happen in the month of August, in the peak of the period when we have real fuel shortage problems facing many parts of this country.

Mr. BARTLETT. There is no one in this body for whom I have greater admiration or whose word or efforts I respect more than the distinguished Senator from Washington. He has displayed those efforts and support in my direction on several occasions, and I appreciate it. I recognize that he has made certain commitments to Members of the House, and I realize that these are overriding with him.

However, as a Senator from Oklahoma, I have a commitment to the citizens of that State, also; and I believe that the final decision should rest with the Members of this body as to whether the amendment I have been discussing would be appropriate or inappropriate as an amendment to the amendment of the Senator from Washington and an amendment of this act.

Therefore, Mr. President, I would like to send to the desk this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BARTLETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the end of the amendment of the Senator from Washington, add the following:

SEC. . (a) The first sale of crude oil and natural gas liquids produced from any lease whose average daily production of such substances does not exceed ten barrels per well shall not be subject to price restraints established pursuant to the Economic Stabilization Act of 1970 as amended, or to any allocation program for fuels or petroleum established pursuant to that Act or to any Federal law for the allocation of fuels or petroleum.

(b) The agency designated by the President or by law to implement any such fuels or petroleum allocation program shall promulgate and cause to be published regulations implementing the provisions of this section.

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

Mr. BARTLETT. I yield.

Mr. HUMPHREY. Mr. President, yesterday I placed in the RECORD on page 26571 a review of the fuel situation in the State of Minnesota, as was prepared for me and delivered to me by the Minnesota Civil Defense Director, Mr. F. James Erchul. Mr. Erchul has been working closely with the office of the Minnesota congressional delegation, as he has with the Office of Oil and Gas in the Department of Interior. In this report the Commissioner of Agriculture in the State of Minnesota, Mr. Jon Wefald, stated as follows:

Given the fantastic production that is out there in the fields, mandatory fuel allotments are necessary to assure harvesting.

The newsstory goes on to state:

Wefald called for a 25-percent increased in fuel allocations to meet the needs of the coming harvest. This year, Minnesota has 6.2 million acres in corn, up 10 percent; 4.4 million acres in soybeans, 23 percent greater than any soybean crop in the state's history.

Compared to 1972 crops, he said, oats acreage is up 12 percent, barley 18 percent and flax 69 percent.

"Crops this year are valued at $2.5 billion sitting out there in those fields, and the farmer needs fuel to get them out" Wefald said.

Mr. President, I fully appreciate the deep concern expressed here over the stripper wells. I think there is great merit in the argument that has been made on the amendment of the distinguished Senator from Oklahoma. I believe I supported that amendment at the time we voted on the bill, S. 1570, in the Senate, but the situation in my State in the month of August is going to be critical.

First of all, we are going to have much of our harvest in that month. A good deal of that harvest is going to depend on the ability of our farmers to have fuel that is necessary to bring in the crops. Second, a little later on this year we will be faced with the problem of the drying of the corn crop and soybeans. The fuel oil industry has a desperate shortage of propane and natural gas. Without the fuel oil we have a substantial reduction insofar as the feed equivalent value is concerned.

So I plead with Senators to permit this provision that has been offered by the Senator from Washington and others. I have asked to be a cosponsor with him because my interest for months has been in this fuel allocation program. I plead with Senators to let this become part of the bill because, as the Senator from Washington pointed out, unless we do this, whatever kind of allocation program is announced, and we hope one will be shortly, it will not be able to meet the requirements. With all due respect to our distinguished friend from Oklahoma, and I fully appreciate his obligation to his constituents and, indeed, his obligation to his own set of principles and commitments, I would hope first, that if a rollcall vote is to be held on the amendment of the Senator from Oklahoma, while I feel it has great merit and ultimately will become the law because of the time factor, that that amendment would be defeated and that the proposed proposal of the Senator from Washington, along with those of us who cosponsored it, would be accepted.

We face a critical problem and the problem is whether or not we are going to have the fuel in the months of August and September to harvest one of the best crops our State has ever been able to produce. If we are unable to harvest those soybeans and if we are unable to harvest the corn crops, all the estimates of this Government about the available supply of feed grains and protein will go down the drain.

We are facing a crisis that requires more than a debate here in the Senate, and I have been one of those who has been urging the administration to go into a mandatory allocation program on fuels. We have been promised a program time after time. Almost a month ago Mr. Simon of the Department of the Treasury promised there would be within a week a mandatory fuel allocation program, and we still do not have it. This week I read again that the administration is contemplating such action and I hope it will. It is fair to say whatever program they launch it will not be as effective as it can be and should be unless the Jackson amendment is made a part of this bill.

Mr. BARTLETT. Mr. President, I would like to respond to my distinguished friend, the Senator from Minnesota that I certainly share his concern about the shortages. The whole purpose of this amendment—which is an amendment modified by the distinguished Senator from Washington, of very recent enactment into the pipeline bill—is to do something about these shortages while we are allocating them. I think it is most vital that we have this small, maybe 10 or 12 percent of the total crude oil production. It is marginal and it is just on the border of going under. They must be given some new life, and an opportunity must be provided for those people who

have this production to have some encouragement, refining as they are now, with some price adjustment, so that there will be more oil produced in this country and so that the shortages will be reduced.

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

The yeas and nays were ordered.

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

Mr. BARTLETT. I yield.

Mr. HUMPHREY. I would like to say that I cannot disagree with the substance of the Senator's argument. I think it has great merit. I know allocations alone are not the answer. The more we have to allocate, the better.

I was pleased with the comment of the Senator from Washington in making legislative history in this debate because it is my honest judgment, in light of the action taken in the pipeline bill, as well as S. 1570, that the whole record here of the Senate is in support of the stripper well operation that the Senator from Oklahoma mentions, and to which he is addressing his remarks.

It is my hope that the administration, or whoever is responsible for administering any allocation program, and I believe it is Governor Love who is now the energy czar, so to speak, will bring about what the Senator from Oklahoma seeks in his amendment to be done.

My concern is, and I have to rely on the Senator from Washington, that in light of the rules in the House, unless we stay with the kind of trimmed down, shortcut measure that the Senator from Washington would sponsor here, without the amendment of the Senator from Oklahoma, we will get nothing. That is my concern. I really believe this debate, whatever the result of the vote on the amendment of the Senator from Oklahoma may be, will result in the achievement of the goal of the Senator from Oklahoma.

My plea to whoever administers the program is that they listen to him, the Senator from Wyoming, and to others who have spoken. This argument makes all the sense in the world.

I have been on conferences with associates in the other body, and to say the least they are insistent on abiding in detail to the House rules.

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

Mr. BARTLETT. I yield.

Mr. McCLURE. I thank the Senator for yielding. While we are talking about this particular amendment, another matter came up. I say to the Senator from Minnesota that, indeed, we have plenty to allocate now; it is an allocation of shortage rather than supply. If we cut production, we will be allocating more shortages rather than fewer with such an allocation, and I think we should clearly understand that we would be doing nothing in an allocation bill to increase the supply.

I asked the Senator to yield because the question of the FTC authority has been raised and the question of expiration has been raised, and there are two expiration periods, one under section 105, which is the expiration date for the authority to enforce and to allocate. That expiration date is February 28, 1975, very clearly spelled out, but the limitation on the authority of the FTC, which also has been brought into question, is simply contained implicitly in the language, and not explicitly.

It says the FTC has authority during the 45-day period, beginning with the effective date of the regulation, to do the things that are set forth in that section. Then we provide further that at the expiration of 60 days, it shall report its findings based on what it found in that 45-day period.

I will ask the Senator from Washington if that is the limitation on the FTC authority under this proposal and if there is expiration of that authority at the end of that period of time.

Mr. JACKSON. The Senator has stated the situation accurately. That is the situation.

Mr. McCLURE. I thank the Senator.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Nolan McKean have the privileges of the floor during the debate and votes on this measure.

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

Mr. BARTLETT. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I would not send down to the other end of the street any kind of mandatory control bill that did not have the proper exemptions that I wanted in there if I wanted those exemptions to prevail. I have had a little experience with economic planners. I am one of the coauthors of the Economic Stabilization Act, and I have been minority manager every time we have reviewed it. I say if anyone wants an exemption and exception in there, he had better put it in, because the economic planners do not understand things sometimes, and it is obvious that they do not understand our fuel crisis, because there has been an exacerbation of this crisis by the rollback in the price of crude.

It does not make sense, and it is going to affect the very strippers we are talking about, the marginal producers, and is going to result in more shortages. So I think we need to nail the message to the legislation, and I therefore support the amendment of the Senator from Oklahoma. I think we would be foolish to adopt this amendment without the amendment of the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I certainly share the views of the Senator from Texas. I think his advice is well taken.

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

Mr. BARTLETT. I yield.

Mr. HANSEN. Mr. President, being in the agriculture business myself, I share the concern and I know firsthand what shortages of fuel or what other essential elements of farming or ranching operations may mean. It is precisely because of that knowledge that I agree with the statement of the distinguished Senator from Texas—it is important to nail down what needs to be in this amendment; and I say to my good friends, it is better to pass no amendment than it is to pass the wrong kind of amendment. If we were to pass the wrong kind, and as a consequence of our actions, actions are taken by the President which will indeed assure the earlier plugging of stripper wells than would otherwise occur, then we have not helped anything. As the distinguished Senator from Idaho has said, we have made it certain that the job of allocation will be a more formidable one than it would have been otherwise, and we would be spreading more severe shortages than otherwise would be the case.

So I can only say the facts are that the combination which we have on imports and record production at domestic refineries actually has put stocks of gasoline and heating oils at midyear in a position to meet the expected demand for the last half of the year without serious disruption. Those are the facts. We can talk about matters based upon earlier experiences this year and what is in store for us during the harvest season, and the facts are on the other side. We probably have gotten over the hump. With imports now coming along worldwide, with the refineries humming along at near capacity most places, we are over the hump. Let us not now turn around and reverse the situation that has been improving as we have been going into the summer and bring about discouragement to stripper wells that could result in abnormally shutting off about one-eighth of the total inland production that we have in the United States.

It seems important to me that we keep these stripper wells in business. It seems important to me that we recognize the facts of life, and if we believe that one-eighth of our total domestic production is important, then I say let us put that in the bill now, because I think that to do otherwise would be to take the most premature action that we could recognize.

I would say to my good friend from Oklahoma that certainly there are people who have taken positions on this issue in the past, and I know they are eager to see written into law a mandatory allocation provision. I do not disagree with the writing of such a bill, but I think it would be a terrible mistake if it were to be written without a protection in the bill that would assure that we would keep these stripper wells in business.

I thank my friend from Oklahoma for yielding to me.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Will the Senator yield?

Mr. BARTLETT. I yield.

Mr. MANSFIELD. Mr. President, I wonder if it would be possible, in view of a situation which has developed, vote on the Bartlett amendment within a very short period of time, and then on the Jackson amendment regardless of the outcome on the Bartlett amendment, and then lay this bill aside for the purpose of taking up the farm bill conference report.

I had stated that I would not take up any measure which, in my opinion, would be pocket vetoed while the Congress was in recess. I have been informed by three

or four Senators in whom I have the greatest confidence that Secretary Butz has informed members of the committee that the President would not veto this conference report on the farm bill. If we do not take action tonight, with that quid pro quo, as far as I am concerned, it means the 3-day rule in the House could be invoked, it would then go over into September, then we have a 20-day wait, and it would create a most difficult situation.

I know the distinguished Senator from Oklahoma has always been most cooperative, and I know what the farm program means to him, and to a lot of us, too. So I make this plea at this time on that basis.

Mr. BARTLETT. Mr. President, I will certainly comply.

I yield to the Senator from Arizona.

Mr. FANNIN. Mr. President, reserving the right to object, I just want to say to the majority leader that I have an amendment to the amendment of the distinguished Senator from Washington.

Mr. MANSFIELD. Mr. President, if I could have the attention of the distinguished Senator from Washington, I am informed now that there will be another amendment to his amendment, by the distinguished Senator from Arizona (Mr. FANNIN). Could we, at the conclusion of the vote on the Bartlett amendment, lay this bill aside, which would mean of course, that the Senator from Texas could not offer his amendment as he had intended to, after the disposal of the amendment. However, he could do so at a later time.

The Jackson amendment would be the pending amendment tomorrow.

Mr. JACKSON. Mr. President, may I say that if I could see a copy of the Senator's amendment, it might be an amendment that I could endorse if it is in keeping with what the House would accept. I would be very happy to do so if that were the case.

Mr. FANNIN. Mr. President, I did discuss this with the distinguished Senator from Washington. It would be to delete section 107 in its entirety. That relates to the Federal Trade Commission.

Mr. JACKSON. The Senator is referring to the amendment that applies only for 60 days, to monitor the system of fuel allocation.

Mr. FANNIN. Mr. President, I have great respect and admiration for the Senator from Washington. I know what he is trying to achieve. I commend him for it. However, at the same time, I understand the arrangements he has made, but do not feel in fairness to the other Members of the Senate that it would be proper not to consider the severity of this amendment without that provision being deleted.

Mr. JACKSON. Mr. President, I wonder if we could get an agreement on a time certain to vote on the amendment. Could we agree on a time to vote tomorrow?

Mr. FANNIN. Mr. President, that would be agreeable. I would like to vote on the amendment tomorrow.

Mr. HANSEN. Mr. President, would the Senator from Oklahoma yield for a question?

Mr. BARTLETT. I yield.

Mr. HANSEN. Mr. President, with respect to all the points being raised about who speaks for the White House, in all honesty I would ask my good friend, the Senator from Washington, who speaks for the House.

Mr. JACKSON. Mr. President, we talked to the key people on the House committee.

Mr. HANSEN. Both Republicans and Democrats?

Mr. JACKSON. I do not want to get into that. They are the key people on the Commerce Committee in the House.

I am making a record here before we go into recess. We are in a mess on the distribution of petroleum products in this country.

Mr. HANSEN. And I do not want to exacerbate it.

Mr. JACKSON. Mr. President, I want to give the Members of the Senate a chance to vote on this question. If the Members of the Senate do not want to do anything about it, that is fine. At least we will know who tried to get some legislation through. And if we want to bog the amendment down with a lot of amendments that are unacceptable in terms of the emergency situation, that is fine. We will call the roll and find out who is doing what.

Mr. HANSEN. Mr. President, I find great merit in the calling of the roll, may I say to my good friend, the Senator from Washington.

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

Mr. DOLE. Mr. President, I ask that I be listed as a cosponsor of the amendment of the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the Senator from Kansas (Mr. DOLE) be listed as a cosponsor of my amendment.

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

Mr. DOLE. Mr. President, I have received a copy of a letter to Dr. John T. Dunlop, of the Cost of Living Council, from George Bruce, past president of the National Stripper Well Association, of Wichita, Kans.

I ask unanimous consent that this 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:

ALADDIN PETROLEUM CORP.,
Wichita, Kans., July 26, 1973.

Dr. JOHN T. DUNLOP,
Cost of Living Council,
Washington, D.C.

DEAR DR. DUNLOP: The 353,696 small stripper oil wells in the United States during the year 1971, produced slightly less than ½ billion barrels of domestic crude oil (423,322,056 bbls). This average of 3½ barrels of oil per day, per well, is the safe, dependable supply of domestic crude oil located in the U.S. All of these wells are connected to refineries by pipelines and is a quality of oil suitable for use by the refinery to which they are connected and their oil delivered.

This ½ billion barrels of oil, in 1971, represents approximately 1/10 of the total domestic oil production in this nation. These small wells are being forced to sell their oil at substantially below replacements costs and in many areas the oil income from these wells is less than the actual cost to operate them.

As a result, these small wells are being plugged and abandoned at an increasing rate. Consequently, this production is declining and the remaining reserve oil, lost for all time.

There were 5,434 of these small oil wells plugged and abandoned, resulting in a decline in reserves of 138 million barrels during the 12 months, ending January 1, 1972. The total reserves as of January 1, 1972, of approximately 5 billion barrels of crude oil represents approximately 1/7 of the total oil reserves of the U.S.A.

If these small wells are forced to be plugged and abandoned, it will require 4,233 tank loads of 100,000 barrels each year to make up this lost supply. This would be equal to 354 tank loads of 100,000 barrels each month, necessary to import into the U.S.A. to make up this lost supply of crude oil.

This supply of approximately ½ billion barrels of domestic oil, or approximately 1⅓ million barrels each day of safe, dependable, domestic crude oil is the oil vital to our domestic refineries continuing their operation.

There must be an adequate price for domestic crude oil to assure the continued operation of *all* of these small stripper oil wells. If these small wells are forced to be plugged and abandoned, because of lack of an adequate price, it will destroy the inland refineries in the U.S.A.; it will also destroy the independent marketers of petroleum products; and will destroy the tax base in every county, in every one of the 27 states in which these 353,696 wells are located.

Respectfully yours,

GEO. H. BRUCE,
Past President of the National Stripper Well Association.

Mr. DOLE. Mr. President, I think that the letter from Mr. Bruce demonstrates very clearly what the distinguished Senator from Oklahoma and others have been speaking about and talking about with reference to stripper wells and the amount of oil produced by some 350,000 or more stripper wells located in some 27 States in this country which produce about a half a billion barrels of oil. About 1⅓-million barrels a day are produced.

I certainly share the views expressed by the Senator from Oklahoma that if we get any action from the Cost of Living Council based upon their idiotic process of rolling back prices with some two-tier price system, we had better have the intention in the law.

Therefore, I hope that every Senator representing the 27 States having marginal oil producing wells takes a good look at the amendment offered by the distinguished junior Senator from Oklahome.

It is very important, of course, to my State of Kansas. It is important to 26 other States, as well. I think it is particularly important at a time when we are talking about a crisis and an oil shortage. And some are saying that we are in that crisis now.

I am therefore pleased to cosponsor that amendment. And I yield the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, if the distinguished Senator would yield. I ask unanimous consent that the vote on the Bartlett amendment occur no later than 2 minutes from now.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, and I think that most of the bases have been covered, I ask unanimous consent that at the conclusion of the vote on the Bartlett amendment, the pending business be laid aside until late tomorrow afternoon, and that at the conclusion of the vote, the Senate proceed to the consideration of the conference report on the authorization bill.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at no later than 6 p.m. tomorrow evening, the vote occur on the Fannin amendment to the Jackson amendment, that at 12 noon on Thursday, the Jackson amendment be voted on, that at 1 p.m. the Tower amendment be voted on, and that at no later than 2:30 p.m., there be a final vote.

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

Mr. TOWER. Mr. President, reserving the right to object, might I ask the distinguished majority leader if that could be rephrased. I think we could confine it to these time frames. However, rather than any specific time to vote—I have 1 hour on my amendment, which is a very specific amendment dealing with the beef shortage crisis—if some time could be yielded on the bill, I am willing to have 1 hour on my amendment, provided a little time could be yielded from the bill so that if a little time is needed, we could get it.

Mr. MANSFIELD. That would be agreeable. I ask unanimous consent that the vote on the Tower amendment be at 1 p.m. on Thursday, and a final vote no later than 4 p.m. Thursday, allowing time on the bill, if needed.

Mr. TOWER. Mr. President, I would like to use it before my vote, rather than after. That would be like shutting the gate to the corral after the horses had already galloped off.

Mr. MANSFIELD. That would be all right. I ask unanimous consent that there be 1 hour on the bill after the Jackson amendment is disposed of at noon Thursday that 1 hour be allowed between the end of that vote and the vote on the Tower amendment at 2 o'clock, the Senator from Texas to have 1 hour of that time, and that there be a vote on final passage of no later than 3 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. I am sorry, Mr. President; I did not understand the request of the majority leader.

Mr. MANSFIELD. Wednesday 6 p.m., vote on the Fannin amendment; noon on Thursday, vote on the Jackson amendment. Then there will be at least an hour on the bill, to be followed by an hour for the distinguished Senator from Texas to offer his amendment and dispose of it, the final vote to occur not later than 1 hour after the vote on that amendment.

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, my amendment is at the desk. I just want to make sure that it is not covered by the rule of germaneness, and that the amendment, in that it is at the desk, will be considered germane.

The PRESIDING OFFICER. For the information of the Senator, there is no unanimous consent agreement covering germaneness. There will be no rule of germaneness unless there is a specific agreement to so provide.

Mr. TOWER. The Senator from Texas is aware of that; I just wanted to nail it down.

The PRESIDING OFFICER. Does the Senator from Montana also ask unanimous consent that rule XII be waived?

Mr. MANSFIELD. That is right.

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

The text of the unanimous consent agreement is as follows:

Ordered, That, during the further consideration of H.R. 5777, the so-called Hobby Protection Act, there be 2 hours debate on the bill, which time will start running after the vote on the Jackson amendment at noon, Thursday, August 2, 1973.

Ordered further, That there be 1 hour of debate on an amendment to be offered by the Senator from Texas (Mr. TOWER), the vote on which will occur at 2:00 p.m., Thursday, August 2, 1973.

Ordered further, That the vote on the amendment to be offered by the Senator from Arizona (Mr. FANNIN) occur not later than 6:00 p.m., Wednesday, August 1, 1973, and that the vote on final passage occur not later than 3:00 p.m., Thursday, August 2, 1973: *Provided,* That time under control on the passage of the said bill may be allotted to any Senator during the consideration of any amendment, debatable motion or appeal.

Mr. MANSFIELD. Now, Mr. President, I am informed that there may be a problem I suggest the absence of a quorum.

Mr. CANNON. Mr. President, will the Senator temporarily withhold that?

I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS-CONSENT AGREEMENT ON S. 372

Mr. CANNON. Mr. President, I ask unanimous consent that, in making the technical and conforming changes in the text of S. 372 necessitated by the amendments of the Senate to that bill, the Secretary of the Senate be authorized to conform the definition of "expenditure" contained in section 591 of title 18, United States Code, as it would be amended by the bill to make it the same as the definition of "expenditure" contained in section 301 of the Federal Election Campaign Reform Act of 1971, as it would be amended by the bill.

The PRESIDING OFFICER (Mr. JOHNSTON). Is there objection to the request of the Senator from Nevada? Without objection, it is so ordered.

HOBBY PROTECTION ACT

The Senate continued with the consideration of the bill (H.R. 5777) to require that reproductions and imitations of coins and political items be marked as copies or with date of manufacture.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats, and let there be order, so that Senators may be able to proceed.

Mr. JACKSON. Mr. President, I ask unanimous consent to proceed for 1 minute.

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

Mr. JACKSON. Mr. President, just so that the Members of this body will fully understand what this amendment provides, we voted unanimously, except for one vote, to take care of the stripper wells in connection with S. 1081, the so-called Alaska oil pipeline bill. I supported that amendment.

I would point out that that amendment is coming up in the House of Representatives on Thursday in connection with the Alaska pipeline bill. If we vote to add this amendment on this bill, then I just want to say to this body, the House is not going to act on a mandatory allocation authority. I want every Member of the Senate to understand what the meaning of this particular amendment is. It is going to kill it, and there will be no action. We are going away during the month of August, and if there is a crisis, and the administration cannot allocate oil and petroleum products, let every Member of the Senate understand why. There is no authority now to make effective a mandatory allocation system.

Mr. BARTLETT. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. Mr. President——

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Oklahoma be recognized for 1 minute.

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

Mr. BARTLETT. Mr. President, this proposal is most appropriate to the fuel allocations bill, allocating fuel oil. If we believe that there is some opportunity to stimulate the economy and stimulate industry in order to reduce shortages, we can then accept this amendment, the wisdom of which the Senate has already seen, and to provide this extra incentive.

