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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, FIRST SESSION

SENATE—*Friday, August 3, 1973*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Almighty God, who has watched over our coming in and our going out, strengthened us in our labors, enriched us by our friendships, and sustained us through our prayers, bless the work we do this day in this Chamber. Give us the higher vision to see the accomplishments of the past in the larger perspective of time and be content with the judgment of history. When this day is done grant to us rest and peace, journeying mercies, and renewal of body, mind, and spirit.

May the Lord bless us and keep us, the Lord make His face to shine upon us, and be gracious unto us, the Lord lift up the light of His countenance upon us and give us peace, through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, August 2, 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.

"DELTA QUEEN"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 356, H.R. 5649.

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

The assistant legislative clerk read as follows:

H.R. 5649, to extend until November 1, 1978, the existing exemption of the steamboat *Delta Queen* for certain vessel laws.

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

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, was read the third time, and passed.

Mr. LONG. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 355, S. 1625, be indefinitely postponed.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, beginning with New Reports, but excluding the Office of Economic Opportunity.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. TUNNEY). The nominations on the Executive Calendar, beginning with New Reports, but excluding Office of Economic Opportunity, will be stated.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of William Keith Brehm, of California, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF COMMERCE

The second assistant legislative clerk read the nomination of Karl E. Bakke, of Virginia, to be General Counsel of the Department of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The second assistant legislative clerk read the nomination of James B. Gregory, of California, to be Administrator of the National Highway Traffic Safety Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. CIRCUIT COURTS

The second assistant legislative clerk read the nominations in the U.S. circuit courts, as follows:

Leonard I. Garth, of New Jersey, to be a U.S. circuit judge, third circuit.

Joseph T. Sneed, of California, to be a U.S. circuit judge, ninth circuit.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. DISTRICT COURTS

The second assistant legislative clerk read the nomination of John A. Reed, Jr., of Florida, to be a U.S. district judge for the middle district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONGRATULATIONS TO PATRICK HYNES AND DAVID BROWN

Mr. MANSFIELD. Mr. President, this month, two outstanding officials of the Senate, Mr. Patrick Hynes, the assistant secretary for the majority, and Mr. David Brown in the Democratic cloakroom are about to take unto themselves wives. I wish, at this time, to extend my best personal congratulations to both Mr. Hynes and Mr. Brown and to assure their wives-to-be that if they are half as good to them as they are to the Senate they will, indeed, be fortunate.

To both of them felicitations and a long life and a happy marriage. To their

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wives-to-be I extend my best wishes and express the same hopes for them.

AFTER 7 MONTHS

Mr. MANSFIELD. Mr. President, today, as we go out of session for a brief adjournment, we note the ending of 7 months in business. During that period the Senate has conducted itself as a diligent and responsible body.

Despite the difficulties which our Government is undergoing at the present time, the Members of the Senate, all of them, Republican and Democrat alike, have applied themselves to their duties and undertaken their full share of responsibility.

The calendar is fairly clean. The committees are to be commended for the work which they have accomplished, and the cooperation between the leadership on both sides and between the joint leadership and the Senate as a whole has been outstanding.

I wish to extend to all Members of the Senate my personal thanks for the understanding they have shown and the accommodations which they have made to keep the Senate functioning as it should.

I wish especially at this time to single out the names of the distinguished Senator from Pennsylvania (Mr. SCOTT), the Republican leader; the distinguished Senator from Michigan (Mr. GRIFFIN), the acting Republican leader; and the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the assistant majority leader; all of whom have contributed to the well-being of the Senate in a constructive manner over the past several months.

We will act responsibly in the months ahead as we have in the months just gone by. We will continue to cooperate on a partnership basis with the administration because we realize that neither of our two branches is superior to the other but each is, in its own way, equal in its responsibilities and powers. That is as it should be under the Constitution and that is as it will be in the period ahead.

Mr. GRIFFIN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. GRIFFIN. Mr. President, I know that the distinguished minority leader (Mr. SCOTT) would want me to extend his appreciation for the kind words spoken by the distinguished majority leader, as I do, and to indicate that the expressions are truly those of a bipartisan leadership. We have our differences and our difficulties, and we have had to go through some tense days.

I know that Members of the Senate are looking forward to a brief opportunity for some vacation and relaxation. But when we return after the Labor Day weekend, we will go forward in this body with renewed vigor and determination to get the business of the Nation done, and to get it done effectively and efficiently, always with the general understanding of the excellent leadership that is provided by the distinguished Senator from Montana. I thank him very much, and I join him in what he has said.

Mr. MANSFIELD. I thank the distinguished acting Republican leader.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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 OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

(The remarks Mr. HELMS made at this point on the introduction of S. 2336, the Public School Jurisdiction Act of 1973, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

PENN CENTRAL FINANCING QUESTIONED

Mr. HARRY F. BYRD, JR. Mr. President, a week ago today, Friday, July 27, 1973, the Senate passed legislation authorizing $210 million in tax funds for the benefit of the Penn Central Railroad.

I doubt that, when the Senate voted, it understood just what the legislation would do. I doubt that the Senate today understands just what it did in regard to that $210 million.

Mr. President, I state that, because in the debate it was made clear by the manager of the bill that $125 million of that total would be used to pay off the guaranteed loans in that amount authorized by Congress in 1970. But within minutes of the enactment of this legislation, this $210 million subsidy to Penn Central, the office of the manager of the bill issued this statement;

The bill does not pay off past government obligations of the Penn Central and other bankrupts as is currently reported in some quarters.

Mr. President, I ask unanimous consent that the Associated Press dispatch to which I have referred be printed in the RECORD.

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

SENATE OKAYS $210 MILLION FOR RAIL DEBT

WASHINGTON.—The Senate Friday passed a bill authorizing up to $210 million for the Transportation Department to keep the nation's financially ailing railroads operating.

Sen. Vance Hartke, D-Ind., chairman of the Senate surface transportation subcommittee, said the measure provides for continuation of essential service until a long-term solution to the rail crisis can be found.

The vote was 59 to 30.

During the debate, Hartke said $125 million of the money would be used to pay off a federally guaranteed loan obtained by Penn Central in 1970.

But Hartke's office later issued a statement saying: "The bill does not pay off past government obligations of the Penn Central and other bankrupts, as is currently reported in some quarters."

The transcript of the debate prepared by the Congressional Record includes this exchange:

Sen. Harry F. Byrd, D-Va.: Will the $125-million loan guarantee be paid from the $210 million?

Hartke: Yes.

Byrd: It is current, I gather from the senator's assertion, that the department sought only $85 million, yet we are giving them $210 million?

Hartke: Yes, they had to pay off the loan.

Byrd: Why do we not change the legislation and make it $85 million?

Hartke: We cannot because the railroads could not then pay the $125-million loan and keep the trains running.

Mr. HARRY F. BYRD, JR. Mr. President, this legislation was enacted by the Senate with a clear understanding from statements made on the part of the manager of the bill that most of this $210 million would be used to pay off the existing loans which are guaranteed by the Federal Government.

Mr. President, I have obtained from the Office of the Secretary of Transportation just what these loans are, the total amount of the guaranteed loans of the Penn Central, and when they mature.

I find that there is a $50 million loan, bearing interest at the rate of 6⅛ percent, which falls due January 15, 1976, 2½ years from now. The other $50 million loan bearing 7.05 percent interest falls due January 15, 1986, 12½ years from now.

Why would the Senate pass legislation permitting the use of tax funds to the extent of $210 million, with a stipulation that most of it be used to pay off the Government-guaranteed loans of the Penn Central, when one of those $50 million loans does not become due for 2½ years and the other loan of $50 million does not become due for 12½ years.