We are not going to be able to rely on the administration or on those in administrative positions to consider such action as this on their own. If the Senate really believes in the stripper wells and really believes in protecting this very delicate production from early abandonment, then I urge them to support the amendment and make it a part of the crude oil allocation, because that is the purpose of the amendment of the Senator from Washington.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

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 Alaska (Mr. GRAVEL) and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

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

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Tennessee (Mr. BAKER) and the Senator from Oregon (Mr. HATFIELD) are detained on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 43, nays 50, as follows:

[No. 356 Leg.]

YEAS—43

Allen	Domenici	Mathias
Bartlett	Dominick	McClellan
Beall	Eastland	Pearson
Bellmon	Fannin	Percy
Bennett	Fong	Proxmire
Bentsen	Fulbright	Randolph
Brock	Griffin	Schweiker
Buckley	Gurney	Scott, Pa.
Burdick	Hansen	Scott, Va.
Byrd, Harry F., Jr.	Hartke	Stevens
Byrd, Robert C.	Helms	Taft
Cook	Hruska	Thurmond
Curtis	Johnston	Tower
Dole	Long	Young
	Mansfield	

NAYS—50

Aiken	Hollings	Nelson
Bayh	Huddleston	Nunn
Bible	Hughes	Packwood
Biden	Humphrey	Pastore
Brooke	Inouye	Pell
Cannon	Jackson	Ribicoff
Case	Javits	Roth
Chiles	Kennedy	Saxbe
Church	Magnuson	Sparkman
Clark	McClure	Stafford
Cotton	McGovern	Stevenson
Cranston	McIntyre	Symington
Eagleton	Metcalf	Talmadge
Ervin	Mondale	Tunney
Hart	Montoya	Weicker
Haskell	Moss	Williams
Hathaway	Muskie	

NOT VOTING—7

Abourezk	Gravel	Stennis
Baker	Hatfield	
Goldwater	McGee	

So Mr. BARTLETT's amendment was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, the bill before the Senate today (H.R. 5777) is designed to require that any imitation political item be plainly and permanently marked with the calendar year of its manufacture and that any imitation numismatic item be marked "copy." Failure to take this action would constitute an unfair or deceptive act or practice in commerce under the Federal Trade Commission Act. Recognizing this need, I introduced S. 1880 on May 23 of this year and am pleased that it has received favorable consideration by the Senate Commerce Committee.

It has been estimated that there are more than 1 million persons in the United States today who collect coins, tokens, paper money, and commemorative medals. A smaller, but nevertheless steadily increasing number of Americans are engaged in collecting political items. Millions of dollars are spent each year by collectors of numismatic and political items. It is, therefore, not surprising that a prosperous business in imitation items has emerged.

Most imitation numismatic items are produced in Europe, the Near East, and Southeast Asia. Unfortunately, some of these fake items have been sold as original for thousands of dollars each. It is this danger which my bill seeks to prevent. Fake items should not be traded as originals, and the possibility for that to happen would be eliminated if my bill is enacted into law.

Mr. President, the production of imitation coins and political items threatens the value of the original pieces. They create havoc in the world of the people who collect them, and there is nothing in the present law to prevent this deception. While the U.S. Secret Service does excellent work in controlling the counterfeiting of current U.S. coins, there is no provision of law which regulates the ever-increasing tide of copies of noncurrent coins.

Mr. President, my proposed legislation, S. 1880, is identical to H.R. 5777, sponsored in the current session of Congress by Representatives ECKHARDT and Moss. The House Committee on Interstate and Foreign Commerce estimated the cost of the bill at $50,000 for each of the next 5 fiscal years. The House passed H.R. 5777 on May 16 by an overwhelming majority.

WAR POWERS ACT

Mr. FULBRIGHT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Joint Resolution 542.

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the joint resolution (H.J. Res. 542) concerning the war powers of Congress and the President, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

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

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. MANSFIELD, Mr. SYMINGTON, Mr. MUSKIE, Mr. AIKEN, Mr. CASE, and Mr. JAVITS conferees on the part of the Senate.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to attend the 17th Session of the United Nations Food and Agriculture Organization Conference, to be held in Rome, Italy, November 10–29, 1973: the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Nebraska (Mr. CURTIS).

The Chair, on behalf of the Vice President, appoints the following Senators to attend the International Conference on Marine Pollution of the Intergovernmental Marine Consultative Organization—IMCO—to be held in London, England, October 8–November 2, 1973: the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PELL), and the Senator from Maryland (Mr. BEALL).

AGRICULTURAL ACT AMENDMENTS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, under the previous unanimous-consent agreement, what is the pending business?

The PRESIDING OFFICER. The Senate will now proceed to the consideration of the conference report on S. 1888.

Mr. TALMADGE. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the substitute to be offered by the distinguished Senator from Georgia, the manager of the bill, there be a time limitation of 20 minutes; that on the amendment to be offered by the distinguished Senator from North Carolina (Mr. HELMS) there be a time limitation of 20 minutes, the time to be equally divided, according to the usual custom, between the sponsor of the amendment and the manager of the bill, and, in the first instance, for the amendment in the first degree, between the manager of the bill and the ranking Republican member or whomever he may designate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, does the Senator intend to ask for the yeas and nays on his amenment?

Mr. HELMS. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Helms amendment.

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

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, could we have a limitation of 10 minutes on votes?

Mr. MANSFIELD. I am glad the Senator reminded me of that.

For the information of the Senate, any votes from now on will be 10 minutes in duration, period.

Mr. TALMADGE. I expect, also, to ask for the yeas and nays on the substitute.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the substitute.

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

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the substitute.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following persons during the consideration of S. 1888 and any votes thereon: Harker Stanton, Henry Casso, James Thornton, Forest Reece, and William Taggart.

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

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a conference report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, and ask for its immediate consideration.

The Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, having met, after full and free conference, have been unable to agree.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1888), to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, submit the following joint statement to the House and the Senate in explanation of the accompanying conference report:

The House amendment struck out all after the enacting clause of S. 1888 and inserted in lieu thereof the language of H.R. 8860 as passed by the House.

There were 111 substantive differences between S. 1888 and the House amendment. The conferees were able to reconcile 110 of these differences, but were unable to agree on the provision in the House amendment which would, under specified conditions, prohibit food stamp assistance to strikers.

The language upon which the conferees reached agreement (omitting the one point upon which they were unable to agree) is as follows:

That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"SEC. 101.—Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed $20,000.

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970."

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and (B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

"'SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.'"

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following:

"SEC. 205. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effect upon domestic dairy producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat or any combination of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles."

"PRODUCER HANDLERS

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto."

WOOL PROGRAM

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1977", and by striking out the word "three" each place it occurs; and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Sec-

retary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'."

WHEAT PROGRAM

WHEAT PRODUCTION INCENTIVES

(8) Effective beginning with the 1974 crop section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977" and section 107 of the Agricultural Act of 1949, as it appears therein is amended by—

(A) amending section 107(a) to read as follows:

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided*, That in no event shall such level be in excess of the parity price for wheat or less than $1.37 per bushel."

(B) substituting the word "payments" for the word "certificates" in section 107(b);

(C) striking the quotations mark at the end of section 107(b); and

(D) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the established price of $2.05 per bushel in the case of the 1974 and 1975 crops, $2.05 per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop, times in each case (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of wheat for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of wheat for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers are prevented from planting, any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of wheat (or other nonconserving crop planted instead of wheat) which the producers are able to harvest on any farm is less than 66⅔ percent of the farm acreage allotment times the projected yield of wheat (or other nonconserving crop planted instead of wheat) for the farm, the rate of payment for the deficiency in production below 100 percent shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

TERMINATION OF WHEAT ACREAGE CERTIFICATE PROGRAM, FARM ACREAGE ALLOTMENTS

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b)(A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1977 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 397b(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1977 crops of wheat with the following changes:

"(i) The phrase 'payments authorized by section 107(c) of the Agricultural Act of 1949' shall be substituted for the word 'certificates' and the phrases 'certificates authorized in subsection (b)' and 'marketing certificates' each place they occur.

"(ii) The word 'domestic' shall be stricken each place it occurs.

"(iii) The second sentence of section 379b (c)(1) is amended to read as follows: 'If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments authorized by section 107(c) of the Agricultural Act of 1949, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of thirteen and three-tenths million acres in the case of the 1971 crop; plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary.'

"(iv) The third sentence in 379b(c)(1) is amended to read as follows: 'The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to wheat on the farm to a percentage of the acreage allotment.'

"(v) '1971 through 1977' shall be substituted for '1971, 1972, and 1973' each place it occurs other than in the third sentence of section 379b(c)(1).

"(vi) The last sentence of section 379b(c)(1) is amended to read as follows: 'The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.'

"(vii) After the second sentence of section 379b(c)(3) the following shall be inserted: 'The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences.'

"(C) Sections 379b (d), (e), (g), and (i) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section, shall be effective for the 1974 through 1977 crops amended to read as follows:

"'(d) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"'(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"'(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"'(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.'

"(D) Section 379c of the Agricultural Adjustment Act of 1938, effective only with respect to the 1974 through 1977 crops of wheat is amended to read as follows:

"'SEC. 379c. (a)(1) The farm acreage allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim the national acreage allotment not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. Such national allotment shall be the number of acres he determines on the basis of the estimated national average yield for the crop for which the determination is being made will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. The national acreage allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national acreage allotment for the preceding crop (1973 national domestic allotment in the case of apportionment of the 1974 national acreage allotment) adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm acreage allotments, and other relevant factors.

"'(2) The State acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm allotments, and other relevant factors.

"'(3) The farm allotment for each crop of wheat shall be determined by apportion-

ing the county wheat allotment among farms in the county which had a wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm allotment shall be adjusted downward to the extent required by subsection (b).

"'(4) Not to exceed 1 per centum of the State allotment for any crop may be apportioned to farms for which there was no allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"'(5) The planting on a farm of wheat of any crop for which no farm allotment was established shall not make the farm eligible for an allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"'(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"'(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm allotment, the farm allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm allotment, but such reduction shall not exceed 20 per centum of the farm allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has an allotment, such farm shall lose its allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans, feed grains for which there is a set-aside program in effect, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"'(2) Notwithstanding the provisions of subsection (b)(1), no farm allotment shall be reduced or lost through failure to plant the farm allotment, if the producer elects not to receive payments for the portion of the farm allotment not planted, to which he would otherwise be entitled under the provisions of section 107(c) of the Agricultural Act of 1949.'"

REPEAL OF PROCESSOR CERTIFICATE REQUIREMENT

(10) Section 403 is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following:

"(b) Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processed or exported during the period July 1, 1973 through June 30, 1978; and section 379g is amended by adding the following new subsection (c):

"(c) The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the certificate program provided for under section 379d to a program under which no certificates are required. Notwithstanding any other provision of law, such authority shall include, but shall not be limited to the authority to exempt all or a portion of wheat or food products made therefrom in the channels of trade on July 1, 1973, from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products made therefrom at such price and under such terms and conditions as the Secretary may determine. Any such certificate shall be issued by the Commodity Credit Corporation. Nothing herein shall authorize the Secretary to require certificates on wheat processed after June 30, 1973."

SUSPENSION OF WHEAT MARKETING QUOTAS

(11) Section 404 is amended by striking "1971, 1972, and 1973" wherever it appears and inserting "1971 through 1977", and by striking "1972 and 1973" and inserting "1972 through 1977".

STATE AGENCY ALLOTMENTS, YIELD CALCULATIONS

(12)(a) Section 405 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977"; and by repealing paragraph (2) effective with the 1974 crop; by inserting "(a)" after the section designation; by changing the period and quotation mark at the end of the section to a semicolon; and by adding at the end of the section the following:

"(b) Effective with respect to the 1974 through 1977 crops, section 301(b)(13)(K) of the Agricultural Adjustment Act of 1938 is amended by adding after 'three calendar years' the following: '(five calendar years in the case of wheat)', and section 708 of Public Law 89-321 is amended by inserting in the second sentence after 'determining the projected yield' the following '(except that in the case of wheat, if the yield is abnormally low in any one of the calendar years of the base period because of drought, flood, or other natural disaster, the Secretary shall take into account the actual yield proved by the producer in the other four years of such base period)'."

SUSPENSION OF QUOTA PROVISIONS

(13) Section 406 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

REDUCTION IN WHEAT STORED TO AVOID PENALTY

(14) Section 407 of the Agricultural Act of 1970 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Secretary may authorize release of wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop, whenever he determines such release will not significantly affect market prices for wheat. As a condition of release, the Secretary may require a refund of such portion of the value of certificates received in the crop year the excess wheat was produced as he deems appropriate considering the period of time the excess wheat has been in storage and the need to provide fair and equitable treatment among all wheat program participants.".

APPLICATION OF THE AGRICULTURAL ACT OF 1949

(15) Section 408 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

(16) Section 409 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

SET-ASIDE ON SUMMER FALLOW FARMS

(17) Section 410 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

FEED GRAIN PROGRAM

(18) Effective only with respect to the 1974 through 1977 crops of feed grains, section 501 is amended by—

(A) striking out that portion through the first colon and section 105(a) of the Agricultural Act of 1949, as it appears therein, and inserting the following:

"SEC. 501. (a) Effective only with respect to the 1971 through 1977 crops of feed grains, section 105(a) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"'SEC. 105. Notwithstanding any other provision of law—

"'(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.10 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"'(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding values of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.'."

(B) adding at the end thereof the following:

"(b) Effective only with respect to the 1974 through 1977 crops of feed grains, section 105(b) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"'(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (1) the payment rate, times (2) the allotment for the farm for such crop, times (3) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"'(1) the national weighted average mar-

ket price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"'(2) the loan level determined under subsection (a) for such crop

is less than the established price of $1.38 per bushel in the case of the 1974 and 1975 crops, $1.38 per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of feed grains for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of feed grains for the three calendar years preceding the year previous to the one for which the determination is made. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of feed grains (or other nonconserving crop planted instead of feed grains) which the producers are able to harvest on any farm is less than 66⅔ percent of the farm acreage allotment times the yield of feed grains (or other nonconserving crop planted instead of feed grains) established for the farm, the rate of payment for the deficiency in production below 100 percent shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.

"'(2) The Secretary shall, prior to January 1 of each calendar year, determine and proclaim for the crop produced in such calendar year a national acreage allotment for feed grains, which shall be the number of acres he determines on the basis of the estimated national average yield of the feed grains included in the program for the crop for which the determination is being made will produce the quantity (less imports) of such feed grains that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of any of the feed grains are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the feed grain allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. State, county, and farm feed grain allotments shall be established on the basis of the feed grain allotments established for the preceding crop (for 1974 on the basis of the feed grain bases established for 1973), adjusted to the extent deemed necessary to establish a fair and equitable apportionment base for each State, county, and farm. Not to exceed 1 per centum of the State feed grain allotment may be reserved for apportionment to new feed grain farms on the basis of the following factors: suitability of the land for production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain allotments.

"'(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the feed grain allotment for the farm, the feed grain allotment for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than the feed grain allotment for the farm, but such reduction shall not exceed 20 per centum of the feed grain allotment. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain allotment, such farm shall lose its feed grain allotment: *Provided*, That no farm feed grain allotment shall be reduced or lost through failure to plant, if the produced elects not to receive payment for such portion of the farm feed grain allotment not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain allotments as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the feed grain allotment shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood, or other natural disaster or conditions beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of feed grains to have acreage devoted to soybeans, wheat, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate, considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.'.",

(C) amending the last sentence of section 105(c)(1) to read as follows:

"The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

(C) striking out "1971, 1972, 1973" where it appears in that part which amends section 105(c)(1) of the Agricultural Act of 1949 and inserting "1971 through 1977", and by amending the second sentence of section 105(c)(1) to read as follows: "If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the feed grain allotment for the farm as may be specified by the Secretary, plus, if required by the Secretary (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary."

(D) amending the third sentence of section 105(c)(1) to read as follows: "The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to feed grains on the farm to a percentage of the farm acreage allotment.",

(E) striking out paragraphs (1) and (3) of subsection (e), changing "bases" to "allotments" wherever it appears in paragraph (2) of subsection (e), and striking out all of subsection (g).

(F) inserting after the second sentence of section 105(c)(3) the following: "The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences."

COTTON PROGRAM

SUSPENSION OF MARKETING QUOTAS FOR COTTON, MINIMUM BASE ACREAGE ALLOTMENT

(19) Section 601 is amended by—

(A) striking out "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977",

(B) striking "1970, 1971, and 1972" from paragraph (2) and inserting "1970 through 1976",

(C) effective beginning with the 1974 crop, striking out the following from section 344a (a) in section 601 "for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A))",

(D) striking "1974" from paragraph (3)(1) and inserting "1978", and by striking "1972 and 1973" from paragraph (4) and inserting "1972 through 1977",

(E) effective beginning with the 1974 crop, adding at the end of section 350(a) in paragraph (4) of section 601 the following: "The national base acreage allotment for the 1974 through 1977 crops shall not be less than eleven million acres.",

(F) effective beginning with the 1974 crop, striking "soybeans, wheat or feed grains" from the last sentence of section 350(e)(2) in paragraph (4) of section 601 and inserting "soybeans, wheat, feed grains, guar, castor beans, triticale, oats, rye or such other crops as the Secretary may deem appropriate",

(G) effective beginning with the 1974 crop, striking the words "an adjoining" in the first sentence of section 350(h) as found in paragraph (4) of section 601, and inserting in lieu thereof "any other nearby".

COTTON PRODUCTION INCENTIVES

(20) Section 602 is amended by—

(A) striking "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977", by striking "the 1972 or 1973 crop" where it appears in that part amending section 103(e)(1) of the Agricultural Act of 1949 and inserting "any of the 1972 through 1977 crops", and by striking out "acreage world price" in that part amending section 103(e)(1) of the Agricultural Act of 1949, and substituting "average price of American cotton in world markets";

(B) in that part amending section 103(e)(1) of the Agricultural Act of 1949 striking out "two-year period" wherever it appears therein and substituting "three-year period"; and by striking out that part beginning with "except that" in the first sentence and substituting "except that if the loan rate so calculated is higher than the then current level of average world prices for American cotton of such quality, the Secretary is authorized to adjust the current calculated loan rate for cotton to 90 per centum of the then current average world price.";

(C) effective, beginning with the 1974 crop, amending section 103(e)(2) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows:

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(1) the average market price received by farmers for upland cotton during the cal-

endar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under paragraph (1) for such crop

is less than the established price of 38 cents per pound in the case of the 1974 and 1975 crops, 38 cents per pound adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of cotton for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of cotton for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers on a farm are prevented from planting, any portion of the allotment to cotton because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of cotton which the producers are able to harvest on any farm is less than 66⅔ per centum of the farm base acreage allotment times the average yield established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3)."

(D) effective, beginning with the 1974 crop, amending the third sentence of section 103(e)(4)(A) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows: "The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to a percentage of the farm base acreage allotment.".

(E) The second sentence of Section 103(e)(4)(A) is amended to read as follows: "If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary."

(F) the fourth sentence of section 103(e)(4)(A) of the Agricultural Act of 1949 as found in section 602 is amended to read as follows: "The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

(G) inserting after the second sentence of section 103(e)(5) of the Agricultural Act of 1949 as it appears in such section 602 the following: "The Secretary may in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences."

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR COTTON

(21) Section 603 is amended by striking out "1974" and inserting "1978".

MISCELLANEOUS COTTON PROVISIONS

(22) Sections 604, 605, 606, 607, and 608 are each amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COTTON MARKET DEVELOPMENT

(23) Section 610 is amended by inserting after the words "shall be" in the second sentence the following words "10 million dollars," and by striking the balance of said sentence, and further by striking out "1972 and 1973" and inserting "1972 through 1977" in the third sentence.

COTTON INSECT ERADICATION

(24) Title VI is amended by adding at the end thereof the following:

"SEC. 611. Section 104 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (d) as follows:

"'(d) In order to reduce cotton production costs, to prevent the movement of certain cotton plant insects to areas not now infested, and to enhance the quality of the environment the Secretary is authorized and directed to carry out programs to destroy and eliminate cotton boll weevils in infested areas of the United States as provided herein and to carry out similar programs with respect to pink bollworms or any other major cotton insect if the Secretary determines that methods and systems have been developed to the point that success in eradication of such insects is assured. The Secretary shall carry out the eradication programs authorized by this subsection through the Commodity Credit Corporation. In carrying out insect eradication projects, the Secretary shall utilize the technical and related services of appropriate Federal, State, private agencies, and cotton organizations. Producers and landowners in an eradication zone, established by the Secretary, who are receiving benefits from any program administered by the United States Department of Agriculture, shall, as a condition of receiving or continuing any such benefits, participate in and cooperate with the eradication project, as specified in regulations of the Secretary.

"'The Secretary may issue such regulations as he deems necessary to enforce the provisions of this subsection with respect to achieving the compliance of producers and landowners who are not receiving benefits from any program administered by the United States Department of Agriculture. Any person who knowingly violates any such regulation promulgated by the Secretary under this subsection may be assessed a civil penalty of not to exceed $5,000 for each offense. No civil penalty shall be assessed unless the person shall have been given notice and opportunity for a hearing on such charge in the county, parish, or incorporated city of the residence of the person charged. In determining the amount of the penalty the Secretary shall consider the appropriateness of such penalty to the size of the business of the person charged, the effect on the person's ability to continue in business, and the gravity of the violation. Where special measures deemed essential to achievement of the eradication objective are taken by the project and result in a loss of production and income to the producer, the Secretary shall provide reasonable and equitable indemnification from funds available for the project, and also provide for appropriate protection of the allotment, acreage history, and average yield for the farm. The cost of the program in each eradication zone shall be determined, and cotton producers in the zone shall be required to pay up to one-half thereof, with the exact share in each zone area to be specified by the Secretary upon his finding that such share is reasonable and equitable based on population levels of the target insect and the degree of control measures normally required. Each producer's pro rata share shall be deducted from his cotton payment under this Act or otherwise collected, as provided in regulations of the Secretary. Insofar as practicable, cotton producers and other persons engaged in cotton production in the eradication zone shall be employed to participate in the work of the project in such zone. Funding of the program shall be terminated at such time as the Secretary determines and reports to the Congress that complete eradication of the insects for which programs are undertaken pursuant to this subsection has been accomplished. Funds in custody of agencies carrying out the program shall, upon termination of such program, be accounted for to the Secretary for appropriate disposition.

"'The Secretary is authorized to cooperate with the Government of Mexico in carrying out operations or measures in Mexico which he deems necessary and feasible to prevent the movement into the United States from Mexico of any insects eradicated under the provisions of this subsection. The measure and character of cooperation carried out under this subsection on the part of the United States and on the part of the Government of Mexico, including the expenditure or use of funds made available by the Secretary under this subsection, shall be such as may be prescribed by the Secretary. Arrangements for the cooperation authorized by this subsection shall be made through and in consultation with the Secretary of State. The Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. There are hereby authorized to be appropriated to the Commodity Credit Corporation such sums as the Congress may from time to time determine to be necessary to carry out the purposes of this subsection.'."

SKIPROW PRACTICES

(25) Title VI is further amended by adding the following new section:

"SEC. 612. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding the following new sentence: 'Where cotton is planted in skiprow patterns, the same rules that were in effect for the 1971 through 1973 crops for classifying the acreage planted to cotton and the area skipped shall also apply to the 1974 through 1977 crops.'."