I think the Senate is too cavalier in the way it handles the funds of the American taxpayers. These funds come out of the pockets of the hardworking wage earners of this country. That is the only place from which the Government can get money.

The only place from which the Government can get money to meet all the appropriations the Congress provides is out of the pockets of the individual citizens.

I voted against that $210 million subsidy to the Penn Central. I do not think this Government has enough money, with the huge deficits it is running, to start bailing out bankrupt companies.

Another reason why I voted against it is that the Penn Central, it was stated on the floor of the Senate 3 years ago when the original loan guarantee was passed, has assets of between $4 and $7 billion.

The New York Times of yesterday, August 2, had this report:

PHILADELPHIA, August 1.—The Penn Central Railroad is scrapping a plan to sell $1 billion worth of non-rail assets, retaining them instead to "maximize" their value through development, a trustee of the bankrupt carrier testified today.

Jervis Langdon, one of three Penn Central trustees, told a Federal judge the change, concerning primarily real estate assets, was motivated by two factors: that sale of the assets alone would not make the railroad viable and that the railroad's problems have had a "depressing effect" on their value.

Mr. Langdon testified at a hearing before United States District Judge John P. Fullam.

Mr. Langdon described the policy change on non-rail assets as a "reinvestment of energies into real estate."

The non-rail assets of Penn Central comprise more than 10,000 individual parcels, including mid-Manhattan hotels, land under Park Avenue, skyscrapers in New York, abandoned passenger terminals, marshalling yards, coal acreage, warehouses and farm lands.

The point I am suggesting, Mr. President, is this: If the Penn Central has these $1 billion in assets, why does the Congress of the United States take out of the pockets of the taxpayers of our country $210 million to pay the operating expenses of that railroad?

I hope the House of Representatives will look more carefully into this problem and into this proposed legislation than did the Senate. I hope the House will take a long, hard look at all of the assets and resources of the Penn Central before it approves appropriating $210 million for the operating expenses of that private company.

I believe in the free enterprise system. Under the free enterprise system, one has an opportunity to make a profit and keep a substantial part of those profits; but under the free enterprise system also, if private investments go sour, then the Government should not be called upon to bail out those bankrupt companies. Certainly, the assets should be used before the Government is called upon to get into the act.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum, the time to be taken from the time of the Senator from Virginia.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief morning hour, with a time limitation of not to exceed 5 minutes and the time to expire at 10:45 a.m. today.

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.

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 the following bill and joint resolution, each with amendments, in which it requested the concurrence of the Senate:

S. 1410. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 1 year the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; and

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

The message also announced that the House has passed the following joint resolutions, in which it requested the concurrence of the Senate:

H.J. Res. 52. Joint resolution authorizing the President to proclaim August 26, 1973, as "Women's Equality Day"; and

H.J. Res. 466. Joint resolution authorizing the President to proclaim the second full week in October 1973, as "National Legal Secretaries' Court Observance Week."

The message further announced that the House had passed the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 209. Concurrent resolution expressing the sense of Congress that additional copies of hearings be printed; and

H. Con. Res. 266. Concurrent resolution to provide for the printing of committee hearings on the relationship of pesticides to environmental issues and other matters.

ORDER FOR YEAS AND NAYS ON TREATIES

Mr. MANSFIELD. Mr. President, as in executive session, I ask for the yeas and nays on the treaties to be voted on at 10:45 a.m. today.

The yeas and nays were ordered.

TECHNICAL CORRECTIONS IN ENGROSSMENT OF S. 1888

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

That in the enrollment of 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, the Secretary of the Senate be, and he is hereby, authorized and directed to make the following corrections in the text of the bill as finally approved by the two Houses:

On page 7, line 2, strike the quotation marks.

On page 20, line 3, strike "(a)".

On page 28, at the end of line 17, insert a comma.

On page 28, line 18, strike out "(c)" and insert "(d)".

On page 29, line 10, after the quotation marks, insert a comma.

On page 29, line 11, strike out "(d)" and insert "(e)".

On page 29, line 16, strike out "(e)" and insert "(f)".

On page 29, line 19, strike out the period and insert ", and".

On page 29, line 20, strike out "(f)" and insert "(g)".

On page 40, line 20, before the first word, insert quotation marks and "Sec. 703."

On page 40, line 21, strike out the double quotation marks and insert single quotation marks.

On page 40, line 23, strike out the period and the double quotation marks and insert single quotation marks and a period.

On page 45, line 12, strike out the quotation marks.

Strike out the matter which begins with line 18 on page 52 and ends with line 19 on page 53, and insert such matter on page 54 after the last line on that page.

On page 67, line 13, after "amended", insert "(1)".

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from Montana. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 43) was considered and agreed to.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore on today, August 3, 1973, signed the following enrolled bills and joint resolution which had previously been signed by the Speaker of the House of Representatives:

S. 1423. An act to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services;

S. 1887. An act to provide for the appointment of alternates for the governors of the International Monetary Fund and of the International Bank for Reconstruction and Development;

S. 1993. An act to amend the EURATOM Cooperation Act of 1948, as amended;

S. 2120. An act to amend the Federal Railroad Safety Act of 1970 and other related Acts to authorize additional appropriations, and for other purposes;

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;

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 Applachian 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; and

S.J. Res. 144. Joint resolution to provide for a temporary extension of the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 3, 1973, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1423. An act to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust

funds established by labor organizations to defray costs of legal services;

S. 1887. An act to provide for the appointment of alternates for the Governors of the International Bank for Reconstruction and Development;

S. 1993. An act to amend the EURATOM Cooperation Act of 1958, as amended;

S. 2120. An act to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations, and for other purposes; and

S.J. Res. 144. Joint resolution to provide for a temporary extension of the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT ON POSITIONS IN THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on positions in that Administration (with an accompanying report). Referred to the Committee on Aeronautical and Space Sciences.

REPORT ON FINAL DETERMINATION IN CLAIM OF CERTAIN INDIANS

A letter from the Chairman, Indian Claims Commission, transmitting, pursuant to law, a report relating to Docket No. 305, The Ottawa Tribe and Guy Jennison, Bronson Edwards and Gene Jennison, as representatives of the Ottawa Tribe, Plaintiffs, v. The United States of America, Defendant (with accompanying papers). Referred to the Committee on Appropriations.

REPORT OF THE INDIAN CLAIMS COMMISSION ON THE FINAL DETERMINATION OF CERTAIN INDIAN CLAIMS

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report of the final determination of certain Indian claims in Dockets 217, 15–K, and 29–J regarding the Citizen Band of Potawatomi Indians of Oklahoma and other Indian tribes v. the United States. Referred to the Committee on Appropriations.

REPORT OF THE INDIAN CLAIMS COMMISSION ON THE FINAL DETERMINATION OF THE CLAIM OF THE OTTAWA TRIBE

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report of the final determination of the claim of the Ottawa Tribe of Indians, et al., in Docket No. 304. Referred to the Committee on Appropriations.

REPORT OF THE DEPARTMENT OF STATE

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, agreements other than treaties entered into by the United States. Referred to the Committee on Foreign Relations.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Revenue Sharing: Its Use by and Impact on State Governments", Department of the Treasury, dated August 2, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE COMPTROLLER FOR THE VIRGIN ISLANDS

A letter from the Secretary of the Interior transmitting, pursuant to law, the annual report of the United States Government Comptroller for the Virgin Islands for the fiscal year ended June 30, 1972. Referred to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Acting Commissioner, Immigration and Naturalization Service. Department of Justice, transmitting, pursuant to law, copies of orders relating to the suspension of deportation of certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

DELAY OF REPORT BY COMMISSION ON THE BANKRUPTCY LAWS OF THE UNITED STATES

A letter from the Executive Director, Commission on the Bankruptcy Laws of the United States, reporting, pursuant to Senate Joint Resolution 88, 91st Congress, that the report required by that law will not be forthcoming from the Commission until a later date. Referred to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A petition requesting redress of grievances from sundry citizens of the State of New York. Referred to the Committee on the Judiciary.

A telegram, in the nature of a petition, from the Western States Land Commissioners Association, relating to the energy crisis. Referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 9590. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93–378).

By Mr. RANDOLPH, from the Commitee on Public Works, without amendment:

S. 2282. A bill to change the name of the New Hope Dam and Lake, North Carolina, to the B. Everett Jordan Dam and Lake (Rept. No. 93–379). Considered and passed

By Mr. TUNNEY, from the Committee on Commerce:

S. 2365. An original bill to regulate interstate and foreign commerce as it relates to the conduct of organized amateur athletic competition within the United States and the participation of American athletes in international amateur athletic competition (Rept. No. 93–380). Placed on the calendar.

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with amendments:

H.R. 7724. An act to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes (Rept. No. 93–381).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 354. A bill to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce (Rept. No. 93–382), together with additional and minority views.

EXTENSION OF REPORTING DATE FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. McGEE. Mr. President, section 2 of Senate Resolution 61, authorizing the Post Office and Civil Service Committee to exercise its oversight and investigations authority with regard to the Postal Service, requires a report of the committee's findings to the Senate not later than August 31, 1973.

The committee's hearing schedule was interrupted by the Postal Service's labor-management negotiations and set back by the time required to obtain ratification by the unions of the final agreement. I ask unanimous consent that the resolution's August 31, 1973, reporting date be extended to October 31, 1973.

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

UNANIMOUS-CONSENT REQUEST FOR REPORTING S. 354, THE NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Mr. MAGNUSON. Mr. President, I ask unanimous consent to report the bill (S. 354) to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways and to file the written report on the bill by August 15, 1973.

I also ask unanimous consent to have printed in the RECORD at this point a brief description of the bill and the text as reported.

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

DESCRIPTION

(1) GENERAL

The technical basis for the bill is the Uniform Motor Vehicle Accident Reparations Act (hereinafter UMVARA), which was promulgated in August 1972 by the National Conference of Commissioners on Uniform State Laws, an organization of State government officials named pursuant to the laws of each of the 50 States to promote uniformity of law in areas of common concern. The bill would create a nationwide automobile insurance system which would, in the event of a motor vehicle accident, pay the cost of restoring to the maximum extent feasible, all the occupants and pedestrians and others who are injured, and compensate, subject to reasonable limitations, to the economic loss of all deceased victims. While extending this *right to recover benefits* to all persons, S. 354 would simultaneously restrict each person's *right to sue* because of the fault of another.

The bill would preempt any provision of any State law which would prevent the establishment or administration in any State of a no-fault plan for motor vehicle insurance in accordance with title II or title III of the bill (section 201(a)).

Each State could establish a State no-fault plan which meets or exceeds the national standards set forth in S. 354 at any time prior to the completion of the first general session of the State legislature that convenes after the bill is enacted. The Secretary of Transportation would determine whether a State plan was in accordance with title II (*i.e.* meets or exceeds national standards) (sec-

tions 201(b), (c)). The national standards (defined in section 202(a)) are met or exceeded by a State plan's provisions if the State provisions are in substance the same, equivalent, more favorable or beneficial to an insured or a claimant, or more restrictive of tort liability than the national requirements. State plan provisions as to which there are no corresponding provisions in the national standards are permitted so long as they are not inconsistent with the policy of the bill (section 203(b)).

If a State does not establish a no-fault plan in accordance with title II during its first legislative session an alternative State no-fault plan for motor vehicle insurance, title III of the bill, would become applicable and go into effect in that State nine months later. If, at any time, a title III State establishes a State no-fault plan that meets or exceeds national standards, the alternative plan would cease to apply in that State and would be replaced by the State's own plan. Conversely, if a title II State ceased to maintain its no-fault plan in accordance with title II, that plan would cease to be in effect and the alternative State no-fault plan under title III would become effective on a date to be designated by the Secretary (sections 201 (d)–(f)).

Determining whether a State no-fault plan is initially and continually in accordance with the national standards is the *only* operational responsibility of the Federal Government. All other activities—regulation of insurance, setting of rates and rating of insurance, taxing, management of motor vehicle registration, investigation of claims, and litigation procedures—remain the responsibilities of State and local government in accordance with State law. Having set the national standards as a basic floor, the Federal Government goes no further. S. 354 leaves each State free to develop its no-fault plan beyond the minimum standards and, except for the periodic review under section 201, free from any further new involvement with any Federal agency.

The national standards cover only the primary requirements for a system that will operate coast-to-coast to assure that every victim of a motor vehicle accident anywhere in the United States gets treatment and compensation. Non-essential requirements are not mandated for the nationwide system (*i.e.* there is no national standard as to whether residual tort liability insurance should or should not be compulsory; as to whether motor vehicle damage and other property damage loss should or should not be included within the no-fault system; as to how motorcycles should be treated; or as to whether victims should be required to undergo insurance-company-administered compulsory physical examinations).

At a minimum, a State establishing a no-fault plan for motor vehicle insurance in accordance with title II of the bill would require each owner of a motor vehicle operating or registered in the State to continuously provide security (via an insurance policy or approved self-insurance) for the payment of "basic restoration benefits." This security must pay basic restoration benefits (on a periodic basis as loss occurs) up to at least the following levels:

(1) *all* reasonable charges for medical treatment and care, emergency health services, and medical and vocational rehabilitation services (grouped together under the heading "allowable expense") (section 204 (a));

(2) reimbursement for all of a victim's work loss—

(A) up to his monthly earned income prior to the accident if the amount was disclosed and agreed to in the insurance policy before the injury, or $1,000 times a formula which reflects differences in average per capita income in different States, whichever is less, and

(B) up to a total amount of $25,000 times a formula which reflects differences in average per capita income in different States. (Applying the formula, the maximum basic restoration benefits for work loss would range from $17,101.27 to $35,135.33.) (section 204(b)) (under section 204(b)(2) a State may simply determine to lower total work loss protection to $15,000).

(3) reimbursement for replacement services loss (cost of obtaining services victim would have performed personally but, for the accident—*e.g.* cooking—subject to reasonable limitations set by the State section 204 (c));

(4) reasonable charges, not to exceed $1,000, for funeral and burial expenses; and

(5) compensation for survivor's loss subject to reasonable limitations set by the State (sections 103(2), 204(d)).

With respect to claims by an insured (person named in a policy or reading in the same household as a named insured), the bill authorizes a State to allow deductibles not to exceed $100 per individual and a no-benefits waiting period not to exceed one week.

The State plan may, of course, require that basic restoration benefits include greater work loss benefits and, in addition, may require payment of such added restoration benefits as compensation for noneconomic detriment (pain and suffering). Basic restoration benefits would not pay any claims for damage to property, but coverage for property loss (i.e. physical damage to a motor vehicle) must be offered to each owner as added restoration insurance (section 210 (b)). Its purchase is not compulsory under national standards, but the State plan may require the motor vehicle owner to purchase such coverage.