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(26) Section 701 is amended by striking out "1973" and inserting "1977"; and title VII is further amended by adding at the end thereof the following:

Section 103 of such Act is amended by inserting before the semicolon at the end of subsection (o) the following: "and that commercial supplies are available to meet demands developed through programs carried out under this Act."

"SEC. 704. Title IV of such Act is amended by adding at the end thereof the following:

"'SEC. 411. No agricultural commodities shall be sold under title I or title III or donated under title II of this Act to North Vietnam, unless by an Act of Congress enacted subsequent to July 1, 1973, assistance to North Vietnam is specifically authorized.'"

MISCELLANEOUS PROVISIONS

(27) Title VIII is amended as follows:

BEEKEEPER INDEMNITIES

(A) Section 804 is amended by striking out "December 31, 1973" and inserting "December 31, 1977".

(B) By adding at the end thereof the following:

"FHA LOANS

"SEC. 807. The first sentence of section 305 of the Consolidated Farm and Rural Development Act is amended by striking out '$100,000' and inserting '$225,000'; and by striking out 'or (b)' and inserting '(b) the loans under which sections to any one borrower to exceed $100,000, or (c)'.

"COST OF PRODUCTION STUDY

"SEC. 808. The Secretary of Agriculture, in cooperation with the land grant colleges, commodity organizations, general farm organizations, and individual farmers, shall conduct a cost of production study of the wheat, feed grain, cotton, and dairy commodities under the various production practices and establish a current national weighted average cost of production. This study shall be updated annually and shall include all typical variable costs, a return on fixed costs equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that requires one man to farm on a full-time basis.

"LIVESTOCK STUDY

"SEC. 809. (a) The Secretary of Agriculture is authorized and directed to carry out a comprehensive study and investigation to determine the reasons for the extensive loss of livestock sustained each year, through injury and disease, while such livestock is being transported in interstate commerce for commercial purposes. The Secretary is also authorized and directed to conduct, in connection with such study and investigation, an intensive research program for the purpose of developing measures that can be taken to reduce materially the number of animals lost, through injury and disease, during transportation for commercial purposes.

"(b) The Secretary of Agriculture shall submit to the Congress not more than four years after the date of enactment of this section a final report on the results of his study and investigation and research together with such recommendations for administrative and legislative action as he deems appropriate. He shall submit such interim reports to the Congress as he deems advisable, but at least one at the end of each twelve month period following the date of enactment of this section.

"(c) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $500,000 in any fiscal year.

"WHEAT AND FEED GRAINS RESEARCH

"SEC. 810. In order to reduce fertilizer and herbicide usage in excess of production needs, to develop wheat and feed grain varieties more susceptible to complete fertilizer utilization, to improve the resistance of wheat and feed grain plants to disease and to enhance their conservation and environmental qualities, the Secretary of Agriculture is authorized and directed to carry out regional and national research programs.

"In carrying out such research, the Secretary shall utilize the technical and related services of the appropriate Federal, State, and private agencies.

"There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $1,000,000 in any fiscal year.

"TECHNICAL SUPPORT

"SEC. 811. The Department of Agriculture shall provide technical support to exporters and importers of United States agricultural products when so requested. Such support shall include, but not be limited to, a review of the feasibility of the export proposal, adequacy of sources of supply, compliance with trade regulations of the United States and the importing country and such other information or guidance as may be needed to expand and expedite United States agricultural exports by private trading interests.

"EXPORT SALES REPORTING

"SEC. 812. All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period: (a) type, class, and quantity of the commodity sought to be exported, (b) the marketing year of shipment, (c) destination, if known. Individual reports shall remain confidential but shall be compiled by the Secretary and published in compilation form each week following the week of reporting. All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as he may request. Any person (or corporation) who knowingly fails to report export sales pursuant to the requirements of this section shall be fined not more than $25,000 or imprisoned not more than one year, or both. The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis."

"DISASTER RESERVE

"SEC. 813. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall under the provisions of this Act establish, maintain, and dispose of a separate reserve of inventories of not to exceed 75 million bushels of wheat, feed grains, and soybeans for the purpose of alleviating distress caused by a natural disaster.

"Such reserve inventories shall include such quantities of grain that the Secretary deems needed to provide for the alleviation of distress as the result of a natural disaster.

"(b) The Secretary shall acquire such commodities through the price support program.

"(c) Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should be disposed of, the Secretary shall not offer any commodity in the reserve for sale or disposition.

"(d) The Secretary is also authorized to dispose of such commodities only for (1) use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.), or (2) for use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(e) The Secretary may sell at an equivalent price, allowing for the customary location and grade price differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve.

"(f) The Secretary may use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(g) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions of this section.

"(h) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"IMPORTED COMMODITIES

"SEC. 814. Notwithstanding any other provisions of this Act, the Secretary shall encourage the production of any crop of which the United States is a net importer and for which a price support program is not in effect by permitting the planting of such crop on set-aside acreage and with no reduction in the rate of payment for the commodity.

"EMERGENCY SUPPLY OF AGRICULTURAL PRODUCTS

"SEC. 815(a) Notwithstanding any other provision of law, the Secretary of Agriculture shall assist farmers, processors, and distributors in obtaining such prices for agricultural products that an orderly, adequate and steady supply of such products will exist for the consumers of this nation.

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

"(c) Under this section, the term 'agricultural products' shall include meat, poultry, vegetables, fruits and all other agricultural commodities in raw or processed form, except forestry products or fish or fishery products.

"RURAL DEVELOPMENT

"SEC. 816. (a) Section 401 of the Rural Development Act of 1972 (86 Stat. 670) is amended by substituting the words 'fire' and 'fires' for the words 'wildfire' and 'wildfires', respectively, wherever such words appear.

"(b) Section 404 of the Rural Development Act of 1972 (86 Stat. 671) is amended to read as follows:

"'SEC. 404. APPROPRIATIONS.—There is authorized to be appropriated to carry out the provisions of this title $7,000,000 for each of

three consecutive fiscal years beginning with the fiscal year for which funds are first appropriated and obligated by the Secretary of Agriculture carrying out this title.'

"(c) Section 306(a) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(13)(A) The Secretary, under such reasonable rules and conditions as he shall establish, shall make grants to eligible volunteer fire departments for up to 50 per centum of the cost of firefighting equipment needed by such departments but which such departments are unable to purchase through the resources otherwise available to them, and for the cost of the training necessary to enable such departments to use such equipment efficiently.

"'(B) For the purposes of this subsection, the term "eligible volunteer fire department" means any established volunteer fire department in a rural town, village, or unincorporated area where the population is less than two thousand but greater than two hundred, as reasonably determined by the Secretary.'

"SEC. 817. Section 310B(d) of subtitle A of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(4) No grant or loan authorized to be made under this Act shall require or be subject to the prior approval of any officer, employee, or agency of any State.

"'(5) No loan commitment issued under this section, section 304, or section 312 shall be conditioned upon the applicant investing in excess of 10 per centum in the business or industrial enterprise for which purpose the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than 10 per centum.

"'(6) No provision of law shall prohibit issuance by the Secretary of certificates evidencing beneficial ownership in a block of notes insured or guaranteed under this Act or Title V of the Housing Act of 1949; any sale by the Secretary of such certificates shall be treated as a sale of assets for the purposes of the Budget and Accounting Act of 1921. Any security representing beneficial ownership in a block of notes guaranteed or insured under this Act or Title V of the Housing Act of 1949 issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Secretary shall require (i) that the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) that the issuer provide such periodic reports of sales as the Secretary deems necessary.'

"AGRICULTURAL CENSUS

"SEC. 818. Notwithstanding any other provision of law, the Secretary of Commerce shall conduct a census of agriculture in 1974 as required by section 142 of title 13, United States Code, and shall submit to the Congress, within thirty days after the date of enactment of the Agriculture and Consumer Protection Act of 1973, an estimate of the funds needed to conduct such census."

(28) By adding at the end thereof the following new title X:

"TITLE X—RURAL ENVIRONMENTAL CONSERVATION PROGRAM

"SEC. 1001. Notwithstanding any other provision of law, the Secretary shall carry out the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended, section 16(b) of such Act, and in the Water Bank Act (16 U.S.C. 1301 et seq.) by entering into contracts of three, five, ten, or twenty-five years with, and at the option of, eligible owners and operators of land as determined by the Secretary and having such control as the Secretary determines to be needed on the farms, ranches, wetlands, forests, or other lands covered thereby. In addition, the Secretary is hereby authorized to purchase perpetual easements to promote said purposes of this Title, including the sound use and management of flood plains, shore lands, and aquatic areas of the Nation. Such contracts shall be designed to assist farm, ranch, wetland, and nonindustrial private forest owners and operators, or other owners or operators, to make, in orderly progression over a period of years, such changes, if any, as are needed to effectuate any of the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended; section 16(b) of such Act; the Water Bank Act (16 U.S.C. 1301 et seq.); in enlarging fish and wildlife and recreation sources; in improving the level of management of nonindustrial private forest lands; and in providing long-term wildlife and upland game cover. In carrying out the provisions of this title, due regard shall be given to the maintenance of a continuing and stable supply of agricultural commodities and forest products adequate to meet consumer demand at prices fair to both producers and consumers.

"(1) to effectuate the plan for his farm, ranch, forest, wetland, or other land substantially in accordance with the schedule outlined therein;

"(2) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the Soil and Water Conservation District Board, or the State forester or other appropriate official in a contract entered into under the provisions of section 1009 of this title, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of contract;

"(3) upon transfer of his right and interest in the farm, ranch, forest, wetland, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(4) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"SEC. 1002. Eligible landowners and operators for contracts under this title shall furnish to the Secretary a plan of farming operations or land use which incorporates such practices and principles as may be determined by him to be practicable and which outlines a schedule of proposed changes, if any, in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, wetland, forests, or other land during the contract period to protect the farm, ranch, wetland, forests or other land and surrounding areas, its wildlife, and nearby populace and communities from erosion, deterioration, pollution by natural and manmade causes or to insure an adequate supply of timber and related forest products. Said plans may also, in important migratory waterfowl nesting and breeding areas which are identified in a conservation plan developed in cooperation with a soil and water conservation district in which the lands are located, and under such rules and regulations as the Secretary may provide, include a schedule of proposed changes, if any, to conserve surface waters and preserve and improve habitat for migratory waterfowl and other wildlife resources and improve subsurface moisture, including, subject to the provisions of section 1001 of this title, the reduction of areas of new land coming into production, the enhancement of the natural beauty of the landscape, and the promotion of comprehensive and total water management study.

"SEC. 1003. (a) Approved conservation plans of eligible landowners and operators developed in cooperation with the soil and water conservation district or the State forester or other appropriate State official in which their lands are situated shall form a basis for contracts under this title. Under the contract the landowner or operator shall agree—

"(5) to comply with all applicable Federal, State, or local laws, and regulations, including those governing environmental protection and noxious weed abatement; and

"(6) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program: *Provided*, That all contracts entered into to effectuate the purposes of the Water Bank Act for wetlands shall contain the further agreement of the owner or operator that he shall not drain, burn, fill, or otherwise destroy the wetland character of such areas, nor use such areas for agricultural purposes: *And provided further*, That contracts entered into for the protection of wetlands to effectuate the purposes of the Water Bank Act may include wetlands covered by Federal or State government easement which permits agricultural use, together with such adjacent areas as determined desirable by the Secretary.

"(b) In return for such agreement by the landowner or operator the Secretary shall agree to make payments in appropriate circumstances for the use of land maintained for conservation purposes as set forth in this title, and share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract, but, in the case of a contract not entered into under an advertising and bid procedure under the provisions of section 1009(d) of this title, not less than 50 per centum or more than 75 per centum of the actual costs incurred by the owner or operator.

"(c) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, land use, or commodity programs administered by the Secretary.

"SEC. 1004. The Secretary is authorized to make available to eligible owners and operators conservation materials including seeds, seed inoculants, soil conditioning materials, trees, plants, and, if he determines it is appropriate to the purposes of this title, fertilizer and liming materials.

"SEC. 1005. (a) Notwithstanding the provisions of any other title, the Secretary may establish multiyear set-aside contracts for a period not to extend beyond the 1977 crop. Such contracts may be entered into only as a part of the programs in effect for wheat, feed grains, and cotton for the years 1974 through 1978, and only producers participating in one or more of such programs shall be eligible to contract with the Secretary under

this section. Producers agreeing to a multiyear set-aside agreement shall be required to devote this acreage to vegetative cover capable of maintaining itself throughout such period to provide soil protection, water quality enhancement, wildlife production, and natural beauty. Grazing of livestock under this section shall be prohibited. Producers entering into agreements under this section shall also agree to comply with all applicable State and local law and regulation governing noxious weed control.

"(b) The Secretary shall provide cost-sharing incentives to farm operators for such cover establishment, whenever a multiyear contract is entered into on all or a portion of the set-aside acreage.

"SEC. 1006. The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this title. The total acreage placed under agreements which result in their retirement from production in any county or local community shall in addition to the limitations elsewhere in this title be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired, if any, as compared to the average productivity of eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community.

"SEC. 1007. (a) The Secretary of Agriculture shall appoint an advisory board in each State to advise the State committee of that State (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) regarding the types of conservation measures that should be approved to effectuate the purposes of this title. The Secretary shall appoint at least six individuals to the advisory board of each State who are especially qualified by reason of education, training, and experience in the fields of agriculture, soil, water, wildlife, fish, and forest management. The advisory board appointed for any State shall meet at least once each calendar year. Said appointed members shall include, but not be limited to, the State soil conservationist, the State forester, the State administrator of the water quality programs, and the State wildlife administrator or their designees: *Provided*, That such board shall limit its advice to the State committees to the types of conservation measures that should be approved affecting the water bank program; the authorization to purchase perpetual easements to promote the purposes of this title, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multiyear set-aside contracts as provided in section 1005 of this title.

"(b) The Secretary of Agriculture, through the establishment of a national advisory board to be named in consultation with the Secretary of the Interior, shall seek the advice and assistance of the appropriate officials of the several States in developing the programs under this title, especially in developing guidelines for (1) providing technical assistance for wildlife habitat improvement practices, (2) evaluating effects on surrounding areas, (3) considering aesthetic values, (4) checking compliance by cooperators, and (5) carrying out programs of wildlife management authorized under this title: *Provided*, That such board shall limit its advice to subjects which cover the types of conservation measures that should be approved regarding the water bank program; the authorization to purchase perpetual easements to promote the purposes of this Act, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multiyear set-aside contracts as provided in section 1005 of this title.

"SEC. 1008. In carrying out the programs authorized under sections 1001 through 1006 of this title, the Secretary shall, in addition to appropriate coordination with other interested Federal, State, and local agencies utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary is also authorized to utilize the facilities and services of the Commodity Credit Corporation in discharging his functions and responsibilities under this program. The Secretary shall also utilize the technical services of the Soil Conservation Service, the Forest Service, State forestry organizations, soil and water conservation districts, and other State, and Federal agencies, as appropriate, in development and installation of approved conservation plans under this title.

"SEC. 1009. (a) In furtherance of the purposes of this title, the Secretary of Agriculture is authorized and directed to develop and carry out a forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of suitable open lands and reforestation of cutover and other nonstocked and understocked forest lands and intensive multiple-purpose management and protection of forest resources so as to provide for production of timber and related benefits.

"(b) For the purposes of this section, the term 'non-industrial private forest lands' means lands capable of producing crops of industrial wood and owned by any private individual, group association, corporation, or other legal entity. Such term does not include private entities which regularly engage in the business of manufacturing forest products or providing public utilities services of any type, or the subsidiaries of such entities.

"(c) The Secretary shall consult with the State forester or other appropriate official of the respective States in the conduct of the forestry incentives program under this section, and Federal assistance shall be extended in accordance with section 1003(b) of this title. The Secretary shall for the purposes of this section distribute funds available for cost sharing among and within the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to the number and acreage of commercial forest lands, number of eligible ownerships in the State, and counties to be served by such cost sharing; the potential productivity of such lands; and the need for reforestation, timber stand improvement, or other forestry investment on such land. No forest incentives contract shall be approved under this section on a tract greater than five hundred acres, unless the Secretary finds that significant public benefit will be incident to such approval.

"(d) The Secretary may, if he determines that such action will contribute to the effective and equitable administration of the program established by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreements.

"(e) In implementing the program under this section, the Secretary will cause it to be coordinated with other related programs in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentives improvement program. The Secretary shall periodically report to the appropriate congressional committees of the progress and conduct of the program established under this section.

"SEC. 1010. There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this title. The programs, contracts, and authority authorized under this title shall be in addition to, and not in substitution for, other programs in such areas authorized by this or any other title or Act, and shall not expire with the termination of any other title or Act: *Provided*, That not more than $25,000,000 annually shall be authorized to be appropriated for the program authorized under section 1009 of this Act."

ADVISORY COMMITTEE REPEAL

SEC. 2. Section 301 of the Act of August 14, 1946 (Public Law 79–733), as amended (7 U.S.C. 1628), is hereby repealed.

FOOD STAMPS

SEC. 3. The Food Stamp Act of 1964, as amended, is amended as follows:

(a) The second sentence of section 3(e) of the Food Stamp Act of 1964 (7 U.S.C. 2012 (e)) is amended—

(1) by striking out "or"; and

(2) by inserting before the period at the end thereof the following: ", or (3) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program."

(b) Section 3(e) of the Food Stamp Act of 1964 is amended by striking out the last sentence therein and inserting in lieu thereof the following sentence: "No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household or an elderly person for any purpose of this Act for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect were December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92–603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.

(c) Section 3 of the Food Stamp Act of 1964 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(n) The term 'drug addiction or alcoholic treatment and rehabilitation program' means any drug addiction or alcoholic treatment and rehabilitation program conducted by a private nonprofit organization or institution which is certified by the State agency or agencies designated by the Governor as responsible for the administration of the State's programs for alcoholics and drug addicts pursuant to Public Law 91–616 'Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment, and Rehabilitation Act' and Public Law 92–255 'Drug Abuse Office and Treatment Act of 1972' as providing treatment that can lead to the rehabilitation of drug addicts or alcoholics."

(d) Section 5 of the Food Stamp Act of 1964 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall establish uniform national standards of eligibility for households described in section 3(e)(3) of this Act."

(e) Section 5(c) of the Food Stamp Act of 1964 (7 U.S.C. 2014(c)) is amended by adding at the end thereof the following: "For the purposes of this section, the term 'able-bodied adult person' shall not include any narcotics addict or alcoholic who regularly participates, as a resident or nonresident, in any drug addiction or alcoholic treatment and rehabilitation program."

(f) Section 10 of the Food Stamp Act of 1964 (7 U.S.C. 2019) is amended by inserting at the end thereof the following new subsection:

"(i) Subject to such terms and conditions as may be prescribed by the Secretary in the regulations pursuant to this Act, members of an eligible household who are narcotics addicts or alcoholics and regularly participate in a drug addiction or alcoholic treatment and rehabilitation program may use coupons issued to them to purchase food prepared for or served to them during the course of such program by a private nonprofit organization or institution which meets requirements (1), (2), and (3) of subsection (h) above. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act."

(g) Section 5(b) is amended by inserting the following before the period at the end of the second sentence: ": *Provided,* That such standards shall take into account payments in kind received from an employer by members of a household, if such payments are in lieu of or supplemental to household income: *Provided further,* That such payments in kind shall be limited only to housing provided by such employer to such employee and shall be the actual value of such housing but in no event shall such value be considered to be in excess of the sum of $25.00 per month".

(h) The fourth sentence of section 5(b) is amended to read as follows:

The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency, without regard to income and other financial resources, for households that are the victims of a mechanical disaster which disrupts the distribution of coupons, and for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided,* That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States.

(i) Section 10(e) is amended by striking out "and (6)" and inserting in lieu thereof the following: "(6) issuance of coupon allotments no less often than two times per month; (7) notwithstanding any other provision of law, the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under title IV of the Social Security Act and have its coupon allotment distributed to it with such grant or payment; and (8)"; and (2) by adding at the end thereof the following: "The State agency is required to submit, prior to January 1, 1974, for approval, a plan of operation specifying the manner in which such State agency intends to conduct the program in every political subdivision in the State, unless such State agency can demonstrate that for any political subdivision it is impossible or impracticable to extend the program to such subdivision. The Secretary shall make a determination of approval or disapproval of a plan of operation submitted by a State agency in sufficient time to permit institution of such plan by no later than June 30, 1974."

(j) Section 16(a) is amended by striking out in the first sentence "June 30, 1972, and June 30, 1973" and substituting "June 30, 1972, through June 30, 1977", and by inserting at the end of the first sentence of subsection (a) the following new sentence: "Sums appropriated under the provisions of this Act shall notwithstanding the provisions of any other law continue to remain available until expended."

(k) Section 10(h) is amended by adding at the end thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary, in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or elderly persons and their spouses may also use coupons issued to them to purchase meals prepared by senior citizens' centers, apartment buildings occupied primarily by elderly persons, any public or nonprofit private school which prepares meals especially for elderly persons, any public or nonprofit private eating establishment which prepares meals especially for elderly persons during special hours, and any other public or nonprofit private establishment approved for such purpose by the Secretary. When an appropriate State or local agency contracts with a private establishment to offer, at concessional prices, meals prepared especially for elderly persons during regular or special hours, the Secretary shall permit eligible households who are sixty years of age or over or elderly persons and their spouses to use coupons issued to them to purchase such meals."

(l) Section 3(b) of the Food Stamp Act of 1964 (7 U.S.C. 2012(b)) is amended to read as follows: "The term 'food' means any food or food product for home consumption except alcoholic beverages and tobacco and shall also include seeds and plants for use in gardens to produce food for the personal consumption of the eligible household."

(m) Section 7(a) of the Food Stamp Act of 1964 (7 U.S.C. 2016(a)) is amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor to be implemented commencing with the allotments of January 1, 1974, incorporating the changes in the prices of food through August 31, 1973, but in no event shall such adjustments be made for cause of the coupon allotment for such households, as calculated above, is a minimum of $2.00."

(n) The following new section is added at the end of such Act:

"SEC. 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment for the purpose of procuring food for the household except firearms, ammunition, and other explosives, with coupons issued under this Act if the Secretary determines that (1) such households are located in an area of the State which makes it extremely difficult for members of such households to reach retail food stores, and (2) such households depend to a substantial extent on hunting and fishing for subsistence purposes."

(o) Section 3(f) of the Food Stamp Act of 1964 (7 U.S.C. 2012(f)) is amended by striking the second sentence and inserting in lieu thereof the following new sentence: "It shall also mean a political subdivision or a private nonprofit organization or institution that meets the requirements of sections 10(h) or 10(i) of this Act."

(p) Section 3(e) is amended by adding at the end thereof the following new sentence: "Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), or section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall not be considered residents of an institution or boarding house for purposes of eligibility for food stamps under this Act."

COMMODITY DISTRIBUTION PROGRAM

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized until July 1, 1974 (1) to use funds available to carry out the provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not expended or needed for such purpose to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 for donation to maintain the annually programmed level of assistance for schools, domestic relief distribution, and such other domestic food assistance programs as are authorized by law, and (2) if stocks of the Commodity Credit Corporation are not available, to use the funds of the Corporation to purchase agricultural commodities and the products thereof of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

(b) The Secretary is prohibited from furnishing commodities to summer camps as authorized under section 416 of the Agricultural Act of 1949, section 32 of Public Law 74–320, and section 709 of the Food and Agriculture Act of 1965 if the number of adults participating in the activities of such camp is in excess of one for each five children under 18 years of age participating in such activities.