Lawsuits to recover economic losses (termed "loss" in the bill) would be permitted when loss exceeds basic restoration benefit limits. Lawsuits for noneconomic detriment (subject to a $2,500 deduction) would not be permitted unless a motor vehicle accident victim died, suffered serious and permanent disfigurement or other serious and permanent injury, or suffered more than 6 continuous months of total disability (section 206).

Under the national standards, motor vehicle insurance (security for the payment of basic restoration benefits) is the primary source for payment of the losses of victims and the survivors of deceased victims. To prevent problems that the primacy of auto insurance could present to persons who presently receive all-encompassing health insurance and other benefits from insurance plans paid for in whole or in part by their employers, each State is specially required to permit such benefits to be coordinated with no-fault benefits. The purchaser of such benefits (i.e. the employer) is required to pass on the savings from this coordination to the other individuals for whom he is acting (i.e. employees) through direct payment or substitute benefits (section 204(f)).

In order for a State no-fault plan to be in accordance with title II of the bill, it must also meet a standard designed to make motor vehicle insurance available to all, including the economically disadvantaged (section 105); provide interest assessments for an insurer that fails to pay no-fault benefits promptly and require the insurer to pay attorney's fees if a victim must go to court to obtain such benefits (sections 106, 107); provide a system for payment of assigned claims (section 108); provide the means to enable consumers to compare prices being charged by insurers (section 109(b)); authorize the State insurance Commissioner to provide an accountability program for medical and vocational rehabilitation services and to take steps to assure the availability of emergency health services and medical and vocational rehabilitation services in the State (sections 109 (c) (d)); require that a no-fault system operate between insurance companies as well as between motorists (section 111); implement the system of priorities for the payment of basic restoration benefits in cases in which more than one source is available (section 205); and require insurers to offer motorists certain added restoration benefits coverages (section 210).

The alternative State no-fault plan for motor vehicle insurance (title III) places no limitations on the total benefits that a victim or the survivor of a deceased victim would receive. Work loss benefits would be paid up to $1,000 a month times a formula which reflects differences in average per capita income in different States but there would be no limitation on the total amount of basic restoration benefits for work loss (section 302(a)). Benefits for replacement services loss and survivor's loss would be paid for as long as the loss arising out of the maintenance or use of a motor vehicle lasts, subject to a $200 per week ceiling (section 302(b)). The right to sue in the hope of recovering damages for economic or noneconomic detriment in most situations would be eliminated. Compensation for economic loss would be provided by the basic restoration insurance, and compensation for noneconomic detriment would be available to each person who chooses to purchase insurance provding added restoration benefits for noneconomic detriment to a victim in such amounts and upon such conditions as the insured selects. This "no-fault pain and suffering" option must be offered by each insurer writing basic restoration insurance in the State (section 304(b)).

Under both a State no-fault plan in accordance with title II and the alternative State no-fault plan, no benefits would be paid to a victim or the survivors of a deceased victim for intentionally-inflicted injuries or to a victim who had stolen the motor vehicle involved in the accident resulting in injury (section 210). A motor vehicle owner driving without the necessary motor vehicle insurance who suffers injury is entitled to receive basic restoration benefits from the assigned claims plan *minus* all the optional deductibles and exclusions required to be offered in the State and *minus* $500 in benefits for each year of the owner's failure to provide the necessary security (except that no deduction shall be made from allowable expense items—medical care, emergency health services, medical and vocational rehabilitation services (section 108(a)(4)).

The bill provides easily applied and consistent rules for resolving questions arising when persons travel from State to State (section 110). If an owner satisfies the security requirements in the State in which he registers his vehicle, he is deemed to have satisfied the security requirements in every State through which he drives while the insurance is in effect. When an individual is injured in an auto accident, the benefit levels of the plan in effect in his State of domicile determine his level of recovery no matter what his source of recovery (*e.g.* his own policy, someone else's policy, a self-insurer, or an assigned claims plan). An insurer is obligated to pay benefits to a claimant based upon his place of domicile. An accident victim's lawsuit rights are also governed by the law of the State of domicile. If a person from a State which has not yet enacted no-fault is injured or if a person is not domiciled in any State (*e.g.* a foreign tourist), then the no-fault plan in effect in the State in which the accident occurs controls questions as to the level of benefits and lawsuit rights. The provisions in section 110 make the national standards system practical and

workable by permitting State by State variation above the minimum standards without creating impossible burdens on interstate motorists and their insurers.

(2) GLOSSARY OF SPECIALIZED TERMS USED IN THE BILL

Basic restoration insurance is insurance by which an insurer, self-insurer, or obligated government is required to pay a victim basic restoration benefits, on a no-fault basis, for his net loss from injury arising out of the maintenance or use of a motor vehicle. Basic restoration insurance (also termed security for the payment of basic restoration benefits and basic restoration benefits coverage) is compulsory for all motor vehicle owners (section 104).

Added restoration insurance is optional insurance (although some coverages must be offered for sale to the insured by each insurer providing basic restoration insurance) which provides for the payment (by an insurer, self-insurer, or obligated government) of added restoration benefits.

Restoration obligor is an entity required to pay basic restoration benefits and, where applicable, added restoration benefits. A restoration obligor is either an insurer, a self-insurer, or an obligated government. *Insurer* is any legal entity, other than a self-insurer or obligated government, which is authorized by State law to provide required motor vehicle insurance, including where authorized in a State, a private insurance company, a Blue Cross Association, a State established-or-supervised plan under section 105(a), or a State fund such as the A.C.C.A. in Puerto Rico.

Loss is economic loss for which a victim or the survivors of a deceased victim are entitled to receive basic restoration benefits reduced, if applicable, by social security disability, medicare, workmen's compensation, and similar government or government-required benefits or advantages specified in section 208. *Net loss* is loss minus these enumerated collateral benefits or advantages and an amount equal to any income tax saving not to exceed 15%. Loss is subdivided into four distinct and separate categories:

(*a*) *Allowable expense* is the reasonable cost of medical treatment and care, emergency health services, medical and vocational rehabilitation services, and funeral and burial services (up to $1,000).

(*b*) *Work loss* is wages and earnings lost as a consequence of the motor vehicle accident. It includes loss of income, even projected future earnings of a person not presently employed, and the cost of a substitute or special services to mitigate loss of income. With respect to lost future earnings, adjustments will be made to compensate for inflationary changes in the value of the dollar (section 207(d)(2)).

(*c*) *Replacement service loss* is the reasonable cost of obtaining ordinary and necessary services (which are not income producing) in lieu of those the victim would have performed for his own benefit, or that of his family, but for the accident and injury.

(*d*) *Survivor's loss* is the loss to the survivor of a deceased victim of the income the deceased victim would have earned and contributed to the survivor, but for the accident, and the cost of obtaining ordinary and necessary services in lieu of those the deceased victim would have performed for the benefit of the survivor, minus expenses avoided by reason of the death.

Basic restoration benefits are the benefits to be paid to each victim or the survivor of a deceased victim. Basic restoration benefits are required to be paid for net loss, subject to the national standard on limitations on such benefits (section 204).

Added restoration benefits are the benefits to be paid to a person who purchases optional insurance in addition to basic restoration benefits coverage. It may include collision coverage for damage to a motor vehicle, benefits for noneconomic detriment (pain and suffering), and excess coverages beyond the limitations on basic restoration benefits.

TEXT OF S. 354 AS REPORTED

A bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I—GENERAL PROVISIONS

FORMAL PROVISIONS

SEC. 101. (a) SHORT TITLE.—This Act may be cited as the "National No-Fault Motor Vehicle Insurance Act."