(c) No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household for any purpose of the Food Distribution Program for families under section 32 of P.L. 74–320, section 416 of the Agricultural Act of 1949, or other law for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92–603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.

SHORT TITLE

SEC. 5. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973."

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JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
CARL T. CURTIS,
G. D. AIKEN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

W. R. POAGE,
THOMAS S. FOLEY,
BERNIE SISK,
JOHN R. RARICK,
ED JONES,
Managers on the Part of the House.

DESCRIPTION OF DIFFERENCES RECONCILED

The 111 differences and a description of how the conferees reconciled 110 of them follows:

(1) *Senate* payment limitation excluded resource adjustment payments.

House (i) included diversion and resources adjustment payments, (ii) added a new paragraph (4) which provided for reductions in the payment limitation in cases where lands or allotments are leased, and (iii) amended existing paragraph (4) to provide for rules designed to achieve an "effective and economical" (rather than "fair and reasonable") application of the limitation.

The Conference substitute adopts the Senate provision with an amendment to paragraph (4) to preserve the definition of corporate "persons" originally adopted by U.S. Department of Agriculture regulations after the enactment of the Agricultural Act of 1970.

(2) *Senate* generally provided for a five year bill.

House generally provided for a four year bill, except that the payment limitation provision covered five years.

The Conference substitute generally provides for a four year bill.

(3) *Senate* increased the minimum dairy support price on manufactured milk to eighty percent of parity for balance of current marketing year.

House increased that support price to eighty percent permanently.

The Conference substitute increases the minimum support price to eighty percent of parity for the balance of the current marketing year and for the next marketing year, which ends March 31, 1975.

(4) *Senate* limited dairy imports to two percent of annual consumption subject to exceptions.

The Conference substitute deletes this provision.

(5) *Senate* gave dairy import license priority to domestic producers and processors for "any increase in the quantity to be imported under this section".

House gave such priority for "dairy products not currently being imported", specified that such priority shall be for thirty days, prohibited the transfer of licenses, and excluded casein and caseinates from "dairy products".

The Conference substitute rewrites both provisions to require the Secretary of Agriculture to make a comprehensive study of the dairy import situation and to report to the Congress no later than January 1, 1975, his findings and recommendations relative thereto.

(6) *House* preserved the legal status of producer handlers of milk.

The Conference substitute includes this provision.

(7) *House* increased the minimum wheat price support loan to $1.49 per bushel (from $1.25 in present law).

The Conference substitute increases the minimum wheat price support loan to $1.37 per bushel.

(8) *Senate* wheat "target price" for 1974 was set at $2.28 per bushel.

House "target" was $2.05.

The Conference substitute sets the 1974 and 1975 wheat "target price" at $2.05 per bushel, with adjustments in 1976 and 1977.

(9) *House* provided for adjustment of the prices paid index for wheat, corn, and cotton "to reflect any change in (i) the national average yield per acre . . . for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre . . . for the three calendar years preceding the year previous to the one for which the determination is made."

The Conference substitute adopts the House provision, but the application of the "escalator clause" will not be applicable to the 1974 or 1975 crops of wheat, corn, and cotton. In 1976 any adjustments occurring as the result of changes in farm costs and yields in the previous year would be reflected in the 1976 "target" prices. In 1977 the adjusted 1976 "target price" will be used as a basis for the 1977 "target price", but any adjustments occurring as the result of changes in farm costs and yields in the previous year would be reflected in that 1977 "target price".

(10) *Senate* provided for payment of one-third of "target price" for wheat, feed grains, and cotton *only* where producer is prevented from *planting*.

House provided such payment *also* where producer is prevented from harvesting.

The Conference substitute provides such payment where the producer is prevented from planting or where he harvests less than two-thirds of a normal crop.

(11) *Senate* extended the fifteen million acre limitation on the wheat set-aside.

The Conference substitute deletes this provision.

(12) *House* provided authority for practice payments for measures to protect annual wheat, feed grain, and cotton set-aside from pests and devote it to wildlife habitat.

The Conference substitute includes this provision.

(13) *House* added cotton, triticale, oats, and rye to crops specifically mentioned which the Secretary may permit to be counted as wheat or feed grains for the purpose of preserving acreage history.

The Conference substitute includes this provision.

(14) *Senate* suspended wheat certificate collections from processors on enactment.

House suspended it on July 1, 1973.

The Conference substitute includes the House provision.

(15) *House* provided authority to Secretary to exempt wheat and wheat food products in channels of trade on July 1, 1973, from such collections.

The Conference substitute includes the House provision.

(16) *Senate* made inapplicable to wheat the provision that the farm projected yield shall not be less than the proven yield.

House put wheat farm projected yield on a five-year (like county project yield) instead of three-year base, and provided that in computing the actual yield (which would be governing if greater) if one of the five years is abnormally low because of a natural disaster, that year shall be disregarded.

The Conference substitute includes the House provision.

(17) *Senate* permitted marketing without penalty of certain wheat stored to avoid penalty.

House authorized the Secretary to permit such marketing with authority to require a refund or part of the certificate payment made in the year the excess wheat was produced.

The Conference substitute includes the House provision.

(18) *House* provided for a minimum corn price support loan at $1.19 per bushel (instead of $1.00 in present law).

The Conference substitute sets the minimum corn price support loan at $1.10 per bushel.

(19) *Senate* set the corn "target price" for 1974 at $1.53 per bushel.

House "target" was $1.38.

The Conference substitute sets the 1974 and 1975 corn "target prices" at $1.38 per bushel with adjustments in 1976 and 1977.

(20) *House* provided that acres cut from farm allotments because of failure to plant would be assigned to a national pool for adjustment of feed grain allotments as provided by section 105(e)(2) of 1949 Act.

The Conference substitute includes this provision.

(21) *House* gave the Secretary discretionary authority to waive requirement that wheat and feed grain producers devote their conserving bases to approved conservation uses.

The Conference substitute includes this provision and extends it to cotton.

(22) *Senate* struck out all after first sentence of section 105(e)(2) of the Agricultural Act of 1949 (which dealt with adjustments of feed grain base acreages, which are replaced in the bill by acreage allotments).

The Conference substitute includes this provision with a technical revision to conform it to Item 20 above by substituting the word "allotments" for the word "bases".

(23) *House* permitted sale or lease of cotton from base acreage to farms which have no base acreage.

The Conference substitute includes this provision.

(24) *Senate* provided a minimum national base acreage for cotton of ten million acres.

House provided minimum of eleven million acres.

The Conference substitute includes the House provision.

(25) *House* permitted cotton base acreage in case of disaster to be planted in a "nearby" rather than "adjoining" county.

The Conference substitute includes this provision.

(26) *House* struck the provision requiring compliance with set-aside as condition of receiving base acreage through release and reapportionment, or sale, lease or other transfer.

The Conference substitute deletes this House provision.

(27) *House* based cotton price support loan level on the average "price of American cotton in world markets" rather than the average "world price".

The Conference substitute includes this provision. The Conferees intend that the Secretary shall obtain quotations in world markets for American cotton, supplemented by any other relevant price information available, for use in the determination of average price and in the establishment of the loan level at ninety percent of the three-year average.

(28) *Senate* based cotton price support loan level on price of strict low middling one and one-sixteenth inches, instead of middling one inch.

The Conference substitute deletes this provision.

(29) *Senate* provided for adjustments in loan level to keep United States cotton in line with world prices and retain adequate share of world market.

House provided for adjustment down to ninety percent of current world price.

The Conference substitute includes the House provision.

(30) *Senate* based cotton payments on the five-month average price of strict low middling one and one-sixteenths in the designated spot markets.

House based cotton payments on the average price received by farmers during the calendar year in which the marketing year begins.

The Conference substitute includes the House provision.

(31) *Senate* set the cotton "target prices" for 1974 at 43 cents per pound.

House "target" was 38 cents.

The Conference substitute sets the cotton "target price" at 38 cents per pound in 1974 and 1975, with adjustments in 1976 and 1977.

(32) *House* provided for payment of one-third of the "target price" to a producer prevented from planting or harvesting cotton, even though he could have planted or harvested another non-conserving crop.

The Conference substitute provides such payment where the producer is prevented from planting or harvests less than two-thirds of a normal crop.

(33) *Senate* authorized Secretary to limit cotton planted in excess of base acreage.

The Conference substitute includes this provision.

(34) *House* did not require cotton to be planted to qualify for payments.

The Conference substitute deletes this provision.

(35) *House* struck out prohibition against grazing cotton set-aside during the five principal months of the growing season, and specifically authorized the Secretary to permit hay, triticale, oats, or rye to be planted on cotton set-aside.

The Conference substitute adopts this provision and extends it to wheat and feed grains.

(36) *Senate* based CCC cotton sales price restrictions on strict low middling one and one-sixteenth.

House set CCC domestic release price at 115 percent of the loan.

The Conference substitute deletes both these provisions.

(37) *Senate* extended section 608 of the Agricultural Act of 1970, thereby making inapplicable section 203 of the 1949 Act, which requires competitive support levels for cottonseed and soybeans.

The Conference substitute includes this provision.

(38) House amended section 610 of the Agricultural Act of 1970 to provide that the first grant by CCC provided for thereunder for cotton market promotion shall be $10 million annually (instead of the amount not exceeding $10 million withheld from producers because of the payment limitation).

The Conference substitute includes the House provision. It is the intent of the Conferees that the Secretary shall not approve agreements with the contracting organizations for sales promotion programs.

(39) *House* provided for a civil penalty of up to $5,000 for violation of cotton pest eradication program regulations.

The Conference substitute includes this provision.

(40) *House* authorized appropriations to the Commodity Credit Corporation for the cotton pest eradication program.

The Conference substitute includes this provision.

(41) *House* extended to the 1974 through 1977 crops of cotton the same skip row rules that applied to the 1971 through 1973 crops.

The Conference substitute includes this provision.

(42) *Senate* permitted sales under title I of P.L. 480 for dollars to any country if assistance could be made available to that country under title II.

The Conference substitute deletes this provision.

(43) *Senate* required the President to take steps to assure that commercial supplies are available to meet demands developed through programs carried out under P.L. 480. The Senate also required that applications for participation in programs under P.L. 480 include considerations of supplementary cash dollar sales at that time or in the future.

The Conference substitute includes only the requirement that the President take steps to assure that commercial supplies are available to meet demands developed through programs carried out under P.L. 480.

While the *Conference substitute* does not accept the remainder of the Senate statutory provision, the conferees wish to emphasize the direction in the Senate Committee report on S. 1888 for action consistent with U.S. obligations under international agreements and the capabilities of the recipient country.

(44) *Senate* prohibited the use of foreign currencies under P.L. 480 for military, defense, or internal security purposes.

The Conference substitute deletes this provision.

(45) *House* prohibited P.L. 480 sales or donations to North Vietnam unless assistance is specifically authorized by act of Congress enacted after July 1, 1973.

The Conference substitute includes this provision.

(46) *Senate* required applications for export subsidies to specify the kind, class, and quantity of the agricultural commodity, and the regional geographic destination. Required publication of such information within seventy-two hours after the application is filed.

The Conference substitute includes a revised version of this provision (see also Item 80).

(47) *Senate* made title XVI Social Security supplemental assistance participants eligible for food stamp and food distribution programs if they meet income and resource criteria.

The *Conference substitute* includes a revised version of this provision.

Nothing in this amendment would affect the provisions of section 401 of the Social Security Amendments of 1972, which provides a limitation on fiscal liability of States for optional state supplementation, including the cashing out of food stamps, under the supplemental security income program. Neither would the amendment affect the eligibility of supplemental security income beneficiaries for food stamps under temporary emergency standards established by the Secretary of Agriculture for victims of a disaster.

(48) *House* extended food stamp program to certain participants in drug addiction and alcoholic treatment programs.

The Conference substitute includes this provision.

(49) *House* required payments in kind to be taken into account in food stamp eligibility standards.

The Conference substitute includes this provision, but modifies it to apply only to the actual value of housing provided by an employer not in excess of $25.00 per month.

(50) *Senate* provided for application of the same eligibility standards for participation in the commodity distribution program under section 32 of P.L. 74–320 or section 416 of the Agricultural Act of 1949 as for participation in the food stamp program.

The Conference substitute includes a revised version of this provision (see also Item **97).**

The revised language provides that each State agency is required to submit to the Department of Agriculture for approval, prior to January 1, 1974, a plan of operation for conduct of the food stamp program in their State and particularly specifying any areas of the State where it is impossible or impracticable to extend the program. The Secretary is required to make a determination on all State plans in sufficient time to permit implementation of the food stamp program by no later than June 30, 1974.

(51) *Senate* prohibited the establishment of resource eligibility criteria of less than $3,000 for each individual sixty years of age or over.

The Conference substitute deletes this provision.

(52) *Senate* permitted establishment of temporary emergency eligibility standards for households that are the victims of a mechanical disaster which disrupts the distribution of coupons.

The Conference substitute includes this provision, but limits its application to the duration of the mechanical disaster.

(53) *Senate* raised the face value of coupon allotments for households that include persons medically certified as requiring a special diet due to disease or organic difficulty by the amount needed to assure a nutritionally adequate diet.

The Conference substitute deletes this provision.

(54) *Senate* provided for certification of eligibility upon request in the case of households receiving public assistance from any State under a program approved pursuant to title IV of the Social Security Act, and for action within thirty days after initial request in the case of other households upon the basis of a simplified application and reasonably available documentation verifying income.

The Conference substitute deletes this provision.

(55) *Senate* required income of migrant (as defined in 42 U.S.C. 242h) households earned on a seasonal basis to be averaged over three, six, or twelve months, as elected by the applicant, with certification of eligibility to be made for a like period of time.

The Conference substitute deletes this provision.

(56) *Senate* required participating households to report within thirty days after the close of each quarter any increase in income or resources or decrease or change in household composition which would lower its coupon entitlement and which occurred in that quarter.

The Conference substitute deletes this provision.

(57) *Senate* repealed the provision of section 10(c) prohibiting discrimination by reason of race, creed, origin, or political belief.

The Conference substitute deletes this provision.

(58) *Senate* made all political subdivisions, upon approval of a State plan, eligible for institution of the program within ninety days after request therefor, and repeals the existing final provision of section 10(e) for orderly expansion among the several States.

The Conference substitute deletes this provision. (See also Items 50 and 97.)

(59) *Senate* required employment by the State agency of one certification worker for each thousand participating households and one out-reach worker for each five hundred nonparticipating households with incomes below the poverty guidelines.

The Conference substitute deletes this provision.

(60) *Senate* repealed the present provisions of section 10(e)(5) for the use of other federally funded agencies for out-reach purposes.

The Conference substitute deletes this provision.

(61) *Senate* provided for federal reimbursable retroactive relief wherever appropriate by reducing the amount to be charged the aggrieved household for coupon allotments.

The Conference substitute deletes this provision.

(62) *Senate* required issuance of coupons at least twice a month.

The Conference substitute includes this provision.

(63) *Senate* required that at election of recipient, charges for coupons be deducted from payments to recipient under title IV of the Social Security Act and coupons be distributed with such payments.

The Conference substitute includes this provision.

(64) *Senate* required the federal government to pay eighty percent of all costs of the administrative responsibility assigned to the States under the Act (instead of, as at present, sixty-two and one-half percent of the direct salary, travel, and travel-related cost (including normal fringe benefits) involved in out-reach under section 10(e)(5), certification for non-welfare households, and hearings).

The Conference substitute deletes this provision.

(65) *Senate* provided that funds appropriated to carry out the Food Stamp Act shall remain available until expended.

The Conference substitute includes this provision.

(66) *Senate* repealed section 16(b) (which requires the bonus value of coupon allotments to be kept within available appropriations).

The Conference substitute deletes this provision.

(67) *Senate* permitted food stamps to be used by persons over sixty and their spouses to purchase meals prepared by nonprofit private establishments and private establishments contracting with State or local agencies preparing meals for elderly persons.

The Conference substitute includes this provision.

(68) *House* changed the definition of "food" to make imported foods eligible for purchase with food stamps.

The Conference substitute includes this provision.

(69) *Senate* provided that the semi-annual (instead of annual) adjustment of coupon allotments to reflect changes in food prices shall begin with an adjustment August 1, 1973, to reflect changes through April 30, 1973.

House made semi-annual adjustment provision effective January 1, 1974, to reflect changes through August 31, 1973, and provides for adjustments in $2.00 increments.

The Conference substitute includes the House provision.

(70) *Senate* permitted food stamps to be used in certain areas and cases in Alaska for the purchase of hunting and fishing equipment, except firearms, ammunition, and other explosives.

The Conference substitute includes this provision, but limits the use of food stamps to the purchase of such equipment used directly for the procurement of food.

(71) *House* prohibited issuance of food stamps to strikers.

The Conferees were unable to agree on this item, but did agree on the fact that they deplore the lack of enforcement of existing food stamp regulations which require that an able-bodied person in the household register for employment "including a person who is not working because of a strike or lockout at his usual place of employment." It is the specific intent of the Conferees that this provision of the regulations be rigidly and uniformly enforced by the Department of Agriculture and those agencies administering the program at the local level under the auspices of the Department. Eligibility of strikers for food stamps should be carefully scrutinized prior to certification and certification made only in those cases where the household of the individual striker applicant meets all of the requirements of eligibility as in the case of other applicants.

(72) *House* provided that residents of federally subsidized housing for the elderly under certain acts shall not be excluded from the food stamp program as residents of an institution or boarding house.

The Conference substitute includes this provision.

(73) *Senate* permitted loans under sections 302, 303, and 304 of the Consolidated Farm and Rural Development Act even if the indebtedness against the security exceeds $100,000, so long as the indebtedness under those sections does not exceed that amount.

The Conference substitute includes this provision, but modifies it to permit such loans up to $100,000 if the total indebtedness against the security does not exceed $225,000.

(74) *Senate* required production cost studies for wheat, feed grains, cotton, and dairy.

The Conference substitute includes this provision.

(75) *Senate* required a study of the reasons for, and means of preventing, loss of livestock in transit through injury and disease.

The Conference substitute includes this provision.

(76) *Senate* recommended an international grains agreement conference.

The Conference substitute deletes this provision.

(77) *Senate* created a National Agricultural Transportation Committee.

The Conference substitute deletes this provision.

(78) *Senate* authorized appropriation of $500,000 per year for a wheat and feed grain research program and provided for a Wheat and Feed Grain Research Committee.

House authorized a similar effort by the Secretary of Agriculture with an authorized appropriation of $1,000,000.

The Conference substitute includes the House provision.

(79) *Senate* provided for technical assistance to exporters and importers of U.S. agricutural products.

The Conference substitute includes this provision.

(80)(a) *Senate* required reporting within seventy-two hours of export contracts of wheat, feed grains, oilseeds, and their products.

House required reporting on a weekly basis and included cotton.

(b) *Senate* required that such reports be promptly made public.

House required that such reports be kept confidential but that compilations be published.

(c) *House* required reporting of marketing year of shipment, destination only if known, and any information with respect to export sales of agricultural commodities requested by the Secretary.

(d) *House* permitted Secretary to suspend requirement for publishing data under certain circumstances.

(e) *Senate* provided for an agricultural export market development unit within the Foreign Agricultural Service.

The Conference substitute revises the reporting requirement provisions of both bills. (See also Item 46.)

In place of the authority for complete suspension of publication of the information obtained from reports required of exporters under the section, provision is made for continuous reporting and publication on a monthly basis, under the same limitations as provided in the House amendment.

The managers also intend that the authority given the Secretary to suspend weekly publications and weekly reporting and substitute, instead, reporting and publication on a monthly basis be interpreted as a limitation of the Secretary's authority to make such suspension, or if made, his authority to proclaim an extension of such suspension.

Prior to issuing such suspension of the requirement of weekly reports, and of weekly publication of a compilation of data from such reports, the Secretary must find that all the conditions for such suspension exist simultaneously. An extension of a suspension, or additional extension after the first extension has been made, shall require a new determination by the Secretary that the extension should again be promulgated.

The reports required to be made by exporters to the Department are not affected by the existence or non-existence of funds made available for subsidy of export sales of commodities.

(81) *House* required the Secretary of Agriculture to report on steps to implement GAO recommendations in Russian wheat sales report.

The Conference substitute deletes this provision.

(82) *Senate* required the Council of Economic Advisers to monitor developments affecting food and fiber costs.

The Conference substitute deletes this provision.

(83) *House* provided for an emergency reserve of wheat, feed grains, and soybeans.

The Conference substitute includes this provision, but limits the total quantity of commodities to a total amount not to exceed 75 million bushels.

(84) *House* required the Secretary to permit planting on set-aside without loss of payment of any crop of which U.S. is a net importer and which is not price supported.

The Conference substitute includes this provision. The Conferees intend that the term "price supported" include crops for which payments are made as well as those for which CCC loans and purchases are made available. Thus, sugar cane and beets, for example, would not be considered as suitable crops to be planted under this provision.

(85) *House* required adjustment of ceiling prices of any agricultural product if the Secretary determines that the supply will be reduced to unacceptable levels.

The Conference substitute includes this provision with changes designed to clarify its application.

(86) *Senate* extended for two years the time within which the secretary is to submit a report detailing the contribution of the rural fire protection program to achieving the purposes of title IV of the Rural Development Act of 1972.

The Conference substitute deletes this provision.

(87) *House* prohibited any *grant* under section 310B of the Consolidated Farm and Rural Development Act from being subjected to prior State approval.

(Both the Senate bill and the House amendment prohibited any loan under that section from being so subjected.)

The Conference substitute includes this provision and applies it to all loans or grants under the Act.

(88) *Senate* prohibited requiring more than ten percent equity for loans under section 304, 310B, or 312 of Consolidated Farm and Rural Development Act.

The Conference substitute includes this provision.

(89) *House* exempted participations in notes insured or guaranteed under the Consolidated Farm and Rural Development Act from Securities and Exchange Commission laws with technical changes.

The Conference substitute includes this provision.

(90) *Senate* affirmed the national policy of strengthening family farms and required annual reports thereon.

The Conference substitute deletes this provision.

(91) *Senate* restricted multi-year set-aside contracts to wheat, feed grain, and cotton programs.

The Conference substitute includes this amendment.

(92) *House* prohibited grazing on multi-year set-aside and required compliance with State noxious weed laws.

The Conference substitute includes this provision.

(93) *House* limited retirement of acreage under title X of 1970 Act in any county or local community to a percentage which will not adversely affect its economy.

The Conference substitute includes this provision.

(94) (a) *Senate* required State advisory board to meet at least once a year.

The Conference substitute includes this provision.

(b) *House* required such board to include the State soil conservationist, the State forester, the State administrator of the water quality programs, and the State wildlife administrator or their designees.

The Conference substitute includes this provision.

(c) *Senate* limited the national advisory board to advising on wildlife phases of the multi-year set-aside program.

House limited the advice of the State and national advisory boards to water bank conservation measures, perpetual easement purchases, long-term upland game cover, and multi-year set-aside practices.

The Conference substitute includes the House provision.

(95) *Senate* made the State Director of Wildlife Resources an ex-officio member of the State ASC Committee.

The Conference substitute deletes this provision.

(96) *Senate* reduced the grant authority for water and waste disposal facilities in section 306(a)(2) of the Consolidated Farm and Rural Development Act from $300 million to $50 million per year, but directed the Secretary to make such grants in the case of water facilities. It also reduced the planning grant authority under section 306(a)(6) of such Act from $30 million to $5 million per year, but directed the Secretary to make such grants in the case of water systems.

The Conference substitute deletes this provision.

(97) *Senate* required the Secretary of Agriculture to use funds appropriated under section 32 of the Act of August 24, 1935, and other available funds to purchase commodities of the types customarily purchased under section 416 of the Agricultural Act of 1949 needed to provide recipient households under section 416 with 125 percent of their daily nutritional requirements.

The conference substitute includes a revised version of this provision (see Item 50).

The revised language (subsection (a)) gives the Secretary authority, until June 30, 1974, to use funds appropriated under section 32 of the Act of August 24, 1935 to purchase commodities of the types customarily purchased under section 416 of the Agricultural Act of 1949. This action was necessary to continue the Federal food distribution program during any period when there are no surplus commodities up until June 30, 1974. At that time, it is the expectation of the conferees that the food stamp program will have been implemented nationwide (under Item 50) and that those areas of the country which had previously relied upon the Federal food distribution program will be receiving food stamp assistance.

The conferees also included language in subsection (b) to clarify the definition of "summer camp" in section 416 of the Agricultural Act of 1949, section 32 of P.L. 74–320, and section 709 of the Food and Agriculture Act of 1965 to provide that the number of adults participating in the activities of such camp not exceed more than one for each five children.

(98) *Senate* required the Secretary of Commerce to conduct a census of agriculture in 1974 as required by section 142 of title 13 of the U.S. Code: and within thirty days of enactment of the bill to submit an estimate of the funds needed to conduct such census.

The Conference substitute includes this provision.

(99) *Senate* contained a short title and policy statement for forestry incentives provisions.

The Conference substitute deletes this provision.

(100) *Senate* restricted forestry incentives to owners of 500 acres or less.

House restricted eligibility to tracts of 500 acres or less unless significant public benefit will result.

The Conference substitute includes the House provision.

(101) *Senate* excluded manufacturing and utility *corporations* (not individuals).

House excluded forest manufacturing and utility *entities*.

The Conference substitute includes the House provision.

(102) *House* restricted forestry incentive program to a "pilot" program excluded non-federal public lands, and did not specifically provide for recreation, scenic, environmental, watershed, forage, and fish and wildlife benefits.

The Conference substitute includes this provision, but deletes the reference to a "pilot" program.

(103) *Senate* provided specifically for forestry incentive payments and limited any person to not more than $2,500 annually.

The Conference substitute deletes this provision.

(104) *Senate* provided for distribution of funds for cost-sharing after consideration of enumerated factors.

House required distribution of funds among and within the States after consideration of somewhat different factors.

The Conference substitute includes the House provision.

(105) *Senate* authorized Secretary to designate ex officio members of State and local committees for forestry incentive program to be selected from (1) small owners, (2) private forest manager or consulting foresters and (3) wildlife and other private or public resource interests.

The Conference substitute deletes this provision.

(106) *Senate* required ten-year forest management contracts from forestry incentive program participants.

The Conference substitute deletes this provision.

(107) *Senate* limited REAP practices to permanent measures, and limited federal cost-sharing for such measures to not to exceed fifty percent.

House permanently required three, five, ten, and twenty-five year contracts, and perpetual easements to carry out the purposes of the REAP, Great Plains, and water bank programs.

The Conference substitute includes the House provision.

(108) *House* authorized the use of CCC in carrying out program described in Item 107 and multi-year set-aside.

The Conference substitute includes this provision.

(109) *Senate* postponed the effective date of regulations under the Occupational Safety and Health Act of 1970, fixing minimum field re-entry periods after the application of certain pesticides (Federal Register, Vol. 38, No. 83, pp. 10715–10717) from June 18, 1973, to a date at least thirty days following submission of findings to Congress made after hearings held as soon as possible after enactment of the bill.

The Conference substitute deletes this provision. The Conferees, however, are fully mindful of the action of the Department of Labor in recent months in promulgating and attempting to enforce what has proven to be arbitrary and capricious regulations affecting farm workers and their employers. The Conferees strongly recommend that in the promulgation of future regulations the Secretary of Labor take into account both the expertise and the vital interests of both farmers and consumers, as well as providing an adequate public hearing process where all affected parties will have an opportunity to be heard.

(110) *House* repealed section 301 of the Agricultural Marketing Act of 1946 (which provides for a national research advisory committee).

The Conference substitute includes this provision.

(111) *Senate* provided short title "Agriculture and Consumer Protection Act of 1973".

House provided a short title "Agriculture Act of 1973".

The Conference substitute includes the Senate provision.

The Conferees also wish to express their intent in regard to the following:

DAIRY INDEMNITIES

The Conferees have taken note of the fact that the authority for dairy indemnity payments on milk has expired on June 30, 1973. In approving the four-year extension and amendment of this program the Conferees are also mindful that some claims for milk may arise during the period from June 30, 1973 to the date of enactment of this bill.

It is the intent of the Conferees that such claims occurring during this period be entertained by the Secretary and if the claimants otherwise qualify, the fact that these losses occurred during this period should not disqualify their claims.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
CARL T. CURTIS,
GEORGE D. AIKEN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

W. R. POAGE,
THOMAS S. FOLEY,
B. F. SISK,
JOHN R. RARICK,
ED JONES,
Managers on the Part of the House.

Mr. TALMADGE. Mr. President, the conferees reported in disagreement, because of one point in dispute. The Senate conferees unanimously agreed to the other 110 points in dispute, which are included in an amendment in the nature of a substitute which I am about to send to the desk. Not all the House conferees signed the report.

I send to the desk the substitute amendment that covers the 110 points recommended by all the Senate conferees, and I ask that it be stated.

The PRESIDING OFFICER. Does the Senator want the conference report agreed to before calling up the amendment?

Mr. TALMADGE. Yes.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

The substitute reads as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the Agricultural Act of 1970 is amended as follows:

(1) Title I is amended to read as follows:

"TITLE I—PAYMENT LIMITATION

"SEC. 101. Notwithstanding any other provision of law—

"(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1977 crops of the commodities shall not exceed $20,000.

"(2) The term 'payments' as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

"(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

"(4) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided,* That the provisions of this Act which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970."

DAIRY PROGRAM

MILK MARKETING ORDERS

(2) Section 201 is amended by—

(A) amending section 201(e) by striking out "1973" and inserting "1977", and by striking out "1976" and inserting "1980", and

(B) adding at the end thereof the following:

"(f) The Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by:

"(1) striking the period at the end of subsection 8c(17) and adding in lieu thereof the following: ': *Provided futher,* That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced his decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same.'

"(2) inserting after the phrase 'pure and wholesome milk' in section 8c(18) the phrase 'to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs'."

MILK PRICE SUPPORT, BUTTERFAT PRICE SUPPORT SUSPENSION

(3) Section 202 is amended by—

(A) striking the introductory clause which precedes subsection (a);

(B) effective April 1, 1974, inserting in subsection (b) before the period at the end of the first sentence in the quotation the following: "of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs"; and

(C) inserting in subsection (b) after the first sentence in the quotation the following: "Notwithstanding the foregoing, effective for the period beginning with the date of enactment of the Agriculture and Consumer Protection Act of 1973 and ending on March 31, 1975, the price of milk shall be supported at not less than 80 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND TO VETERANS HOSPITALS

(4) Section 203 is amended by striking out "1973" and inserting "1977".

DAIRY INDEMNITY PROGRAM

(5) Section 204 is amended by—

(A) striking out "1973" and inserting "1977"; and

(B) striking subsection (b) and substituting therefor the following:

"(b) Section 1 of said Act is amended to read as follows:

" 'SECTION 1. The Secretary of Agriculture is authorized to make indemnity payments for milk or cows producing such milk at a fair market value, to dairy farmers who have been directed since January 1, 1964 (but only since the date of enactment of the Agriculture and Consumer Protection Act of 1973 in the case of indemnity payments not authorized prior to such date of enactment), to remove their milk, and to make indemnity payments for dairy products at fair market value to manufacturers of dairy products who have been directed since the date of enactment of the Agricultural Act of 1970 to remove their dairy products from commercial markets because of residues of chemicals registered and approved for use by the Federal Government at the time of such use. Any indemnity payment to any farmer shall continue until he has been reinstated and is again allowed to dispose of his milk on commercial markets.' "

DAIRY IMPORT STUDY

(6) Title II is amended by adding at the end thereof the following:

"SEC. 205. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine the effects upon domestic dairy producers, handlers, and processors and upon consumers of increases in the level of imports, if any, of dairy products and report his findings, together with any recommendations he may have with respect to import quotas or other matters, to the Congress of the United States no later than January 1, 1975. For the purposes of this section dairy products include (1) all forms of milk and dairy products, butterfat, milk solids-not-fat, and any combination or mixture thereof; (2) any article, compound, or mixture containing 5 per centum or more of butterfat, or milk solids-not-fat, or any combinations of the two; and (3) lactose, and other derivatives of milk, butterfat, or milk solids-not-fat, if imported commercially for any food use. Dairy products do not include (1) casein, caseinates, industrial casein, industrial caseinates, or any other industrial products, not to be used in any form for any food use, or an ingredient of food; or (2) articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles."

"PRODUCER HANDLERS

"SEC. 206. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by the Agriculture Act of 1973 as it was prior thereto."

WOOL PROGRAM

(7) Section 301 is amended by—

(A) striking out "1973" each place it occurs and inserting "1977", and by striking out the word "three" each place it occurs; and

(B) adding at the end thereof the following:

"(6) Strike out the first sentence of section 708 and insert the following: 'The Secretary of Agriculture is authorized to enter into agreements with or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for mohair or goats or the products thereof produced in the United States.'."

WHEAT PROGRAM

WHEAT PRODUCTION INCENTIVES

(8) Effective beginning with the 1974 crop section 401 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977" and section 107 of the Agricultural Act of 1949, as it appears therein is amended by—

(A) amending section 107(a) to read as follows:

"(a) Loans and purchases on each crop of wheat shall be made available at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains: *Provided,* That in no event shall such level be in excess of the parity price for wheat or less than $1.37 per bushel."

(B) substituting the word "payments" for the word "certificates" in section 107(b);

(C) striking the quotation mark at the end of section 107(b); and

(D) adding at the end of the section the following:

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than the established price of $2.05 per bushel in the case of the 1974 and 1975 crops, $2.05 per bushel adjusted to reflect any change during the calendar year 1975 in the index prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop, times in each case (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield: *Provided,* That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any

change in (i) the national average yield per acre of wheat for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of wheat for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers are prevented from planting, any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of wheat (or other nonconserving crop planted instead of wheat) which the producers are able to harvest on any farm is less than 66⅔ percent of the farm acreage allotment times the projected yield of wheat (or other nonconserving crop planted instead of wheat) for the farm, the rate of payment for the deficiency in production below 100 percent shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

TERMINATION OF WHEAT CERTIFICATE PROGRAM, FARM ACREAGE ALLOTMENTS

(9) Section 402 is amended by inserting "(a)" after the section designation and adding the following at the end of the section:

"(b)(A) Section 379b of the Agricultural Adjustment Act of 1938 (which provides for a wheat marketing certificate program) shall not be applicable to the 1974 through 1977 crops of wheat, except as provided in paragraphs (B) and (C) of this subsection.

"(B) Section 379(c) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section (which provides for a set-aside program), shall be effective with respect to the 1974 through 1977 crops of wheat with the following changes:

"(i) The phrase 'payments authorized by section 107(c) of the Agricultural Act of 1949' shall be substituted for the word 'certificates' and the phrases 'certificates authorized in subsection (b)' and 'marketing certificates' each place they occur.

"(ii) The word 'domestic' shall be stricken each place it occurs.

"(iii) The second sentence of section 379b (c)(1) is amended to read as follows: 'If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments authorized by section 107(c) of the Agricultural Act of 1949, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (i) such percentage of the wheat allotment for the farm as may be specified by the Secretary and will be estimated by the Secretary to result in a set-aside not in excess of thirteen and three-tenths million acres in the case of the 1971 crop; plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary.'

"(iv) The third sentence in 379(c)(1) is amended to read as follows: 'The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to wheat on the farm to a percentage of the acreage allotment.'

"(v) '1971 through 1977' shall be substituted for '1971, 1972, and 1973' each place it occurs other than in the third sentence of section 379b(c)(1).

"(vi) The last sentence of section 379b (c)(1) is amended to read as follows: 'The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.'

"(vii) After the second sentence of section 379(b)(3) the following shall be inserted 'The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designated to carry out the purposes of the foregoing sentences.'

"(C) Sections 379b (d), (e), (g), and (i) of the Agricultural Adjustment Act of 1938, as amended by subsection (a) of this section, shall be effective for the 1974 through 1977 crops amended to read as follows:

"'(d) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.

"'(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"'(g) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this title.

"'(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.'

"(D) Section 379c of the Agricultural Adjustment Act of 1938, effective only with respect to the 1974 through 1977 crops of wheat is amended to read as follows:

"'SEC. 379c. (a)(1) The farm acreage allotment for each crop of wheat shall be determined as provided in this section. The Secretary shall proclaim the national acreage allotment not later than April 15 of each calendar year for the crop harvested in the next succeeding calendar year. Such national allotment shall be the number of acres he determines on the basis of the estimated national average yield for the crop for which the determination is being made will produce the quantity (less imports) that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. The national acreage allotment for any crop of wheat shall be apportioned by the Secretary among the States on the basis of the apportionment to each State of the national acreage allotment for the preceding crop (1973 national domestic allotment in the case of apportionment of the 1974 national acreage allotment) adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, the estimated decrease in farm acreage allotments, and other relevant factors.

"'(2) The State acreage allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the counties in the State, on the basis of the apportionment to each such county of the wheat allotment for the preceding crop, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, the estimated decrease in farm allotments, and other relevant factors.

"'(3) The farm allotment for each crop of wheat shall be determined by apportioning the county wheat allotment among farms in the county which had a wheat allotment for the preceding crop on the basis of such allotment, adjusted to reflect established crop-rotation practices and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment. Notwithstanding any other provision of this subsection, the farm allotment shall be adjusted downward to the extent required by subsection (b).

"'(b) Not to exceed 1 per centum of the State allotment for any crop may be apportioned to farms for which there was no allotment for the preceding crop on the basis of the following factors: suitability of the land for production of wheat, the past experience of the farm operator in the production of wheat, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of wheat on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm allotments. No part of such reserve shall be apportioned to a farm to reflect new cropland brought into production after the date of enactment of the set-aside program for wheat.

"'(5) The planting on a farm of wheat of any crop for which no farm allotment was established shall not make the farm eligible for an allotment under subsection (a)(3) nor shall such farm by reason of such planting be considered ineligible for an allotment under subsection (a)(4).

"'(6) The Secretary may make such adjustments in acreage under this Act as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, types of soil, soil and water conservation measures, and topography, and in addition, in the case of conserving use acreages to such other factors as he deems necessary in order to establish a fair and equitable conserving use acreage for the farm.

"'(b)(1) If for any crop the total acreage of wheat planted on a farm is less than the farm allotment, the farm allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than such farm allotment, but such reduction shall not exceed 20 per centum of the farm allotment for the preceding crop. If no acreage has been planted to wheat for three consecutive crop years on any farm which has an allotment, such farm shall lose its allotment. Producers on any farm who have planted to wheat not less than 90 per centum of the allotment for the farm shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to wheat because of drought, flood, or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of wheat planted for harvest. For the purpose of this subsection, the Secretary may permit producers of wheat to have acreage devoted to soybeans, feed grains for which there is a set-aside program in effect, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate considered as devoted to the production of wheat to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

"'(2) Notwithstanding the provisions of

subsection (b)(1), no farm allotment shall be reduced or lost through failure to plant the farm allotment, if the producer elects not to receive payments for the portion of the farm allotment not planted, to which he would otherwise be entitled under the provisions of section 107(c) of the Agricultural Act of 1949.'"

REPEAL OF PROCESSOR CERTIFICATE REQUIREMENT

(10) Section 403 is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following:

"(b) Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processed or exported during the period July 1, 1973 through June 30, 1978; and section 379g is amended by adding the following new subsection (c):

"(c) The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the certificate program provided for under section 379d to a program under which no certificates are required. Notwithstanding any other provision of law, such authority shall include, but shall not be limited to the authority to exempt all or a portion of wheat or food products made therefrom in the channels of trade on July 1, 1973, from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products made therefrom at such price and under such terms and conditions as the Secretary may determine. Any such certificate shall be issued by the Commodity Credit Corporation. Nothing herein shall authorize the Secretary to require certificates on wheat processed after June 30, 1973."

SUSPENSION OF WHEAT MARKETING QUOTAS

(11) Section 404 is amended by striking "1971, 1972, and 1973" wherever it appears and inserting "1971 through 1977", and by striking "1972 and 1973" and inserting "1972 through 1977".

STATE AGENCY ALLOTMENTS, YIELD CALCULATIONS

(12)(a) Section 405 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977"; and by repealing paragraph (2) effective with the 1974 crop; by inserting "(a)" after the section designation; by changing the period and quotation mark at the end of the section to a semicolon; and by adding at the end of the section the following:

"(b) Effective with respect to the 1974 through 1977 crops, section 301(b)(13)(K) of the Agricultural Adjustment Act of 1938 is amended by adding after 'three calendar years' the following: '(five calendar years in the case of wheat)', and section 708 of Public Law 89-321 is amended by inserting in the second sentence after 'determining the projected yield' the following '(except that in the case of wheat, if the yield is abnormally low in any one of the calendar years of the base period because of drought, flood, or other natural disaster, the Secretary shall take into account the actual yield proved by the producer in the other four years of such base period)'."

SUSPENSION OF QUOTA PROVISIONS

(13) Section 406 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

REDUCTION IN WHEAT STORED TO AVOID PENALTY

(14) Section 407 of the Agricultural Act of 1970 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Secretary may authorize release of wheat stored by a producer under section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, prior to the 1971 crop, whenever he determines such release will not significantly affect market prices for wheat. As a condition of release, the Secretary may require a refund of such portion of the value of certificates received in the crop year the excess wheat was produced as he deems appropriate considering the period of time the excess wheat has been in storage and the need to provide fair and equitable treatment among all wheat program participants.".

APPLICATION OF THE AGRICULTURAL ACT OF 1949

(15) Section 408 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

(16) Section 409 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

SET-ASIDE ON SUMMER FALLOW FARMS

(17) Section 410 is amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

FEED GRAIN PROGRAM

(18) Effective only with respect to the 1974 through 1977 crops of feed grains, section 501 is amended by—

(A) striking out that portion through the first colon and section 105(a) of the Agricultural Act of 1949, as it appears therein, and inserting the following:

"SEC. 501. (a) Effective only with respect to the 1971 through 1977 crops of feed grains, section 105(a) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"'SEC. 105. Notwithstanding any other provision of law—

"'(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.10 per bushel nor in excess of 90 per centum of the parity price therefor, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States.

"'(2) The Secretary shall make available to producers loans and purchases on each crop of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and the other factors specified in section 401(b), and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.'."

(B) adding at the end thereof the following:

"(b) Effective only with respect to the 1974 through 1977 crops of feed grains, section 105(b) of the Agricultural Act of 1949, as amended, is further amended to read as follows:

"'(b)(1) In addition, the Secretary shall make available to producers payments for each crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (1) the payment rate, times (2) the allotment for the farm for such crop, times (3) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"'(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"'(2) the loan level determined under subsection (a) for such crop

is less than the established price of $1.38 per bushel in the case of the 1974 and 1975 crops, $1.38 per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of feed grains for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of feed grains for the three calendar years preceding the year previous to the one for which the determination is made. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of feed grains (or other nonconserving crop planted instead of feed grains) which the producers are able to harvest on any farm is less than 66⅔ percent of the farm acreage allotment times the yield of feed grains (or other nonconserving crop planted instead of feed grains) established for the farm, the rate of payment for the deficiency in production below 100 percent shall be the larger of (A) the foregoing rate, or (B) one-third of the established price.

"'(2) The Secretary shall, prior to January 1 of each calendar year, determine and proclaim for the crop produced in such calendar year a national acreage allotment for feed grains, which shall be the number of acres he determines on the basis of the estimated national acreage yield of the feed grains included in the program for the crop for which the determination is being made will produce the quantity (less imports) of such feed grains that he estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of any of the feed grains are excessive or an increase in stocks is needed to assure a desirable carryover, he may adjust the feed grain allotment by the amount he determines will accomplish the desired decrease or increase in carryover stocks. State, county, and farm feed grain allotments shall be established on the basis of the feed grain allotments established for the preceding crop (for 1974 on the basis of the feed grain bases established for 1973), adjusted to the extent deemed necessary to establish a fair and equitable apportionment base for each State, county, and farm. Not to exceed 1 per centum of the State feed grain allotment may be reserved for apportionment to new feed grain farms on the basis of the following factors: suitability of the land for production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain allotments.

"'(3) If for any crop the total acreage on a farm planted to feed grains included in the program formulated under this subsection is less than the feed grain allotment for the farm, the feed grain allotment for the farm for the succeeding crops shall be reduced by the percentage by which the planted acreage is less than the feed grain allotment for the farm, but such reduction shall not exceed 20 percentum of the feed grain allotment. If no acreage has been planted to such feed grains for three consecutive crop years on any farm which has a feed grain allotment, such farm shall lose its feed grain allotment: *Provided*, That no farm feed grain allotment shall be reduced or lost through failure to plant, if the producer elects not to receive payment for such portion of the farm feed grain allotment not planted, to which he would otherwise be entitled under the provisions of this Act. Any such acres eliminated from any farm shall be assigned to a national pool for the adjustment of feed grain allotments as provided for in subsection (e)(2). Producers on any farm who have planted to such feed grains not less than 90 per centum of the feed grain allotment shall be considered to have planted an acreage equal to 100 per centum of such allotment. An acreage on the farm which the Secretary determines was not planted to such feed grains because of drought, flood or other natural disaster or condition beyond the control of the producer shall be considered to be an acreage of feed grains planted for harvest. For the purpose of this paragraph, the Secretary may permit producers of food grains to have acreage devoted to soybeans, wheat, guar, castor beans, cotton, triticale, oats, rye, or such other crops as the Secretary may deem appropriate, considered as devoted to the production of such feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.'.",

(C) amending the last sentence of section 105(c)(1) to read as follows:

"The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, caster beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

(C) striking out "1971, 1972, 1973" where it appears in that part which amends section 105(c)(1) of the Agricultural Act of 1949 and inserting "1971 through 1977", and amending the second sentence of section 105(c)(1) to read as follows. "If a set-aside of cropland is in effect under this subsection (c), then as a condition of eligibility for loans, purchases, and payments on corn, grain sorghums, and, if designated by the Secretary, barley, respectively, the producers on a farm must set aside and devote to approved conservation uses on acreage of cropland equal to (i) such percentage of the feed grain allotment for the farm as may be specified by the Secretary, plus, if required by the Secretary (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary."

(D) amending the third sentence of section 105(c)(1) to read as follows: "The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to feed grains on the farm to a percentage of the farm acreage allotment.",

(E) striking out paragraphs (1) and (3) and (3) of subsection (e), changing "bases" to "allotments" wherever it appears in paragraph (2) of subsection (e), and striking out all of subsection (g).

(F) inserting after the second sentence of section 105(c)(3) the following: "The Secretary may, in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences."