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Formal provisions.
(a) Short title.
(b) Table of contents.
Sec. 102. Declaration of policy.
(a) Findings.
(b) Purposes.
Sec. 103. Defintions.
Sec. 104. Required motor vehicle insurance.
(a) Security covering a motor vehicle.
(b) Self-insurance.
(c) Obligated government.
(d) Obligations upon termination of security
Sec. 105. Availability of insurance.
(a) Plan.
(b) Cancellation, refusal to renew, or other termination of insurance.
Sec. 106. Payment of claims for no-fault benefits.
(a) In general.
(b) Release or settlement of claim.
(c) Time limitations on actions to recover benefits.
(d) Assignment of benefits.
(e) Deduction and setoff.
(f) Exemption of benefits.
Sec. 107. Attorney's fees and costs.
(a) Fees of claimant's attorney.
(b) Fees of restoration obligator's attorney.
Sec. 108. Assigned claims.
(a) General.
(b) Assigned claims plan.
(c) Time for presenting claims under assigned claims plan.
Sec. 109. State regulation.
(a) Rates and rating.
(b) Public information.
(c) Accountability program.
(d) Availability or services.
Sec. 110. Motor vehicles in interstate travel.
(a) General.
(b) Conforming coverage.
(c) Applicable law.
Sec. 111. Rights and duties of restoration obligors.
(a) Reimbursement and subrogation.
(b) Duty to pay basic restoration benefits.
(c) Indemnity.
(d) Referral for rehabilitation services.
Sec. 112. Jurisdiction of federal courts.
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Sec. 114. Separability.

TITLE II—NATIONAL STANDARDS FOR STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

Sec. 201. State no-fault plan in accordance with this title.
(a) Preemption.
(b) State plan.
(c) Determination by Secretary.
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(e) Alternative State plan.
(f) Procedure.
Sec. 202. National standards.
(a) General.
(b) Criteria.
Sec. 203. Right to basic restoration benefits.
(a) Accident within a State.
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Sec. 204. Limitations on benefits.
Sec. 205. Source of basic restoration benefits.
(a) Applicable security.
(b) Multiple sources of equal priority.
Sec. 206. Restrictions on tort liability.
(a) Partial abolition.
(b) Nonreimbursable tort fine.
Sec. 207. Work loss.
(a) Regularly employed.
(b) Seasonably employed.
(c) Not employed.
(d) Changes in benefits.
(e) Definitions.
Sec. 208. Net loss.
(a) General.
(b) Tax deductions.
Sec. 209. Added restoration benefits.
(a) Optional offering.
(b) Mandatory offering.
(c) Territorial applicability.
Sec. 210. Ineligible claimants.
(a) Converter.
(b) Intentional injuries.
Sec. 211. Other provisions.
(a) Included coverage.
(b) Approval of terms and forms.

TITLE III—ALTERNATIVE STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

Sec. 301. Provisions.
Sec. 302. Limitations on basic restoration benefits.
Sec. 303. Restrictions on tort liability.
(a) Partial abolition.
(b) Nonreimbursable tort fine.
Sec. 304. Added restoration benefits.
(a) Option offering.
(b) Mandatory offering.
(c) Territorial applicability.

DECLARATION OF POLICY

SEC. 102. (a) FINDINGS.—The Congress hereby finds and declares that—

(1) motor vehicles are the primary instrumentality for the interstate transportation of individuals;

(2) the intrastate transportation of individuals by motor vehicle over Federal-aid highways and other highways significantly affects interstate commerce, particularly in metropolitan areas encompassing more than one State;

(3) the maximum feasible restoration of all individuals injured and compensation of the economic losses of the survivors of all individuals killed in motor vehicle accidents on Federal-aid highways, in interstate commerce, and in activity affecting interstate commerce is essential to the humane and purposeful functioning of commerce;

(4) to avoid any undue burden on commerce during the interstate or intrastate transportation of individuals, it is necessary and proper to have a nationwide low-cost comprehensive, and fair system of compensating and restoring motor vehicle accident victims and the survivors of deceased victims;

(5) exhaustive studies by the United States Department of Transportation, the Congress and some States have determined that the present basic system of motor vehicle accident and insurance law, which makes compensation and restoration contingent upon—

(A) every victim first showing that someone else was at fault;

(B) every victim first showing that he was without fault; and

(C) the person at fault having sufficient liability insurance and other available financial resources to pay for all the losses,

is not such a low-cost comprehensive, and fair system;

(6) careful studies, intensive hearings, and some State experiments have demonstrated that a basic system of motor vehicle accident and insurance law which—

(A) assures every victim payment of all his medical and rehabilitation costs, and recovery of almost all his work loss plus a reasonable amount of replacement services and survivor's loss; and

(B) eliminates the need to determine fault except when a victim is very seriously injured,

is such a low-cost, comprehensive, and fair system;

(7) nationwide adoption of the system described in paragraph (6) in place of the system described in paragraph (5) would remove an undue burden on commerce;

(8) pursuant to the power vested in it "to regulate Commerce . . . among the several States", the Government of the United States is authorized to require a nationwide low-cost, comprehensive, and fair system of compensating and restoring motor vehicle accident victims and the survivors of deceased victims;

(9) in all the States there should be uniformity as to the essential elements of the system of motor vehicle accident and insurance law to avoid confusion, complexity, uncertainty, and chaos which would be engendered by a multiplicity of noncomplementary State systems, but the need for a nationwide basic system does not require that the Federal Government itself directly administer, operate, or direct the administration or operation of such system; and

(10) a nationwide low-cost, comprehensive, and fair system of compensating and restoring motor vehicle accident victims can—

(A) recognize, respect, and avoid interfering with the historical role of the States in regulating and exercising legislative authority over the business of insurance; and

(B) save and restore the lives of countless victims by providing and paying the cost of services so that every victim has the opportunity to—

(i) receive prompt and comprehensive professional treatment, and

(ii) be rehabilitated to the point where he can return as a useful member of society and a self-respecting and self-supporting citizen.

(b) PURPOSES.—Threfore, it is hereby declared to be the policy of the Congress to establish—

(1) at reasonable cost to the purchaser of insurance, a nationwide system of prompt and adequate restoration benefits for motor vehicle accident victims and the survivors of deceased victims; and

(2) minimum standards which each State must meet or exceed so as to assure a nationwide low-cost, comprehensive, and fair system of motor vehicle accident and insurance law and which enables each State to participate legislatively, to administer without interference, and to continue regulating the business of insurance.

DEFINITIONS

SEC. 103. As used in this Act—

(1) "Added restoration benefits" means benefits provided by added restoration insurance in accordance with section 209 or section 304 of this Act.

(2) "Allowable expense" means reasonable charges incurred for, or the reasonable value of (where no charges are incurred) reasonably needed and used products, services, and accommodations for—

(A) professional medical treatment and care;

(B) emergency health services;

(C) medical and vocational rehabilitation services; and

(5) expenses directly related to the funeral, burial, cremation, or other form of disposition of the remains of a deceased victim, not to exceed $1,000.

The term does not include—

(i) that portion of a charge for a room in a hospital, clinic, convalescent, or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semiprivate accommodations, unless more intensive care is medically required; or

(ii) any amount includable in work loss, replacement services loss, or survivor's loss.

(3) "Basic restoration benefits" means benefits provided in accordance with this Act for the net loss sustained by a victim, subject to any applicable limitations, exclusions, deductibles, waiting periods, other terms and conditions provided or authorized in accordance with this Act. Basic restoration benefits do not include benefits for damage to property.