COTTON PROGRAM

SUSPENSION OF MARKETING QUOTAS FOR COTTON, MINIMUM BASE ACREAGE ALLOTMENT

(19) Section 601 is amended by—

(A) striking out "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977",

(B) striking "1970, 1971, and 1972" from paragraph (2) and inserting "1970 through 1976",

(C) effective beginning with the 1974 crop, striking out the following from section 344a (a) in section 601 "for which a farm base acreage allotment is established (other than pursuant to section 350(e)(1)(A))",

(D) striking "1974" from paragraph (3)(1) and inserting "1978", and by striking "1972 and 1973" from paragraph (4) and inserting "1972 through 1977",

(E) effective beginning with the 1974 crop, adding at the end of section 350(a) in paragraph (4) of section 601 the following: "The national base acreage allotment for the 1974 through 1977 crops shall not be less than eleven million acres.",

(F) effective beginning with the 1974 crop, striking "soybeans, wheat or feed grains" from the last sentence of section 350(e)(2) in paragraph (4) of section 601 and inserting "soybeans, wheat, feed grains, guar, castor beans, triticale, oats, rye or such other crops as the Secretary may deem appropriate",

(G) effective beginning with the 1974 crop, striking the words "an adjoining" in the first sentence of section 350(h) as found in paragraph (4) of section 601, and inserting in lieu thereof "any other nearby".

COTTON PRODUCTION INCENTIVES

(20) Section 602 is amended by—

(A) striking "1971, 1972, and 1973" wherever it appears therein and inserting "1971 through 1977", by striking "the 1972 or 1973 crop " where it appears in that part amending sections 103(e)(1) of the Agricultural Act of 1949 and inserting "any of the 1972 through 1977 crops", and by striking out "acreage world price" in that part amending section 103(e)(1) of the Agricultural Act of 1949, and substituting "average price of American cotton in world markets";

(B) in that part amending section 103(e)(1) of the Agricultural Act of 1949 striking out "two-year period" wherever it appears therein and substituting "three-year period"; and by striking out that part beginning with "except that" in the first sentence and substituting "except that if the loan rate so calculated is higher than the then current level of average world prices for American cotton of such quality, the Secretary is authorized to adjust the current calculated loan rate for cotton to 90 per centum of the then current average world price.";

(C) effective, beginning with the 1974 crop, amending section 103(e)(2) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows:

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(1) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under paragraph (1) for such crop

is less than the established price of 38 cents per pound in the case of the 1974 and 1975 crops, 38 cents per pound adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop, and the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop: *Provided*, That any increase that would otherwise be made in the established price to reflect a change in the index of prices paid by farmers shall be adjusted to reflect any change in (i) the national average yield per acre of cotton for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre of cotton for the three calendar years preceding the year previous to the one for which the determination is made. If the Secretary determines that the producers on a farm are prevented from planting, any portion of the allotment to cotton because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. If the Secretary determines that, because of such a disaster or condition, the total quantity of cotton which the producers are able to harvest on any farm is less than 66⅔ percent of the farm base acreage allotment times the average yield established for the farm, the rate of payment for the deficiency in production below 100 percent shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. The payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3)."

(D) effective, beginning with the 1974 crop, amending the third sentence of section 103(e)(4)(A) of the Agricultural Act of 1949, as it appears in such section 602 to read as follows: "The Secretary is authorized for the 1974 through 1977 crops to limit the acreage planted to upland cotton on the farm in excess of the farm base acreage allotment to a percentage of the farm base acreage allotment.".

(E) The second sentence of Section 103(e)(4)(A) is amended to read as follows: "If a set-aside of cropland is in effect under this paragraph (4), then as a condition of eligibility for loans and payments on upland cotton the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to (1) such percentage of the farm base acreage allotment for the farm as may be specified by the Secretary (not to exceed 28 per centum of the farm base acreage allotment), plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary."

(F) the fourth sentence of section 103(e)(4)(A) of the Agricultural Act of 1949 as found in section 602 is amended to read as follows: "The Secretary shall permit producers to plant and graze on set-aside acreage sweet sorghum, and the Secretary may permit, subject to such terms and conditions as he may prescribe, all or any of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale,

oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price-support program, and will not adversely affect farm income."

(G) inserting after the second sentence of section 103(e)(5) of the Agricultural Act of 1949 as it appears in such section 602 the following: "The Secretary may in the case of programs for the 1974 through 1977 crops, pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences."

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR COTTON

(21) Section 603 is amended by striking out "1974" and inserting "1978".

MISCELLANEOUS COTTON PROVISIONS

(22) Sections 604, 605, 606, 607, and 608 are each amended by striking out "1971, 1972, and 1973" and inserting "1971 through 1977".

COTTON MARKET DEVELOPMENT

(23) Section 610 is amended by inserting after the words "shall be" in the second sentence the following words "10 million dollars," and by striking the balance of said sentence, and further by striking out "1972 and 1973" and inserting "1972 through 1977" in the third sentence.

COTTON INSECT ERADICATION

(24) Title VI is amended by adding at the end thereof the following:

"SEC. 611. Section 104 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (d) as follows:

" '(d) In order to reduce cotton production costs, to prevent the movement of certain cotton plant insects to areas not now infested, and to enhance the quality of the environment, the Secretary is authorized and directed to carry out programs to destroy and eliminate cotton boll weevils in infested areas of the United States as provided herein and to carry out similar programs with respect to pink bollworms or any other major cotton insect if the Secretary determines that methods and systems have been developed to the point that success in eradication of such insects is assured. The Secretary shall carry out the eradication programs authorized by this subsection through the Commodity Credit Corporation. In carrying out insect eradication projects, the Secretary shall utilize the technical and related services of appropriate Federal, State, private agencies, and cotton organizations. Producers and landowners in an eradication zone, established by the Secretary, who are receiving benefits from any program administered by the United States Department of Agriculture, shall, as a condition of receiving or continuing any such benefits, participate in and cooperate with the eradication project, as specified in regulations of the Secretary.

" 'The Secretary may issue such regulations as he deems necessary to enforce the provisions of this subsection with respect to achieving the compliance of producers and landowners who are not receiving benefits from any program administered by the United States Department of Agriculture. Any person who knowingly violates any such regulation promulgated by the Secretary under this subsection may be assessed a civil penalty of not to exceed $5,000 for each offense. No civil penalty shall be assessed unless the person shall have been given notice and opportunity for a hearing on such charge in the county, parish, or incorporated city of the residence of the person charged. In determining the amount of the penalty the Secretary shall consider the appropriateness of such penalty to the size of the business of the person charged, the effect on the person's ability to continue in business, and the gravity of the violation. Where special measures deemed essential to achievement of the eradication objective are taken by the project and result in a loss of production and income to the producer, the Secretary shall provide reasonable and equitable indemnification from funds available for the project, and also provide for appropriate protection of the allotment, acreage history, and average yield for the farm. The cost of the program in each eradication zone shall be determined, and cotton producers in the zone shall be required to pay up to one-half thereof, with the exact share in each zone area to be specified by the Secretary upon his finding that such share is reasonable and equitable based on population levels of the target insect and the degree of control measures normally required. Each producer's pro rata share shall be deducted from his cotton payment under this Act or otherwise collected, as provided in regulations of the Secretary. Insofar as practicable, cotton producers and other persons engaged in cotton production in the eradication zone shall be employed to participate in the work of the project in such zone. Funding of the program shall be terminated at such time as the Secretary determines and reports to the Congress that complete eradication of the insects for which programs are undertaken pursuant to this subsection has been accomplished. Funds in custody of agencies carrying out the program shall, upon termination of such program, be accounted for to the Secretary for appropriate disposition.

" 'The Secretary is authorized to cooperate with the Government of Mexico in carrying out operations or measures in Mexico which he deems necessary and feasible to prevent the movement into the United States from Mexico of any insects eradicated under the provisions of this subsection. The measure and character of cooperation carried out under this subsection on the part of the United States and on the part of the Government of Mexico, including the expenditure or use of funds made available by the Secretary under this subsection, shall be such as may be prescribed by the Secretary. Arrangements for the cooperation authorized by this subsection shall be made through and in consultation with the Secretary of State. The Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. There are hereby authorized to be appropriated to the Commodity Credit Corporation such sums as the Congress may from time to time determine to be necessary to carry out the purposes of this subsection.'."

SKIPROW PRACTICES

(25) Title VI is further amended by adding the following new section:

"SEC. 612. Section 374 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding the following new sentence: 'Where cotton is planted in skiprow patterns, the same rules that were in effect for the 1971 through 1973 crops for classifying the acreage planted to cotton and the area skipped shall also apply to the 1974 through 1977 crops.'."

PUBLIC LAW 480

(26) Section 701 is amended by striking out "1973" and inserting "1977"; and title VII is further amended by adding at the end thereof the following:

Section 103 of such Act is amended by inserting before the semicolon at the end of subsection (o) the following: "and that commercial supplies are available to meet demands developed through programs carried out under this Act."

"SEC. 704. Title IV of such Act is amended by adding at the end thereof the following:

" 'SEC. 411. No agricultural commodities shall be sold under title I or title III or donated under title II of this Act to North Vietnam, unless by an Act of Congress enacted subsequent to July 1, 1973, assistance to North Vietnam is specifically authorized.' "

MISCELLANEOUS PROVISIONS

(27) Title VIII is amended as follows:

BEEKEEPER INDEMNITIES

(A) Section 804 is amended by striking out "December 31, 1973" and inserting "December 31, 1977".

(B) By adding at the end thereof the following:

"FHA LOANS

"SEC. 807. The first sentence of section 305 of the Consolidated Farm and Rural Development Act is amended by striking out $100,000' and inserting '$225,000'; and by striking out 'or (b)' and inserting '(b) the loans under such sections to any one borrower to exceed $100,000, or (c)'.

"COST OF PRODUCTION STUDY

"SEC. 808. The Secretary of Agriculture, in cooperation with the land grant colleges, commodity organizations, general farm organizations, and individual farmers, shall conduct a cost of production study of the wheat, feed, grain, cotton, and dairy commodities under the various production practices and establish a current national weighted average cost of production. This study shall be updated annually and shall include all typical variable costs, a return on fixed costs equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that requires one man to farm on a full-time basis.

"LIVESTOCK STUDY

"SEC. 809. (a) The Secretary of Agriculture is authorized and directed to carry out a comprehensive study and investigation to determine the reasons for the extensive loss of livestock sustained each year, through injury and disease, while such livestock is being transported in interstate commerce for commercial purposes. The Secretary is also authorized and directed to conduct, in connection with such study and investigation, an intensive research program for the purpose of developing measures that can be taken to reduce materially the number of animals lost, through injury and disease, during transportation for commercial purposes.

"(b) The Secretary of Agriculture shall submit to the Congress not more than four years after the date of enactment of this section a final report on the results of this study and investigation and research together with such recommendations for administrative and legislative action as he deems appropriate. He shall submit such interim reports to the Congress as he deems advisable, but at least one at the end of each twelve month period following the date of enactment of this section.

"(c) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $500,000 in any fiscal year.

"WHEAT AND FEED GRAINS RESEARCH

"SEC. 810. In order to reduce fertilizer and herbicide usage in excess of production needs, to develop wheat and feed grain varieties more susceptible to complete fertilizer utilization, to improve the resistance of wheat and feed grain plants to disease and to enhance their conservation and environmental qualities, the Secretary of Agriculture is authorized and directed to carry out regional and national research programs.

"In carrying out such research, the Secretary shall utilize the technical and related services of the appropriate Federal, State, and private agencies.

"There is authorized to be appropriated

such sums as may be necessary to carry out the provisions of this section, but not more than $1,000,000 in any fiscal year.

"TECHNICAL SUPPORT

"SEC. 811. The Department of Agriculture shall provide technical support to exporters and importers of United States agricultural products when so requested. Such support shall include, but not be limited to, a review of the feasibility of the export proposal, adequacy to sources of supply, compliance with trade regulations of the United States and the importing country and such other information or guidance as may be needed to expand and expedite United States agricultural exports by private trading interests.

"EXPORT SALES REPORTING

"SEC. 812. All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period: (a) type, class, and quantity of the commodity sought to be exported, (b) the marketing year of shipment, (c) destination, if known. Individual reports shall remain confidential but shall be compiled by the Secretary and published in compilation form each week following the week of reporting. All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as he may request. Any person (or corporation) who knowingly fails to report export sales pursuant to the requirements of this section shall be fined not more than $25,000 or imprisoned not more than one year, or both. The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis."

"DISASTER RESERVE

"SEC. 813. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall under the provisions of this Act establish, maintain, and dispose of a separate reserve of inventories of not to exceed 75 million bushels of wheat, feed grains, and soybeans for the purpose of alleviating distress caused by a natural disaster.

"Such reserve inventories shall include such quantities of grain that the Secretary deems needed to provide for the alleviation of distress as the result of a natural disaster.

"(b) The Secretary shall acquire such commodities through the price support program.

"(c) Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should be disposed of, the Secretary shall not offer any commodity in the reserve for sale or disposition.

"(d) The Secretary is also authorized to dispose of such commodities only for (1) use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.), or (2) for use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(e) The Secretary may sell at an equivalent price, allowing for the customary location and grade price differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve.

"(f) The Secretary may use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section, and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(g) The Secretary may issue such rules and regulations as may be necessary to carry out the provisions of this section.

"(h) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"IMPORTED COMMODITIES

"SEC. 814. Notwithstanding any other provisions of this Act, the Secretary shall encourage the production of any crop of which the United States is a net importer and for which a price support program is not in effect by permitting the planting of such crop on set-aside acreage and with no reduction in the rate of payment for the commodity.

"EMERGENCY SUPPLY OF AGRICULTURAL PRODUCTS

"SEC. 815(a) Notwithstanding any other provision of law, the Secretary of Agriculture shall assist farmers, processors, and distributors in obtaining such prices for agricultural products that an orderly, adequate and steady supply of such products will exist for the consumers of this nation.

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

"(c) Under this section, the term 'agricultural products' shall include meat, poultry, vegetables, fruits and all other agricultural commodities in raw or processed form, except forestry products or fish or fishery products.

"RURAL DEVELOPMENT

"SEC. 816. (a) Section 401 of the Rural Development Act of 1972 (86 Stat. 670) is amended by substituting the words 'fire' and 'fires' for the words "wildlife,' and 'wildfires', respectively, wherever such words appear.

"(b) Section 404 of the Rural Development Act of 1972 (86 Stat. 671) is amended to read as follows:

"'SEC. 404. APPROPRIATIONS.—There is authorized to be appropriated to carry out the provisions of this title $7,000,000 for each of three consecutive fiscal years beginning with the fiscal year for which funds are first appropriated and obliged by the Secretary of Agriculture carrying out this title.'

"(e) Section 306(a) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(13)(A) The Secretary, under such reasonable rules and conditions as he shall establish, shall make grants to eligible volunteer fire departments for up to 50 per centum of the cost of firefighting equipment needed by such departments but which such departments are unable to purchase through the resources otherwise available to them, and for the cost of the training necessary to enable such departments to use such equipment efficiently.

"'(B) For the purposes of this subsection, the term "eligible volunteer fire department" means any established volunteer fire department in a rural town, village, or unincorporated area where the population is less than two thousand but greater than two hundred, as reasonably determined by the Secretary.'

"SEC. 817. Section 310(d) of subtitle A of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"'(4) No grant or loan authorized to be made under this Act shall require or be subject to the prior approval of any officer, employee, or agency of any State.

"'(5) No loan commitment issued under this section, section 304, or section 312 shall be conditioned upon the applicant investing in excess of 10 per centum in the business or industrial enterprise for which purpose the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than 10 per centum.

"'(6) No provision of law shall prohibit issuance by the Secretary of certificates evidencing beneficial ownership in a block of notes insured or guaranteed under this Act or Title V of the Housing Act of 1949; any sale by the Secretary of such certificates shall be treated as a sale of assets for the purposes of the Budget and Accounting Act of 1921. Any security representing beneficial ownership in a block of notes guaranteed or insured under this Act or Title V of the Housing Act of 1949 issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Secretary shall require (i) that the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) that the issuer provide such periodic reports of sales as the Secretary deems necessary.'

"AGRICULTURAL CENSUS

"SEC. 818. Notwithstanding any other provision of law, the Secretary of Commerce shall conduct a census of agriculture in 1974 as required by section 142 of title 13, United States Code, and shall submit to the Congress, within thirty days after the date of enactment of the Agriculture and Consumer Protection Act of 1973, an estimate of the funds needed to conduct such census."

(28) By adding at the end thereof the following new title X:

"TITLE X—RURAL ENVIRONMENTAL CONSERVATION PROGRAM

"SEC. 1001. Notwithstanding any other provision of law, the Secretary shall carry out the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended, section 16(b) of such Act, and in the Water Bank Act (16 U.S.C. 1301 et seq.) by entering into contracts of three, five, ten, or twenty-five years with, and at the option of, eligible owners and operators of land as determined by the Secretary and having such control as the Secretary determines to be needed on the farms, ranches, wetlands, forests, or other lands covered thereby. In addition, the Secretary is hereby authorized to purchase perpetual easements to promote said purposes of this Title, including the sound use and management of flood plains, shore lands, and aquatic areas

of the Nation. Such contracts shall be designed to assist farm, ranch, wetland, and nonindustrial private forest owners and operators, or other owners or operators, to make in orderly progression over a period of years, such changes, if any, as are needed to effectuate any of the purposes specified in clauses (1), (2), (3), (4), and (6) of section 7(a) of the Soil Conservation and Domestic Allotment Act, as amended; section 16(b) of such Act; the Water Bank Act (16 U.S.C. 1301 et seq.); in enlarging fish and wildlife and recreation sources; in improving the level of management of nonindustrial private forest lands; and in providing long-term wildlife and upland game cover. In carrying out the provisions of this title, due regard shall be given to the maintenance of a continuing and stable supply of agricultural commodities and forest products adequate to meet consumer demand at prices fair to both producers and consumers.

"(1) to effectuate the plan for his farm, ranch, forest, wetland, or other land substantially in accordance with the schedule outlined therein;

"(2) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the Soil and Water Conservation District Board, or the State forester or other appropriate official in a contract entered into under the provisions of section 1009 of this title, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

"(3) upon transfer of his right and interest in the farm, ranch, forest, wetland, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(4) not to adopt any practice specified by the Secretary in the contract as a practice which tend to defeat the purposes of the contract;

"SEC. 1002. Eligible landowners and operators for contracts under this title shall furnish to the Secretary a plan of farming operations or land use which incorporates such practices and principles as may be determined by him to be practicable and which outlines a schedule of proposed changes, if any, in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, wetland, forests, or other land during the contract period to protect the farm, ranch, wetland, forests or other land and surrounding areas, its wildlife, and nearby populace and communities from erosion, deterioration, pollution by natural and manmade causes or to insure an adequate supply of timber and related forest products. Said plans may also, in important migratory waterfowl nesting and breeding areas which are identified in a conservation plan developed in cooperation with a soil and water conservation district in which the lands are located, and under such rules and regulations as the Secretary may provide, include a schedule of proposed changes, if any, to conserve surface waters and preserve and improve habitat for migratory waterfowl and other wildlife resources and improve subsurface moisture, including, subject to the provisions of section 1001 of this title, the reduction of areas of new land coming into production, the enhancement of the natural beauty of the landscape, and the promotion of comprehensive and total water management study.

"SEC. 1003. (a) Approved conservation plans of eligible landowners and operators developed in cooperation with the soil and water conservation district or the State forester or other appropriate State official in which their lands are situated shall form a basis for contracts under this title. Under the contract the landowner or operator shall agree—

"(5) to comply with all applicable Federal, State, or local laws, and regulations, including those governing environmental protection and noxious weed abatement; and

"(6) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program: *Provided*, That all contracts entered into to effectuate the purposes of the Water Bank Act for wetlands shall contain the further agreement of the owner or operator that he shall not drain, burn, fill, or otherwise destroy the wetland character of such areas, nor use such areas for agricultural purposes: *And provided further*, That contracts entered into for the protection of wetlands to effectuate the purposes of the Water Bank Act may include wetlands covered by Federal or State government easement which permits agricultural use, together with such adjacent areas as determined desirable by the Secretary.

"(b) In return for such agreement by the landowner or operator the Secretary shall agree to make payments in appropriate circumstances for the use of land maintained for conservation purposes as set forth in this title, and share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract, but, in the case of a contract not entered into under an advertising and bid procedure under the provisions of section 1009(d) of this title, not less than 50 per centum or more than 75 per centum of the actual costs incurred by the owner or operator.

"(c) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, land use, or commodity programs administered by the Secretary.

"SEC. 1004. The Secretary is authorized to make available to eligible owners and operators conservation materials including seeds, seed inoculants, soil conditioning materials, trees, plants, and, if he determines it is appropriate to the purposes of this title, fertilizer and liming materials.

"SEC. 1005. (a) Notwithstanding the provisions of any other title, the Secretary may establish multiyear set-aside contracts for a period not to extend beyond the 1977 crop. Such contracts may be entered into only as a part of the programs in effect for wheat, feed grains, and cotton for the years 1974 through 1978, and only producers participating in one or more of such programs shall be eligible to contract with the Secretary under this section. Producers agreeing to a multiyear set-aside agreement shall be required to devote this acreage to vegetative cover capable of maintaining itself throughout such period to provide soil protection, water quality enhancement, wildlife production, and natural beauty. Grazing of livestock under this section shall be prohibited.

Producers entering into agreements under this section shall also agree to comply with all applicable State and local law and regulation governing noxious weed control.

"(b) The Secretary shall provide cost-sharing incentives to farm operators for such cover establishment, whenever a multiyear contract is entered into on all or a portion of the set-aside acreage.

"SEC. 1006. The Secretary shall issue regulations as he determines necessary to carry out the provisions of this title. The total acreage placed under agreements which result in their retirement from production in any county or local community shall in addition to the limitations elsewhere in this title be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired, if any, as compared to the average productivity of eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community.

"SEC. 1007. (a) The Secretary of Agriculture shall appoint an advisory board in each State to advise the State committee of that State (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) regarding the types of conservation measures that should be approved to effectuate the purposes of this title. The Secretary shall appoint at least six individuals to the advisory board of each State who are especially qualified by reason of education, training, and experience in the fields of agriculture, soil, water, wildlife, fish, and forest management. The advisory board appointed for any State shall meet at least once each calendar year. Said appointed members shall include, but not be limited to, the State soil conservationist, the State forester, the State administrator of the water quality programs, and the State wildlife administrator or their designees: *Provided*, That such board shall limit its advice to the State committees to the types of conservation measures that should be approved affecting the water bank program; the authorization to purchase perpetual easements to promote the purposes of this title, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multiyear set-aside contracts as provided in section 1005 of this title.

"(b) The Secretary of Agriculture, through the establishment of a national advisory board to be named in consultation with the Secretary of the Interior, shall seek the advice and assistance of the appropriate officials of the several States in developing the programs under this title, especially in developing guidelines for (1) providing technical assistance for wildlife habitat improvement practices, (2) evaluating effects on surrounding areas, (3) considering aesthetic values, (4) checking compliance by cooperators, and (5) carrying out programs of wildlife management authorized under this title: *Provided*, That such board shall limit its advice to subjects which cover the types of conservation measures that should be approved regarding the water bank program; the authorization to purchase perpetual easements to promote the purposes of this Act, as described in section 1001 of this title; the providing of long-term upland game cover; and the establishment and management of approved practices on multiyear set-aside contracts as provided in section 1005 of this title.

"SEC. 1008. In carrying out the programs authorized under sections 1001 through 1006

of this title, the Secretary shall, in addition to appropriate coordination with other interested Federal, State, and local agencies, utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary is also authorized to utilize the facilities and services of the Commodity Credit Corporation in discharging his functions and responsibilities under this program. The Secretary shall also utilize the technical services of the Soil Conservation Services, the Forest Service, State forestry organizations, soil and water conservation districts, and other State, and Federal agencies, as appropriate, in development and installation of approved conservation plans under this title.

"SEC. 1009. (a) In furtherance of the purposes of this title, the Secretary of Agriculture is authorized and directed to develop and carry out a forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of suitable open lands and reforestation of cutover and other nonstocked and understocked forest lands and intensive multiple-purpose management and protection of forest resources so as to provide for production of timber and related benefits.

"(b) For the purposes of this section, the term 'non-industrial private forest lands' means lands capable of producing crops of industrial wood and owned by any private individual, group, association, corporation, or other legal entity. Such term does not include private entities which regularly engage in the business of manufacturing forest products or providing public utilities services of any type, or the subsidiaries of such entities.

"(c) The Secretary shall consult with the State forester or other appropriate official of the respective States in the conduct of the forestry incentives program under this section, and Federal assistance shall be extended in accordance with section 1003(b) of this title. The Secretary shall for the purposes of this section distribute funds available for cost sharing among and within the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to the number and acreage of commercial forest lands, number of eligible ownerships in the State, and counties to be served by such cost sharing; the potential productivity of such lands; and the need for reforestation, timber stand improvement, or other forestry investments on such land. No forest incentives contract shall be approved under this section on a tract greater than five hundred acres, unless the Secretary finds that significant public benefit will be incident to such approval.

"(d) The Secretary may, if he determines that such action will contribute to the effective and equitable administration of the program established by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreements.

"(e) In implementing the program under this section, the Secretary will cause it to be coordinated with other related programs in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentives improvement program. The Secretary shall periodically report to the appropriate congressional committees of the progress and conduct of the program established under this section.

"SEC. 1010. There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this title. The programs, contracts, and authority authorized under this title shall be in addition to, and not in substitution for, other programs in such areas authorized by this or any other title or Act, and shall not expire with the termination of any other title or Act: *Provided*, That not more than $25,000,000 annually shall be authorized to be appropriated for the programs authorized under section 1009 of this Act."

ADVISORY COMMITTEE REPEAL

SEC. 2. Section 301 of the Act of August 14, 1946 (Public Law 79–733), as amended (7 U.S.C. 1628), is hereby repealed.

FOOD STAMPS

SEC. 3. The Food Stamp Act of 1964, as amended, is amended as follows:

(a) The second sentence of section 3(e) of the Food Stamp Act of 1964 (7 U.S.C. 2012(e)) is amended—

(1) by striking out "or"; and

(2) by inserting before the period at the end thereof the following: ", or (3) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program."

(b) Section 3(e) of the Food Stamp Act of 1964 is amended by striking out the last sentence therein and inserting in lieu thereof the following sentence: "No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household or an elderly person for any purpose of this Act for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92–603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.

(c) Section 3 of the Food Stamp Act of 1964 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(n) The term 'drug addiction or alcoholic treatment and rehabilitation program' means any drug addiction or alcoholic treatment and rehabilitation program conducted by a private nonprofit organization or institution which is certified by the State agency or agencies designated by the Governor as responsible for the administration of the State's programs for alcoholics and drug addicts pursuant to Public Law 91–616 'Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment, and Rehabilitation Act' and Public Law 92–255 'Drug Abuse Office and Treatment Act of 1972' as providing treatment that can lead to the rehabilitation of drug addicts or alcoholics."

(d) Section 5 of the Food Stamp Act of 1964 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall establish uniform national standards of eligibility for households described in section 3(e)(3) of this Act."

(e) Sections 5(c) of the Food Stamp Act of 1964 (7 U.S.C. 2014(c)) is amended by adding at the end thereof the following: "For the purposes of this section, the term 'able-bodied adult person' shall not include any narcotics addict or alcoholic who regularly participates, as a resident or nonresident, in any drug addiction or alcoholic treatment and rehabilitation program."

(f) Section 10 of the Food Stamp Act of 1964 (7 U.S.C. 2019) is amended by inserting at the end thereof the following new subsection:

"(i) Subject to such terms and conditions as may be prescribed by the Secretary in the regulations pursuant to this Act, members of an eligible household who are narcotics addicts or alcoholics and regularly particpate in a drug addiction or alcoholic treatment and rehabilitation program may use coupons issued to them to purchase food prepared for or served to them during the course of such program by a private nonprofit organization or institution which meets requirements (1), (2), and (3), of subsection (h) above. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act."

(g) Section 5(b) is amended by inserting the following before the period at the end of the second sentence: ": *Provided*, That such standards shall take into account payments in kind received from an employer by members of a household, if such payments are in lieu of or supplemental to household income: *Provided further*, That such payments in kind shall be limited only to housing provided by such employer to such employee and shall be the actual value of such housing but in no event shall such value be considered to be in excess of the sum of $25.00 per month".

(h) The fourth sentence of section 5(b) is amended to read as follows:

The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency, without regard to income and other financial resources, for households that are the victims of a mechanical disaster which disrupts the distribution of coupons, and for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided*, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories; except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States.

(i) Section 10(e) is amended by striking out "and (6)" and inserting in lieu thereof the following: "(6) issuance of coupon allotments no less often than two times per month; (7) notwithstanding any other provision of law, the institution of procedures under which any household participating in the program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under title IV of the Social Security Act and have its coupon allotment distributed to it with such grant or payment; and (8)"; and (2) by adding at the end thereof the following: "The State agency is required to submit, prior to January 1, 1974, for approval, a plan of operation specifying the manner in which such State agency intends to conduct the program in every political subdivision in the State, unless such State agency can demonstrate that for any political subdivision it is impossible or impracticable to extend the program to such subdivision. The Secretary shall make a determination of approval or disapproval of a plan of operation submitted by a State agency in sufficient

time to permit institution of such plan by no later than June 30, 1974."

(j) Section 16(a) is amended by striking out in the first sentence "June 30, 1972, and June 30, 1973" and substituting "June 30, 1972, through June 30, 1977", and by inserting at the end of the first sentence of subsection (a) the following new sentence: "Sums appropriated under the provisions of this Act shall, notwithstanding the provisions of any other law, continue to remain available until expended."

(k) Section 10(h) is amended by adding at the end thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary, in the regulations issued pursuant to this Act, members of an eligible household who are sixty years of age or over or elderly persons and their spouses may also use coupons issued to them to purchase meals prepared by senior citizens' centers, apartment buildings occupied primarily by elderly persons, any public or nonprofit private school which prepares meals especially for elderly persons, any public or nonprofit private eating establishment which prepares meals especially for elderly persons during special hours, and any other public or nonprofit private establishment approved for such purpose by the Secretary. When an appropriate State or local agency contracts with a private establishment to offer, at concessional prices, meals prepared especially for elderly persons during regular or special hours, the Secretary shall permit eligible households who are sixty years of age or over or elderly persons and their spouses to use coupons issued to them to purchase such meals."

(l) Section 3(b) of the Food Stamp Act of 1964 (7 U.S.C. 2012(b)) is amended to read as follows: "The term 'food' means any food or food product for home consumption except alcoholic beverages and tobacco and shall also include seeds and plants for use in gardens to produce food for the personal consumption of the eligible household."

(m) Section 7(a) of the Food Stamp Act of 1964 (7 U.S.C. 2016(a)) is amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor to be implemented commencing with the allotments of January 1, 1974, incorporating the changes in the prices of food through August 31, 1973, but in no event shall such adjustments be made for value if the coupon allotment for such households, as calculated above, is a minimum of $2.00."

(n) The following new section is added at the end of such Act:

"SEC 17. Notwithstanding any other provision of this Act, members of eligible households living in the State of Alaska shall be permitted, in accordance with such rules and regulations as the Secretary may prescribe, to purchase hunting and fishing equipment for the purpose of procuring food for the household except firearms, ammunition, and other explosives, with coupons issued under this Act if the Secretary determines that (1) such households are located in an area of the State which makes it extremely difficult for members of such households to reach retail food stores, and (2) such households depend to a substantial extent on hunting and fishing for subsistence purposes."

(o) Section 3(f) of the Food Stamp Act of 1964 (7 U.S.C. 2012(f)) is amended by striking the second sentence and inserting in lieu thereof the following new sentence: "It shall also mean a political subdivision or a private nonprofit organization or institution that meets the requirements of sections 10(h) or 10(i) of this Act."

(p) Section 3(e) is amended by adding at the end thereof the following new sentence: "Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), or section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall not be considered residents of an institution or boarding house for purposes of eligibility for food stamps under this Act."

COMMODITY DISTRIBUTION PROGRAM

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized until July 1, 1974 (1) to use funds available to carry out the provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not expended or needed for such purpose to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 for donation to maintain the annually programmed level of assistance for schools, domestic relief distribution, and such other domestic food assistance programs as are authorized by law, and (2) if stocks of the Commodity Credit Corporation are not available, to use the funds of the Corporation to purchase agricultural commodities and the products thereof of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

(b) The Secretary is prohibited from furnishing commodities to summer camps as authorized under section 416 of the Agricultural Act of 1949, section 32 of Public Law 74–320, and section 709 of the Food and Agriculture Act of 1965 if the number of adults participating in the activities of such camp is in excess of one for each five children under 18 years of age participating in such activities.

(c) No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household for any purpose of the Food Distribution Program for families under section 32 of P.L. 74–320, section 416 of the Agricultural Act of 1949, or other law for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92–603 as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.

SHORT TITLE

SEC. 5. This Act may be cited as the "Agriculture and Consumer Protection Act of 1973".

Mr. HELMS. Mr. President, I inquire of the Chair as to the proper time to submit an amendment.

Mr. TALMADGE. Now would be all right.

Mr. HELMS. Mr. President, I send to the desk, on behalf of Senator THURMOND——

The PRESIDING OFFICER. Will the Senator withhold?

Mr. HELMS. Yes.

The PRESIDING OFFICER. There is a time limitation of 20 minutes on the substitute amendment which has just been sent to the desk. Does the Senator wish to intervene, notwithstanding the agreement that 20 minutes be allowed on that substitute?

Mr. TALMADGE. I do not think I will take my full 20 minutes. As soon as we get through, we will yield back time on the substitute, and then the Senator's amendment will be in order.

Mr. HELMS. I thank the Senator.

Mr. TALMADGE. Mr. President, the conferees met for a number of days. The bill was very complex. There were 111 differences. The conferees worked very hard in attempting to resolve them and did resolve 110 of them. However, there was one difference that could not be resolved, the House provision which prohibited the issuance of food stamps to strikers.

Because of this one difference, the conferees were forced to report in disagreement. I have submitted an amendment in the nature of a substitute incorporating the 110 items on which the conferees were in agreement.

In resolving the 110 differences, both the Senate and House conferees maintained the principal thrust and purpose of the bill as it passed the Senate.

The major provisions of the bill will be in effect for 4 years.

The target price concept, the escalator clause, increased dairy price supports, the bread tax removal, the extension and expansion of the food stamp program, full protection of the aged, blind and disabled, the forestry incentives program, and the long-range environmental protection program are all included in the bill.

Target prices for wheat are set at $2.05 for both 1974 and 1975, with the House escalator clause to be applicable both to 1976 and 1977. For feed grains, the target price is set at $1.38 for corn, and for cotton at 38 cents per pound, with the escalator effective as in wheat.

Dairy price supports are to be at 80 percent of parity both for the remainder of the 1973–74 marketing year and for the 1974–75 marketing year as well.

The wheat certificate charge to processors will expire retroactively as of July 1, 1973.

The provisions of the bill relating to commodities are all designed to provide this Nation with an abundance of food and fiber yet still provide our farmers with the protection they so sorely need.

Mr. President, while the Senate conferees were unable to attain the levels of protection as originally envisioned, I believe that the compromises agreed to still accomplish our purposes, and I ask the Senate to approve this bill.

Mr. President, I wish to say that I have assurance from the distinguished Secretary of Agriculture, Mr. Butz, who called me this afternoon to say he will urge the White House to approve the

bill. I may say that in conference we not only had to negotiate with the other body, but we also had to negotiate with the Department of Agriculture and the White House, as well, because to get a bill vetoed is to achieve nothing substantial for the consumers and the farmers of this country.

Mr. JAVITS. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. TALMADGE. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that a letter I sent to the Senator from Georgia (Mr. TALMADGE) as principal conferee, be printed in the RECORD.

I am pleased that the conferees went along with most of my recommendations.

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

July 27, 1973.

HON. HERMAN E. TALMADGE,
Chairman, Senate Agriculture Committee, Washington, D.C.

DEAR HERMAN: I would like to communicate to you my view on only a few (I realize there are many) of the differences between the Senate and House versions of the Agriculture and Consumer Protection Act of 1973 which has now gone to the conference committee. It is my belief that the following Senate provisions should be retained:

(1) The Senate provisions amending Public Law 480 ("Food for Peace") are both realistic and worthwhile. They expand country eligibility to participate in the program to the level that existed before restriction amendments were passed—a level that is necessary to its equitable functioning. The program, to obtain its humanitarian goals, must be available to as many countries as possible.

(2)(a) The Senate modifications to the eligibility standards for food stamps are needed for a fairer and more useful application of the program. Specifically, I urge retention of the $3,000 minimum on eligibility criteria for persons 60 years of age and over, the temporary emergency eligibility standards, and the increase in face value of coupons for persons whose medical requirements dictate a special diet.

(b) In addition, I strongly urge adoption of the House provisions extending the food stamp program to participants in alcoholic and drug addiction treatment programs and prohibiting exclusion from the program of residents of federally subsidized housing.

(c) But, I am strongly opposed to other aspects of the House bill. One such provision would require that payments in kind be taken into account in determining eligibility standards. The other would deny food stamps to striking workers. Both amendments are unfair and discriminatory. The former provision would severely discriminate against migrant workers who receive housing (invariably substandard) from their employer. If any payments in kind are not included in a worker's income, they should not be used to distort the equitable operation of the eligibility requirements. The latter would deny benefits to those otherwise eligible for reasons wholly irrelevant to the purposes of the program. Such prejudging of the merits of a labor dispute should not be undertaken, especially where the necessities of life are concerned.

(3) I urge retention of the Senate provisions relating to Forestry Incentives. In all respects they provide for a more thorough, detailed and well-thought-out program that is necessary for the protection of the nation's forest lands. The necessity of such measures is clear.

(4) I recommend retention of the Senate provisions creating a National Agricultural Transportation Committee, and the policy declaration relating to the strengthening of family farms.

(5) Similarly, I urge adoption of the House provision which requires the Secretary to report on steps to implement GAO recommendations relating to the Russian wheat sale and the section that provides for an emergency reserve of wheat, feed grains and soybeans.

(6) I am opposed to the Senate amendment that would postpone the effective date of regulations promulgated under the Occupational Safety and Health Act of 1970 relating to periods of re-entry following application of certain pesticides, as the Department of Labor has already been ordered to delay their implementation by an order of the United States Court of Appeals.

(7) Finally, I oppose the cutbacks in grant authority for water and waste disposal facilities pursuant to Section 306(a)(2) of the Consolidated Farm and Rural Development Act that are contained in the Senate version. These grants have proved useful in the past and should not now, when they are becoming even critical to the quality of our rural lands, be so severely slashed.

I trust that suitable consideration will be given to these views by the conferees.

With best wishes,

Sincerely,

JACOB K. JAVITS.

Mr. TALMADGE. Mr. President, I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I urge adoption of this conference report. The bill is not quite as good as the one passed by the Senate, but it does meet so far as possible major features concerned with the approval of the House conferees.

I, too, have been informed by the Secretary of Agriculture that this bill, if it follows the provisions outlined in the conference report, meets with the approval of the administration. I have the understanding that it will be signed into law. It is important that we act on this legislation tonight. It is very important that the House meet their 3-day rule and complete this before we adjourn.

The last farm bill that we passed was enacted several months after the winter wheat was planted.

I am prepared at the appropriate time to yield back the remainder of my time.

I urge the adoption of the substitute.

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

Mr. CURTIS. I yield.

Mr. PASTORE. As I understand it, the conflict is whether or not food stamps will be given to the hungry families of strikers. I understand that the Senate was very amenable to it, but the House had gone on a contrary course. The conference report before us reverts back to what we did in the Senate.

Mr. President, will the Senator yield further?

Mr. CURTIS. I cannot yield except for a question. I do wish to answer the question that has been raised. The Senate bill had no provision denying food stamps to strikers. The proposal now at the desk in the nature of a substitute incorporates what the conferees did agree on. I understand an amendment will be offered on the floor.

Mr. PASTORE. As the conference report stands now, it has no such provision.

Mr. CURTIS. It has no such provision.

Mr. PASTORE. Therefore, the food stamps can be given.

Mr. CURTIS. The Senator is correct.

Mr. PASTORE. I shall vote for the conference report.

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

Mr. TALMADGE. I yield.

Mr. MANSFIELD. Mr. President, for the record I want to state again that this bill would not have seen the light of day had there been a very strong possibility that as a result of our being out of session a pocket veto would result. But on the basis of the assurance given to the distinguished chairman of the committee and the distinguished ranking Republican member of the committee by Secretary Butz and by others, as well, it would appear that if the proposal of the Senator is adopted, the chances are very good that the bill will be signed. On that basis, hopefully there will be no broad substitutes.

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

Mr. CURTIS. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, the bill as agreed upon by the conferees is an excellent agriculture bill. Its provisions are fair all around. Some compromises were necessary with the administration, but they have been reached, and I am satisfied that when this bill reaches the White House it will be approved.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for 1 minute?

Mr. TALMADGE. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am deeply interested in this legislation and I am deeply concerned about the conference report. May I say that while there are features in it that may not appeal to every Senator, the question is, "Do Senators want a farm bill or not?" Without a bill the agriculture economy will fall into utter chaos and the consumers of this Nation will suffer unbelievably.

I think the choice is quite evident. While we do not get all we need or want, at least we have a bill that contains many new principles and features which will protect both the farmers and the consumers of this Nation. We should approve it.

I commend the chairman for his dedication.

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

Mr. TALMADGE. I yield.

Mr. PASTORE. Is it not a fact that we must be concerned about the action taken by the Senate, that in the event there are hungry children of strikers that they can get food stamps? I hope we do not give in.

Mr. HUMPHREY. When the Senator from North Carolina offers his amendment and presents it for debate, it is my intention at the proper time to move to table.

Mr. TALMADGE. Mr. President, I move that the Senate concur in the

amendment of the House with the amendment which is now pending at the desk, which I have just described.

I am ready to yield back my time.

Mr. MATHIAS. Mr. President, will the Senator tell us the estimated cost of the program as agreed to in conference?

Mr. TALMADGE. It would depend entirely on what commodities bring in the marketplace. At the present prices of commodities it will not cost anything for support prices—nothing, zero.

Mr. MATHIAS. Would the Senator feel that is a reasonable expectation?

Mr. TALMADGE. The Senator's expectations are as good as mine. I expect prices to remain good.

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

Mr. CURTIS. I yield.

Mr. DOLE. I commend the conferees and the members of the committee, and I will make all my speeches on the bill after it passes. However, as the Senator from Georgia, the Senator from Nebraska, and others have pointed out, we have a good bill, and it is in our interests to pass it as quickly as possible.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. HELMS addressed the Chair.

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

Mr. HELMS. Mr. President, I send to the desk on behalf of the Senator from South Carolina (Mr. THURMOND), the Senator from New York (Mr. BUCKLEY), the Senator from Virginia (Mr. SCOTT), and myself an amendment to the substitute, for which I ask immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in the committee substitute insert the following:

SEC. 4. (a) The Food Stamp Act of 1964, as amended is amended by inserting in section 5 thereof the following:

"(e) Notwithstanding any other provision of law, a household shall not participate in the food stamp program while its principal wage-earner is, on account of a labor dispute to which he is a party or to which a labor organization of which he is a member is a party, on strike: *Provided*, That such ineligibility shall not apply to any household that was eligible for and participating in the food stamp program immediately prior to the start of such strike, dispute, or other similar action in which any member of such household engages: *Provided further*, That such ineligibility shall not apply to any household if any of its members is subject to an employer's lockout."

(b) Section 3 of such Act is further amended by adding at the end thereof the following new subsections:

"(o) The term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"(p) The term 'strike' includes any strike or other concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective-bargaining agreement)."

Mr. PASTORE. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Who yields time?

Mr. HELMS. Mr. President, I yield myself such time as I may require.

The language which has just been read is precisely the language contained in the bill passed by the House and which language was eliminated by the conferees.

This is an issue on which no Senator needs any explanation from me. I shall not consume the time of the Senate. Senators here, and the American people, understand that this is a question of whether the taxpayers' money shall be used to pay people not to work.

I only ask unanimous consent that my additional views as printed in the committee report may be published in the RECORD at this point, so that a complete record may be available in connection with the vote that is about to occur.

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

ADDITIONAL VIEWS

I agree with many of the provisions of this bill relating to farm commodity programs. I view the bill as an improvement over the existing Agriculture Act. It seeks to give the nation's farmers assistance they need to continue to increase their income while providing Americans with an adequate food supply. Given proper administration, it could provide some opportunity for relief to the nation's taxpayers by providing for reduction in the cost to the government of the farm program—assuming production and price projections will be accurately made.

I will support this bill on the Floor of the Senate because I am convinced that, overall, it will be beneficial to the nation's farmers and taxpayers. I must dissent, however, from two decisions of the Committee on matters which are part of the bill, but are collateral to the farm program:

1. The bill authorizes open-end appropriations for five years for the Food Stamp Program. The Committee declined to adopt an amendment which would prohibit the distribution of food stamps to any household where the head of the household is engaged in a labor strike. I supported this amendment and dissent from the Committee's decision not to include it in the Food Stamp Program authorization.

According to the United States Department of Agriculture and the General Accounting Office the current provisions of the Food Stamp Act do not permit the exclusion of strikers from the Food Stamp Program, so long as they register for employment and accept work at any plant or site not subject to a strike (See letter below). The practical effect of this is to make almost all strikers eligible to receive food stamps, since few are offered employment elsewhere during the relatively brief period of a strike. Because few such offers are received, most strikers escape the requirement of the law to accept work elsewhere when offered, and thus they do not forfeit the right to receive food stamps.

The Food Stamp Program was established in 1964 to help provide an adequate diet for those Americans whose incomes are below the poverty level due to their inability to work. It has done a great deal for needy Americans and I support its operation on behalf of the truly needy of our society—but *only* the truly needy who are unable to support themselves.

Congress included a work requirement in the Food Stamp Act which makes it plain that the congressional intent in designing the Food Stamp Program was that it should not benefit those who refuse to work.

Congress has failed, however, specifically to prohibit employed workers, who qualify for the program only because of their participation in a strike, from receiving benefits under the program. The interests of the American consumer and taxpayer, and the maintenance of our system of free collective bargaining, demand that such a prohibition be established.

Free collective bargaining has been chosen by Congress as the system of labor-management negotiation best able to promote economic stability and avoid industrial strife. This system protects the rights and interests of workers, companies, and consumers. The imperative fundamental premise of free collective bargaining is absolute government neutrality in the labor-management contest. While the government acts to oversee and referee the process, the results of the contest are determined by the independent bargaining strengths of the parties.