(4) "Commissioner" means the commissioner of insurance or the head of the department, commission, board, or other agency of a State which is charged by the law of that State with the supervision and regulation of the business of insurance.

(5) "Department" means the department of motor vehicles or the department, commission, board, or other agency of a State which is charged by the law of that State with the administration of laws and regulations regarding registration of motor vehicles.

(6) "Emergency health services" means services necessary to mitigate injury to any victim during the period immediately and proximately following an accident including, but not limited to, communications, transportation, and treatment by medical and paramedical personnel, and which are supplied or provided by any person accredited or certified by an emergency health services system.

(7) "Emergency health services system" means a system which provides for the arrangement of personnel, facilities, and equipment for the effective and coordinated delivery in an appropriate geographical area of health care services under emergency conditions arising out of the maintenance or use of a motor vehicle, which is administered by a public or nonprofit private entity which has the authority and the resources to provide effective administration, and which is operating in accordance with applicable requirements, conditions, and regulations.

(8) "Government" means the government of the United States, any State, any political subdivision of a State, any instrumentality of two or more States, or any agency, subdivision, or department of any such government, including any corporation or other association organized by a government for the execution of a government program and subject to control by a government, or any corporation or agency established under an interstate compact or international treaty.

(9) "Injury" means accidentally sustained bodily harm to an individual and that individual's illness, disease, or death resulting therefrom.

(10) "Insurance" means a contract, self-insurance, or any other legally binding obligation to pay or provide no-fault benefits or any required tort liability.

(11) "Insured" means—

(A) an individual identified by name as an insured in a contract of basic restoration insurance complying with this Act; and

(B) a spouse or other relative of a named insured, a minor in the custody of a named insured, and a minor in the custody of a relative of a named insured if—

(i) not identified by name as an insured in any other contract of basic restoration insurance complying with this Act, and

(ii) in residence in the same household with a named insured.

An individual is in residence in the same household if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(12) "Insurer" means a legally constituted entity, other than a self-insurer or an obligated government, which is authorized under State law to provide security covering a motor vehicle in such State.

(13) "Loss" means accrued economic detriment resulting from injury arising out of the maintenance or use of a motor vehicle consisting of, and limited to, allowable expense, work loss, replacement services loss, and survivor's loss.

(14) "Loss of income" means gross income actually lost by a victim or that would have been lost but for any income continuation plan, reduced by—

(A) ninety per centum of any income which such individual earns from substitute work;

(B) income which such individual would have earned in available substitute work he was capable of performing but unreasonably failed to undertake; or

(C) any income which such individual would have earned by hiring an available substitute to perform self-employment services but unreasonably failed to do.

(15) "Maintenance or use of a motor vehicle" means maintenance or use of a motor vehicle as a vehicle, including, incident to its maintenance or use as a vehicle, occupying, entering into, or alighting from it. Maintenance or use of a motor vehicle does not include—

(A) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises; or

(B) conduct in the course of loading or unloading a motor vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(16) "Medical and vocational rehabilitation services" means services necessary to reduce disability and to restore the physical, psychological, social, and vocational functioning of a victim. Such services may include, but are not limited to, medical care, diagnostic and evaluation procedures, physical and occupational therapy, other medically necessary therapies, speech pathology and audiology, nursing care under the supervision of a registered nurse, medical social services, vocational rehabilitation and training services, occupational licenses and tools, and transportation where necessary to secure medical and vocational rehabilitation services. A restoration obligor is not obligated to provide basic restoration benefits for allowable expense for medical and vocational rehabilitation services unless the facility in which or through which such services are provided has been accredited by the department of health, the equivalent government agency responsible for health programs, or the accrediting designee of such department or agency of the State in which such services are provided, as being in accordance with applicable requirements and regulations.

(17) "Motor vehicle" means a vehicle of a kind required to be registered under the laws relating to motor vehicles of the State in which such vehicle is located.

(18) "Net loss" means loss less benefits or advantages required to be subtracted from loss in calculating net loss pursuant to section 208 of this Act.

(19) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damage recoverable under the tort law applicable to injury arising out of the maintenance, or use of a motor vehicle. The term does not include punitive or exemplary damages.

(20) "No-fault benefits" means basic restoration benefits, added restoration benefits, or both.

(21) "No-fault insurance" means basic restoration insurance, added restoration insurance, or both.

(22) "Owner" means an individual, government, corporation, company, association,

firm, partnership, joint stock company, foundation, institution, society, union, club, church, or any other group of persons organized for any purpose, other than a lienholder or secured party, that owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another. The term includes a lessee of a motor vehicle having the right to possession under a lease with option to purchase.

(23) "Restoration obligor" means an insurer, self-insurer, or obligated government providing no-fault benefits in accordance with this Act.

(24) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the victim would have performed, not for income, but for the benefit of himself or his family, if he had not been injured.

(25) "Secretary" means the Secretary of Transportation.

(26) "Secured vehicle" means a motor vehicle for which security is provided in accordance with section 104 of this Act.

(27) "Security covering a motor vehicle", "secuirty covering the vehicle", and "security" means the security which is provided in accordance with section 104 of this Act.

(28) "Self-insurer" means an owner or any person providing security pursuant to subsections (b) or (c) of section 104 of this Act.

(29) "State" means a State of the United States, the District of Columbia, Guam, and the Virgin Islands.

(30) "State vocational rehabilitation agency" means the agency in the State which administers the State plan for vocational rehabilitation services under the Vocational Rehabilitation Act (29 U.S.C. 35).

(31) "Survivor" means an individual identified in the wrongful death statute of the State of domicile of a deceased victim as one entitled to receive benefits by reason of the death of another individual.

(32) "Survivor's loss" means the—

(A) loss of income of a deceased victim which would probably have been contributed to a survivor or survivors, if such victim had not sustained the fatal injury; and

(B) expenses reasonably incurred by a survivor or survivors, after a victim's death resulting from injury, in obtaining ordinary and necessary services in lieu of those which the victim would have performed, not for income, but for their benefit, if he had not sustained the fatal injury,

reduced by expenses which the survivor or survivors would probably have incurred but avoided by reason of the victim's death resulting from injury.

(33) "Victim" means an individual who suffers injury arising out of the maintenance or use of a motor vehicle; "deceased victim" means a victim suffering death resulting from injury.

(34) "Without regard to fault" means irrespective of fault as a cause of injury.

(35) "Work loss" means—

(A) loss of gross income of a victim, as calculated pursuant to the provisions of section 207 of this Act; and

(B) reasonable expenses of a victim for hiring a substitute to perform self-employment services, thereby mitigating loss of income, or for hiring special help, thereby enabling a victim to work and mitigate loss of income.

REQUIRED MOTOR VEHICLE INSURANCE

SEC. 104. (a) SECURITY COVERING A MOTOR VEHICLE.—Every owner of a motor vehicle which is registered in a State in which a State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act is in effect, or which operated in such State by the owner or with his permission, shall continuously provide security covering such motor vehicle while such vehicle is either present or reigstered in such State. Security shall be provided for the payment of basic restoration benefits, and, at the option of a State establishing plan in accordance with title II of this Act, for the payment of other benefits or tort liability. The owner or any other person may provide security covering a motor vehicle by a contract of insurance with an insurer or by qualifying as a self-insurer or as an obligated government.

(b) SELF-INSURANCE.—Self-insurance, subject to approval of the commissioner or department, is effected by filing with the department in satisfactory form—

(1) a continuing undertaking by the owner or other appropriate person to pay basic restoration benefits and any tort liability required by State law in amounts not less than those required by such State law, to perform all obligations imposed in accordance with this Act, and to elect to pay such added restoration benefits as are specified in the undertaking;

(2) evidence that appropriate provision exists for prompt and efficient administration of all claims, benefits, and obligations provided in accordance with this Act; and

(3) evidence that reliable financial arrangements, deposits, resources, or commitments exist providing assurance substantially equivalent to that afforded by a contract of insurance complying with this Act for payment of no-fault benefits, any required tort liability, and performance of all other obligations imposed in accordance with this Act.

(c) OBLIGATED GOVERNMENT.—A government may provide security with respect to any motor vehicle owned or operated by it by lawfully obligating itself to pay basic restoration benefits in accordance with this Act, and such added restoration benefits as are specified in the undertaking.

(d) OBLIGATIONS UPON TERMINATION OF SECURITY.—An owner of a motor vehicle who ceases to maintain the security required in accordance with this Act shall immediately surrender the registration certificate and license plates for the vehicle to the department and may not operate or permit operation of the vehicle in any State until security has again been furnished as required in accordance with this Act. A person other than the owner who ceases to maintain such security shall immediately notify the owner and the department, who may not operate or permit operation of the vehicle until security has again been furnished. An insurer who has issued a contract of insurance and knows or has reason to believe the contract is for the purpose of providing security shall immediately give notice to the department of the termination of the insurance. If the commissioner or department withdraws approval of security provided by a self-insurer or knows that the conditions for self-insurance have ceased to exist, he shall immediately give notice thereof to the department. These requirements may be modified or waived by the department.

AVAILABILITY OF INSURANCE

SEC. 105. (a) PLAN.—(1) The commissioner shall establish and implement or approve and supervise a plan assuring that any required no-fault benefits and tort liability coverages for motor vehicles will be conveniently and expeditiously available, subject only to payment or provision for payment of the premium, to each individual who cannot conveniently obtain insurance through ordinary methods at rates not in excess of those applicable to similarly situated individuals under the plan. The plan may provide reasonable means for the transfer of individuals insured thereunder into the ordinary market, at the same or lower rates, pursuant to regulations established by the commissioner. The plan may be implemented by assignment of applicants among insurers, pooling, any joint insuring or reinsuring arrangement, or any other method, including a State fund, that results in all applicants being conveniently afforded the insurance coverages on reasonable and not unfairly discriminatory terms.

(2) The plan shall make available added restoration benefits and tort liability coverages together with other contract provisions which the commissioner determines are reasonably needed by applicants and are commonly afforded in voluntary markets. The plan must also assure that there is available through the private sector or otherwise to all applicants adequate premium financing or provision for the installment payment of premiums subject to customary terms and conditions.

(3) All insurers writing no-fault benefits and tort liability coverages in a State shall participate in the plan in such State. The plan shall provide for equitable apportionment, among all participating insurers writing any insurance coverage required under the plan, of the financial burdens of insurance provided to applicants under the plan and the costs of operation of the plan.

(4) Subject to the supervision and approval of the commissioner, insurers may consult and agree with each other and with other appropriate persons as to the organization, administration, and operation of the plan and as to rates and rate modifications for insurance coverages provided under the plan. Rates and rate modifications adopted or charged for insurance coverages provided under the plan shall—

(A) be first adopted or approved by the commissioner; and

(B) be reasonable and not unfairly discriminatory among similarly situated applicants for insurance pursuant to regulations established by the commissioner.

(5) Subject to the supervision and approval of the Commissioner, the plan shall afford required coverages for motor vehicles to any economically disadvantaged individual, at rates as determined by the State, which shall not be so great as to deny such individual access to insurance which it is necessary for him to have in order to earn income and to be or remain gainfully employed.

(6) To carry out the objectives of this subsection, the Commissioner may adopt rules, make orders, enter into agreements with other governmental and private entities and individuals, and form and operate or authorize the formation and operation of bureaus and other legal entities.

(b) CANCELLATION, REFUSAL TO RENEW, OR OTHER TERMINATION OF INSURANCE.—(1) Every contract of insurance providing security covering a motor vehicle which is not one of five or more motor vehicles under common ownership insured under a single insuring agreement, except as provided by paragraphs (2) and (5) of this subsection, may not be canceled, modified, or otherwise terminated by the insurer nor may the insurer fail to renew except at specified dates or intervals which may not be less than six months after the inception of coverage or thereafter less than six months apart.

(2) An insurer may terminate insurance if written notice of termination, including the reasons therefor, is mailed or delivered to the insured at least thirty days before the effective date of termination—

(A) by cancellation at any time within seventy-five days after the inception of initial coverage;

(B) by cancellation for nonpayment of—

(i) premium when due, or

(ii) any premium installment when due for which reasonable and separate notice has been given; or

(C) by exclusion of an insured whose license to operate a motor vehicle has been revoked, following a hearing and pursuant to State law.

(3) Except as permitted in paragraph (2) of this subsection, any termination of insur-

ance by an insurer which is permitted by the insurance contract and not prohibited by paragraph (1) of this subsection, including any refusal by the insurer to renew the insurance at the expiration of its term and any modification by the insurer of the terms and conditions of the insurance unfavorable to the insured, is nevertheless ineffective, unless written notice of intention to modify, not to renew, or otherwise to terminate the insurance has been mailed or delivered to the insured at least thirty days before the effective date of the modification, expiration, or other termination of the insurance.

(4) For purposes of this subsection a cancellation or refusal to renew by or at the direction of any person acting pursuant to any power or authority under any premium finance plan, agreement, or arrangement, whether or not with power of attorney or assignment from the insured, constitutes a cancellation or refusal to renew by the insurer.

(5) This subsection does not limit or apply to any termination, modification, or cancellation of the insurance, or to any suspension of insurance coverage, by or at the written request of the insured or upon the sale or other transfer of the second vehicle to an individual who is not an insured under the same contract of insurance.

(6) This subsection does not affect any right an insurer has under other law to rescind or otherwise terminate insurance because of fraud or other willful misconduct of the insured at the inception of the insuring transaction or the right of either party to reform the contract on the basis of mutual mistake of fact.

(7) An insurer, his authorized agents and employees, and any person furnishing information upon which he has relied, are not liable in any action or proceeding brought because of any statement made in good faith pursuant to paragraph (2) of this subsection.

PAYMENT OF CLAIMS FOR NO-FAULT BENEFITS

SEC. 106. (a) IN GENERAL.—(1) No-fault benefits are payable monthly as loss accrues. Loss accrues not when injury occurs, but as allowable expenses, work loss, replacement services loss, or survivor's loss is sustained.

(2) No-fault benefits are overdue if not paid within thirty days after the receipt by the restoration obligor of each submission of reasonable proof of the fact and amount of loss sustained, unless the restoration obligor designates, upon receipt of an initial claim for no-fault benefits, periods not to exceed thirty-one days each for accumulating all such claims received within each such period, in which case such benefits are overdue if not paid within fifteen days after the close of each such period. If reasonable proof is supplied as to only part of a claim, but the part amounts to $100 or more, benefits for such part are overdue if not paid within the time mandated by this paragraph. An obligation for basic restoration benefits for an item of allowable expense may be discharged by the restoration obligor by reimbursing the victim or by making direct payment to the supplier or provider of products, services or accommodations within the time mandated by this paragraph. Overdue payments bear interest at the rate of eighteen per centum per annum.