Public assistance to *either* side in a labor dispute violates the concept of free collective bargaining and violates the rights of the opposing party. Public assistance in the form of the distribution of food stamps to strikers' households has the undeniable effect of giving a distinct economic advantage to the union in the collective bargaining contest.

The duration of strikes has increased significantly since the advent of welfare payments to strikers. To continue to make these payments will only fuel this trend, thus bringing more pressures on our already troubled economy and further undermining the principles of free collective bargaining which is so vital to the American free enterprise system.

In this era of perilous inflation, constantly rising taxes, and public discontent with the state of the economy, this Committee should be particularly sensitive to the needs of the working American, who is both taxpayer and consumer. I believe this Committee should respond to any opportunity to lighten the burdens of inflation and taxes and especially when this can be done without hardship to any legitimate recipient of government services. Due to the average annual income of most union members and the strike benefits available from union funds, few strikers can plead that they are subjected to hardship through no fault of their own simply because they are denied food stamps to which they are not entitled.

The granting of welfare benefits to strikers deals a double blow to the taxpayer-consumer. Food stamp benefits allow workers to prolong strikes and drive up the costs of production, which are ultimately passed on to the consumer. Our current inflation has been made worse by subsidized, lengthy strikes and the abnormally high settlements and decreased production of goods and services. By using tax dollars to subsidize strikers, the government is increasing the consumer's tax burden while using his money to drive up the cost of the very goods and services he must buy.

Now is the time to break this vicious circle which penalizes every America taxpayer and consumer. By prohibiting the distribution of food stamps to strikers, Congress can reduce the cost of the program to the taxpayer and reduce the rate of inflation. I respectfully dissent from this Committee's decision not to include such a prohibition in the food stamp authorization.

2. In conjunction with the proposal of the new farm bill, the Committee agreed to propose the extension of Public Law 480, the so-called Food for Peace program. The Committee acted to cure an anomalous situation

in P.L. 480 which currently allows the *donation* of food under Title II to some communist countries to which the United States could not *sell* food under Title I. The Committee amended P.L. 480 to allow sales under Title I to any country which can receive donations under Title II.

I agree with the Committee that we should not be able to *give* food to communist countries under authority of P.L. 480 and not be able to *sell* it to the same countries under the program. However, Title I of P.L. 480 allows sales under long-term credit arrangements with interest rates as low as two per cent. I proposed a substitute amendment which would have *allowed* sales to these countries, but at an interest rate no lower than that being paid by the United States government on money it was borrowing at the time of the sales agreement.

There has recently been an outcry in Congress and among the public concerning the fact that the United States Treasury subsidized the huge sale of wheat to the Soviet Union in 1972 through export subsidies (this sale was under statutory authority other than P.L. 480). Many national leaders oppose the use of taxpayers' money to subsidize a sale to our sworn enemies when we face so many unmet needs at home. I agree with them. Yet, the Committee's amendment to P.L. 480 would allow just this type of subsidized sale to other communist countries.

I believe that Congress should assert its prerogative to prevent this and future administrations from subsidizing sales to communist countries. I therefore believe that the Committee should have proposed to allow sales under P.L. 480 to communist countries only at rates of interest equivalent to the cost of funds to the United States Treasury.

I therefore respectfully dissent from the Committee's decision to allow sales to communist countries under the credit terms of Title I of P.L. 480.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., May 8, 1973.

Hon. JESSE HELMS,
Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR SENATOR HELMS: You have requested our opinion as to whether there is authority under the Food Stamp Act of 1964, as amended, to include in the regulations governing the Food Stamp Program a provision prohibiting the households of strikers from participating in the program.

The 1971 amendments to the Food Stamp Act (Public Law 91-671, 84 Stat. 2048) incorporated into the Act the so-called "work requirement." The amended section 5(c) of the Act provides that a household shall not be eligible to participate in the program if it includes an able-bodied unemployed adult (with certain exceptions) who fails to register for, or refuses to accept, employment. That section concludes with the following provision:

"Refusal to work at a plant or site subject to a strike or a lockout for the duration of such strike or lockout shall not be deemed to be a refusal to accept employment."

The House Committee Report, H.R. Rept. No. 91-1402, 91st Cong., 2d Sess. 11 (1970), contains the following statement with respect to this provision:

"The committee debated at length the question of striker participation in the Food Stamp Program; it rejected a provision which would have automatically made strikers ineligible for food stamps. In lieu of such a provision the committee adopted language which clearly states that no person (neither a striker or a nonstriker) need accept employment or training at a struck plant or site. The committee does not wish to take sides in labor disputes and does not believe this bill is the proper place to solve labor-management problems."

In view of the foregoing provision in the Food Stamp Act, it is clear that strikers may not be excluded from the Food Stamp Program so long as they register for employment and accept work at any plant or site not subject to a strike.

Sincerely,

JOHN A. KNEBEL,
General Counsel.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield such time as the Senator from Minnesota may desire.

Mr. HUMPHREY. Mr. President, as the Senator from North Carolina said, we are all aware of what the issue is. We need no clarification regarding the fact that the Senate did not adopt this measure when it was before us before. However, I believe the matter was voted upon in the Committee on Agriculture and Forestry, and it was defeated. There are honest differences of opinion about this amendment. I simply say to my colleagues, if you want a farm bill, you must vote down this amendment, because it will precipitate such a debate in the House that there will be no bill, and I say, most respectfully, we must have a farm bill. Our current farm laws expire this year.

Therefore, without cutting off debate, I want to serve notice to the Senate that I am going to move to table this amendment. If the Senator from North Carolina has completed his argument, and if he is willing to yield back his time, we are ready to vote.

Mr. HELMS. Mr. President, I am glad to yield to the Senator from South Carolina (Mr. THURMOND) such time as he may need.

Mr. CHILES. Mr. President, will the Senator yield for a question?

Mr. HELMS. I yield on the Senator's time.

Mr. CHILES. I wonder if the Senator would explain a little whom this amendment would cover. Listening to the language, first he talks about a member of a household who was out on strike. Then it says something about "or who was a member of an organization that was out on strike." If he was a member of the AFL-CIO and they had a strike going on somewhere, would it cover him?

Mr. HELMS. It means simply that able-bodied people, whether they are members of any organization or not, if they choose not to work for any reason satisfactory to them, shall not be entitled to food stamps furnished by the taxpayers of the United States.

Mr. CHILES. The concern I have is what if there is a strike in one portion of a business and they close down the business and there are other workers that work for that company, or suppose a steel mill goes out on strike and General Motors closes down, because they cannot get steel. How far does this bill go toward covering people who are laid off and are out of work, not because they had anything to do with the strike or elected to strike, but because there is a strike and they are cut out of work?

Mr. HELMS. Mr. President, I assume the Senator's question is on his time, and not mine? I suggest that he read the text of my amendment, the language of which is very clear.

The PRESIDING OFFICER. The Chair thought that the Senator yielded for a question.

Mr. HELMS. In which case I cannot yield. I have only a few minutes. I promised to yield to the distinguished Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The Senator declines to yield further.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I think the conferees have done a fine job on this farm bill. I wish to commend the distinguished Senator from Georgia and the distinguished Senator from Nebraska, who had a part in it. The only question here is this: The Senate bill did not have a provision that prohibited strikers from enjoying food stamps. The House bill did. That is in contention now. The rest of the provisions have been agreed to. It is simply a question of whether you want strikers to have food stamps. On that issue, I am confident the American people would not favor it.

On November 17, 1970, and again on January 26, 1971, I introduced a bill to amend the Food Stamp Act of 1964 in order to prohibit food stamp distribution to a household where the head of the household is engaged in a labor strike.

This bill was referred to the Committee on Agriculture and Forestry, and the full Senate did not vote on this matter. I rise to support this measure again as an amendment to the farm bill.

Mr. President, I do not believe that the majority of the people know that striking workers can receive food stamps. When our taxpayers realize this fact, they are outraged, because their tax dollars are being used to help one side in a labor dispute.

To provide strikers with food stamps is to allow the Government to take sides in the dispute. This is not the purpose of the food stamp program. The purpose of the food stamp program is to assist those who are unable to work or to find employment and, therefore, cannot support their families. It should not be the purpose of the program to subsidize those who have jobs and are able to support their families.

Mr. President, the taxpayers bear the ultimate burden of financing this program. Tax dollars should not be spent on food stamps for those who voluntarily refuse to work, but should be used to help those who are genuinely in need.

The Department of Agriculture does not keep records on the distribution of food stamps to strikers. However, in a recently published study, the Wharton School of Finance estimated that in the first normal year when wage and price controls have no effect, strikers will obtain a benefit of some $238,826,000 in food stamps. In my opinion, this is outrageous.

The time has come to reevaluate our priorities in regard to the food stamp program, and I hope that this amendment receives prompt and favorable consideration.

Mr. President, I urge all of my col-

leagues to cast a vote in favor of the taxpayers of America and to vote in favor of this amendment.

In closing, I simply want to say the issue is very clear. If a man is on strike, he does not draw food stamps. Why should he draw food stamps? If he is unable to get a job, if he is unemployed, he can draw food stamps, but if the worker goes out on strike and does not work, under this amendment he cannot draw food stamps. I hope the amendment will be adopted, because I think it is proper and I believe it will meet with the approval of the American people.

Mr. TALMADGE. Mr. President, first I want to state that this problem would not be a problem if the present law were enforced. The present law provides that anyone who wants to get food stamps must first sign up for work, and that if a job is available, he must take that job. That does not require him to break a strike and go back to work, but he must sign up for work.

In addition to that, if he has as much as $1,500 in liquid assets, he is not entitled to get food stamps under any conditions.

The problem arises because the Department and agencies concerned have been dilatory in permitting people to sign up for stamps in violation of the law.

In accordance with that fact, on page 40 of our conference report, we state that we:

deplore the lack of enforcement of existing food stamp regulations which require that an able-bodied person in the household register for employment "including a person who is not working because of a strike or lockout at his usual place of employment." It is the specific intent of the Conferees that this provision of the regulations be rigidly and uniformly enforced by the Department of Agriculture and those agencies administering the program at the local level under the auspices of the Department. Eligibility of strikers for food stamps should be carefully scrutinized prior to certification and certification made only in those cases where the household of the individual striker applicant meets all of the requirements of eligibility as in the case of other applicants.

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

Mr. TALMADGE. I yield.

Mr. PASTORE. Mr. President, that recitation by our distinguished manager of this conference proves, in my opinion, unequivocally that the amendment that is being proposed is antilabor and is unhumanitarian and absolutely unnecessary, and I think that what we are trying to do here is punish people who legitimately go out on strike.

As the Senator from Georgia has pointed out, there are certain prerequisites that have to be complied with that satisfy the intent and principle of the law, and to go beyond that, in my humble opinion, at this moment is being antilabor and unhumanitarian.

Mr. TALMADGE. Mr. President, I yield the remainder of my time to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I just want to make one more observation. We have heard here about taxpayers' money. There are no greater numbers of taxpayers in America than the working people of this country, the men and women who work in the shops and factories. They pay their taxes. Those taxes are withheld. Sometimes they are overly withheld. When they are out on strike, it is something not decided by them alone because it is a result of negotiations between labor and management, in which both sides are responsible. When the strike is over they go back on a payroll and they continue to pay taxes to the Government. They pay taxes before, they pay taxes afterward, and they pay taxes while they are on strike in various ways.

The right to strike in this country is a precious right, and the Senator from Rhode Island in his colloquy with the manager of the bill on the regulations applying to food stamps, makes the case. I, for one, believe that abuses under these regulations have not been overly abused and I further believe that they have been reasonably well administered.

Either denying food stamps to eligible striking employees by law or by too severe administration of rules constitutes an intervention in the collective bargaining process, something which great care must be taken to avoid.

This amendment is not necessary. More importantly, if we agree to it, we will in effect kill the farm bill. And everyone knows it. Mr. President, I yield back the remainder of my time.

Mr. NELSON. I have grave reservations over the concept of using tax paid for food stamps in situations involving a dispute between labor and management. It seems to me that it compromises the principle of free collective bargaining. However, it is also clear that if the Helms amendment is adopted the farm bill cannot be passed and it is critically important that this bill pass. I would hope that we could have hearings on this issue and deal with it on the merits separated from this important farm legislation.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. HELMS. Mr. President, Senators may express whatever opinions they like. However, I find it interesting that the comment would be made on the floor that this is an antiworkingman measure when the working people in this country who stay on the job would not be affected by this provision.

Senators may cast aspersions if they like on the intent of this amendment. However, I reiterate that this is a measure which the vast majority of the American people want.

My point this evening is that I want to have the Senate vote this measure up or down so that we can all stand up and be counted.

Mr. HUMPHREY. Mr. President, has all time been yielded back?

The PRESIDING OFFICER. Has the Senator from North Carolina yielded back his time?

Mr. HELMS. No; I have not. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes remain to the Senator from North Carolina. The time has been yielded back on the other side.

Mr. HELMS. Mr. President, as far as my amendment's killing the farm bill, I do not understand the logic of that argument. It does not make sense. As I said at the outset of my remarks, the language of the amendment is precisely that language contained in the bill passed by the House.

If we are to indulge in subterfuge around here, let us lay it all out. As far as the existing legislation that is on the books, I have to differ with my friend, the Senator from Georgia. His view, as expressed, is not the information we have from the GAO. We were advised that there is no existing authority to preclude food stamps for people who deliberately walk out on the job. I have put the information on the record.

It is clear that deep down every Senator knows what the real issue is. I repeat that I want everyone to stand up and be counted on this issue.

I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I move to table the amendment of the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Helms amendment.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Helms amendment. 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 Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

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

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Utah (Mr. BENNETT) and the Senator from Oregon (Mr. HATFIELD) are detained on official business.

The result was announced—yeas 58, nays 34, as follows:

[No. 357 Leg.]

YEAS—58

Aiken	Hathaway	Pell
Allen	Huddleston	Percy
Bayh	Hughes	Proxmire
Beall	Humphrey	Randolph
Bentsen	Inouye	Ribicoff
Bible	Jackson	Saxbe
Biden	Javits	Schweiker
Brooke	Kennedy	Scott, Pa.
Burdick	Magnuson	Sparkman
Byrd, Robert C.	Mansfield	Stafford
Cannon	Mathias	Stevens
Case	McGovern	Stevenson
Clark	McIntyre	Symington
Cook	Mondale	Taft
Cranston	Montoya	Tunney
Eagleton	Moss	Weicker
Fong	Muskie	Williams
Fulbright	Nelson	Young
Hartke	Pastore	
Haskell	Pearson	

NAYS—34

Baker	Domenici	Long
Bartlett	Dominick	McClellan
Bellmon	Eastland	McClure
Brock	Ervin	Metcalf
Buckley	Fannin	Nunn
Byrd, Harry F., Jr.	Griffin	Packwood
	Gurney	Roth
Chiles	Hansen	Scott, Va.
Church	Helms	Talmadge
Cotton	Hollings	Thurmond
Curtis	Hruska	Tower
Dole	Johnston	

NOT VOTING—8

Abourezk	Gravel	McGee
Bennett	Hart	Stennis
Goldwater	Hatfield	

So the motion to table the Helms amendment was agreed to.

Mr. TALMADGE. Mr. President, is all time expired on the substitute?

The PRESIDING OFFICER. All remaining time has been yielded back.

Mr. TALMADGE. Have the yeas and nays been ordered?

The PRESIDING OFFICER (Mr. BIDEN). The yeas and nays have been ordered. The question is on concurring in the House amendment with the amendment in the nature of a substitute therefor by the Senator from Georgia (Mr. TALMADGE). On this question, the yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

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

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Utah (Mr. BENNETT) and the Senator from Oregon (Mr. HATFIELD) are detained on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 85, nays 7, as follows:

[No. 358 Leg.]

YEAS—85

Aiken	Eagleton	McClure
Allen	Eastland	McGovern
Baker	Ervin	McIntyre
Bartlett	Fannin	Metcalf
Bayh	Fong	Mondale
Bellmon	Fulbright	Montoya
Bentsen	Griffin	Moss
Bible	Gurney	Muskie
Biden	Hansen	Nelson
Brock	Hartke	Nunn
Brooke	Haskell	Packwood
Burdick	Hathaway	Pastore
Byrd, Harry F., Jr.	Helms	Pearson
	Hollings	Pell
Byrd, Robert C.	Hruska	Percy
Cannon	Huddleston	Proxmire
Case	Hughes	Randolph
Chiles	Humphrey	Schweiker
Church	Inouye	Scott, Pa.
Clark	Jackson	Scott, Va.
Cook	Javits	Sparkman
Cotton	Johnston	Stafford
Cranston	Kennedy	Stevens
Curtis	Long	Stevenson
Dole	Magnuson	Symington
Domenici	Mansfield	Talmadge
Dominick	McClellan	Thurmond
Tower	Weicker	Young
Tunney	Williams	

NAYS—7

Beall	Ribicoff	Taft
Buckley	Roth	
Mathias	Saxbe	

NOT VOTING—8

Abourezk	Gravel	McGee
Bennett	Hart	Stennis
Goldwater	Hatfield	

So the House amendment with the amendment of the Senator from Georgia (Mr. TALMADGE) in the nature of a substitute therefor was agreed to.

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the printing of the conference report as a Senate report be waived, as the report will be printed by the House of Representatives.

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

ORDER FOR ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

LIMITATION OF DEBATE ON FEDERAL HIGHWAY CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the conference report on the Federal highway bill there be a limitation of 1 hour and 30 minutes, to be divided equally between the Senator from Texas (Mr. BENTSEN) and the Senator from Vermont (Mr. STAFFORD), and that the time on any debatable motion or appeal in relation thereto be limited to 10 minutes, to be equally divided in accordance with the usual form.

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

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Minnesota (Mr. HUMPHREY) be recognized for 15 minutes, and that he be followed by the junior Senator from West Virginia for not to exceed 15 minutes.

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

ORDER FOR CONSIDERATION OF DEPARTMENT OF THE INTERIOR APPROPRIATIONS BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of the aforementioned orders for the recognition of Senators tomorrow, the Senate proceed to the consideration of H.R. 8917, a bill making appropriations for the Department of the Interior.

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

ORDER FOR SENATE TO PROCEED TO THE CONSIDERATION OF CONFERENCE REPORT ON THE FEDERAL AID TO HIGHWAYS ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 8917 tomorrow, the Senate proceed to the consideration of the conference report on the Federal highway bill.

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

ORDER FOR CONSIDERATION OF NOMINATION FOR DIRECTOR OF CENTRAL INTELLIGENCE AGENCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on the Federal aid to highways bill, the Senate go into executive session to consider the nomination of Mr. William E. Colby for the office of Director of the Central Intelligence Agency.

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 CONSIDERATION OF S. 1033 TODAY VACATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the previous order providing for the consideration of S. 1033 at the close of business today, so as to make it the unfinished business on tomorrow, be vacated.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m.

After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Minnesota (Mr. HUMPHREY) will be recognized for not to exceed 15 minutes, after which the junior Senator from West Virginia will be recognized for not to exceed 15 minutes, after which the Senate will proceed to consider the bill making appropriations for the Department of the Interior, H.R. 8917, under a time limitation of 2 hours on the bill, with one-half hour on any amendment. It is anticipated that there will be a yea-and-nay vote on final passage of that bill.

Upon the disposition of the Interior appropriation bill, the Senate will take up the conference report on Federal aid to highways, under a time limitation of 1½ hours; and it is anticipated that there will be a yea-and-nay vote on the adoption of the conference report.

Upon the disposition of the conference report on the Federal highway bill, the Senate will go into executive session to consider the nomination of Mr. William E. Colby to be Director of Central Intelligence. There is a time limitation on that nomination of approximately 3½ to 4 hours, but it is not anticipated that that much time will be consumed. I would anticipate that it would be a fairly good guess to say that the nomination would require 2 hours, a little more or a little less. I anticipate a yea-and-nay vote on that nomination.

Under the order that was entered by the distinguished majority leader earlier today, there will then be a vote on an amendment by Mr. FANNIN to the bill H.R. 577, the so-called Hobby Protection Act, at no later than 6 p.m. tomorrow.

Therefore, Mr. President, there will be at least four yea-and-nay votes tomorrow and possibly more.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

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 10 a.m. tomorrow.

The motion was agreed to; and at 7:18 p.m. the Senate adjourned until tomorrow, Wednesday, August 1, 1973, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 31, 1973:

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10, of the United States Code:

To be lieutenant general

Lt. Gen. Earl C. Hedlund, [redacted] FR (major general, Regular Air Force) U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John J. Hennessey, [redacted] U.S. Army.

IN THE NAVY

Adm. Bernard A. Clarey, U.S. Navy, for appointment to the grade of admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

DEPARTMENT OF STATE

Roger Kirk, of Michigan, a Foreign Service Officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

DEPARTMENT OF COMMERCE

Karl E. Bakke, of Virginia, to be General Counsel of the Department of Commerce, vice William N. Letson, resigned.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Herbert Salzman, of New York, to be a member of the Board of Directors of the Overseas Private Investment Corporation for the remainder of the term expiring December 17, 1974, vice J. D. Stetson Coleman, resigned.

HOUSE OF REPRESENTATIVES—*Tuesday, July 31, 1973*

The House met at 12 o'clock noon.

Rev. Jerome J. Nedelka, vicar, Christ the King Church, East Meadow, Long Island, N.Y., offered the following prayer:

Most gracious Father in heaven, we thank You for the gift You have given us in this free country governed by the people through their elected representatives in Congress. We ask Your blessing today upon these men and women assembled here in the House of Representatives whose responsibility it is to fulfill the sacred trust given to them by the people. Lord, we ask You to direct their consultations and deliberations. Fill them with Your spirit so that Your glory may be revealed; that the safety, honor, and welfare of Your people here in the United States of America may be served; and that all things may be so ordered and settled by their endeavors, upon the best and most sure foundations, that peace and happiness, truth and justice, may be established among us for all generations. And this we ask in the name of our Lord and Saviour Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8947) entitled "An act making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1974, and for other purposes."

The message also announced that the Senate had passed a joint resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 110. Joint resolution to establish a nonpartisan commission of Federal election reform.

THE REVEREND JEROME J. NEDELKA

(Mr. WYDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDLER. Mr. Speaker, it is with great pride and appreciation that I acknowledge that our prayer this morning was offered by the Reverend Jerome J. Nedelka, vicar of Christ the King Episcopal Church in East Meadow, N.Y. For the past 5 years, Father Nedelka has creatively dealt with his administrative duties at Christ the King, effectively using his marketing and business background obtained prior to entering the seminary.

As a leader in ecumenical affairs, Father Nedelka has organized and is the convener of the East Meadow Clergy Association which has brought together in fellowship clergy of the Roman Catholic, Orthodox, Lutheran, Methodist, Polish National Catholic, and Jewish faiths. He is also his bishop's representative to the Committee on Soviet Jewry.

Concerned not only for his parishioners' spiritual well-being, but their physical well-being and that of our environment as well, Father Nedelka has become involved in the ecology and conservation movement on Long Island and was recently appointed chairman of the Commission on Environment and Ecology of the Episcopal Diocese of Long Island.

Father Nedelka's community involvement and concern for his fellow man is shared by his wife, Ruth, a registered nurse, their two children, Andrew and Nicholas, and by his nephew, Larry Nedelka, a recent high school graduate who has volunteered his time and energies serving my constituents in my New York congressional office. The presence of the Frank and Jerome Nedelka families in the House gallery today, indicates