(3) A claim for no-fault benefits shall be paid without deduction for the benefits or advantages which are to be subtracted from the loss in calculating net loss in accordance with section 208 (a) of this Act, if such benefits or advantages have not been paid or provided to such claimant prior to the date the no-fault benefits are overdue or the no-fault benefits claim is paid. The restoration obligor is thereupon entitled to recover reimbursement from the person obligated to pay or provide such benefits or advantages or from the claimant who actually receives them.

(4) A restoration obligor may bring an action to recover reimbursement for no-fault benefits which are paid upon the basis of an intentional misrepresentation of a material fact by a claimant or a supplier or provider of an item of allowable expense, if such restoration obligor reasonably relied upon such misrepresentation. The action may be brought only against such supplier or provider, unless the claimant has intentionally misrepresented the facts or knew of the misrepresentation. A restoration obligor may offset amounts he is entitled to recover from the claimant under this paragraph against any no-fault benefits otherwise due.

(5) A restoration obligor who rejects a claim for basic restoration benefits shall give to the claimant written notice of the rejection promptly, but in no event more than thirty days after the receipt of reasonable proof of the loss. Such notice shall specify the reason for such rejection and inform the claimant of the terms and conditions of his right to obtain an attorney. If a claim is rejected for a reason other than that the person is not entitled to basic restoration benefits claimed, the written notice shall inform the claimant that he may file his claim with the assigned claims bureau and shall give the name and address of the bureau.

(b) RELEASE OR SETTLEMENT OF CLAIM.—(1) Except as otherwise provided in this subsection, no-fault benefits shall not be denied or terminated because the victim executed a release or other settlement agreement. A claim for no-fault benefits may be discharged by a settlement agreement for an agreed amount payable in installments or in a lump sum, if the reasonably anticipated net loss does not exceed $2,500. In all other cases, a claim may be discharged by a settlement to the extent authorized by State law and upon a finding, by a court of competent jurisdiction, that the settlement is in the best interest of the claimant and any beneficiaries of the settlement, and that the claimant understands and consents to such settlement, and upon payment by the restoration obligor of the costs of such proceeding including a reasonable attorney's fee (based upon actual time expended) to the attorney selected by or appointed for the claimant. Such costs may not be charged to or deducted from the proceeds of the settlement. Upon approval of the settlement, the court may make appropriate orders concerning the safeguarding and disposing of the proceeds of the settlement and may direct as a condition of the settlement agreement, that the restoration obligor pay the resonable cost of appropriate future medical and vocational rehabilitation service.

(2) A settlement agreement for an amount payable in installments shall be modified as to amounts to be paid in the future, if it is shown that a material and substantial change of circumstances has occurred or that there is newly-discovered evidence concerning the claimant's physical condition, loss, or rehabilitation which could not have been known previously or discovered in the exercise of reasonable diligence.

(3) A settlement agreement may be set aside if it is procured by fraud or if its terms are unconscionable.

(c) TIME LIMITATIONS ON ACTIONS TO RECOVER BENEFITS.—(1) If no-fault benefits have not been paid for loss arising otherwise than from death, an action therefor may be commenced not later than two years after the victim suffers the loss and either knows, or in the exercise of reasonable diligence should have known, that the loss was caused by the accident, or not later than four years after the accident, whichever is earlier. If no-fault benefits have been paid for loss arising otherwise than from death, an action for further benefits, other than survivor's benefits by either the same or another claimant may be commenced not later than two years after the last payment of benefits.

(2) If no-fault benefits have not been paid to the deceased victim or his survivor or survivors, an action for survivor's benefits may be commenced not later than one year after the death or four years after the accident from which death results, whichever is earlier. If survivor's benefits have been paid to any survivor, an action for further survivor's benefits by either the same or another claimant may be commenced not later than two years after the last payment of benefits. If no-fault benefits have been paid for loss suffered by a victim before his death resulting from the injury, an action for survivor's benefits may be commenced not later than one year after the death or six years after the last payment of benefits, whichever is earlier.

(3) If timely action for basic restoration benefits is commenced against a restoration obligor and benefits are denied because of a determination that the restoration obligor's coverage is not applicable to the claimant under the provisions of section 205 of this Act, an action against the applicable restoration obligor or the restoration obligor to whom a claim is assigned under an assigned claims plan may be commenced not later than sixty days after the determination becomes final or the last date on which the action could otherwise have been commenced, whichever is later.

(4) Except as paragraph (1), (2), or (3) prescribes a longer period, an action by a claimant on an assigned claim which has been timely presented in accordance with the provisions of section 108(c) of this Act may not be commenced more than sixty days after the claimant receives written notice of rejection of the claim by the restoration obligor to which it was assigned.

(5) If a person entitled to no-fault benefits is under a legal disability when the right to bring an action for the benefits first accrues, the period of his disability is not a part of the time limited for commencement of the action.

(d) ASSIGNMENT OF BENEFITS.—An assignment of or an agreement to assign any right in accordance with this Act for loss accruing in the future is unenforceable except as to benefits for—

(1) work loss to secure payment of alimony, maintenance, or child support; or

(2) allowable expense to the extent the benefits are for the cost of products, services, or accommodations provided or to be provided by the assignee.

(e) DEDUCTION AND SETOFF.—Except as otherwise provided in this Act, basic restoration benefits shall be paid without deduction or setoff.

(f) EXEMPTION OF BENEFITS.—(1) No-fault benefits for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim, except upon the claim of a creditor who has provided products, services, or accommodations to the extent benefits are for allowable expense for those products, services, or accommodations.

(2) Basic restoration benefits other than those for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim for benefits attributable to loss sustained within the first sixty days following the accident resulting in injury. Other basic restoration benefits (except for items of allowable expense) are exempt to the extent that wages or earnings are exempt under any applicable law exempting wages or earnings from such process or claims.

ATTORNEY'S FEES AND CLAIMS

SEC. 107. (a) FEES OF CLAIMANT'S ATTORNEY.—(1) If any overdue no-fault benefits are paid by the restoration obligor after receipt of notice of representation of a claimant by an attorney or if an action is maintained (unless the court determines that the claim or any significant part thereof is fraudulent or so excessive as to have no rea-

sonable foundation), a reasonable attorney's fee (based upon actual time expended) shall be paid by the restoration obligor to such attorney. No part of the attorney's fee for representing the claimant in connection with a claim or action for no-fault benefits may be charged or deducted from benefits otherwise due to such claimant and no part of such benefits may be applied to such fee.

(2) In any such action brought against the claimant by the restoration obligor, the court may award the claimant's attorney a reasonable attorney's fee for defending such action, which shall be paid by the restoration obligor.

(b) FEES OF RESTORATION OBLIGOR'S ATTORNEY.—A restoration obligator shall be allowed a reasonable attorney's fee for defending a claim if the court determines that the claim or any significant part thereof is fraudulent or so excessive as to have no reasonable foundation. The fee may be treated as an offset against any benefits due or to become due to the claimant.

ASSIGNED CLAIMS

SEC. 108. (a) GENERAL.—(1) If a State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act is in effect on the date when the accident resulting in injury occurs, a victim or the survivor or survivors of a deceased victim may obtain basic restoration benefits through the assigned claims plan established pursuant to subsection (b) of this section, in the State of domicile, if any, of the victim or deceased victim, or of none, in the State, in which the accident resulting in injury occurs, if basic restoration insurance—

(A) is not applicable to the injury for a reason other than those specified in the provisions on ineligible claimants;

(B) is not applicable to the injury because the victim converted a motor vehicle while he was under fifteen years of age;

(C) applicable to the injury cannot be identified;

(D) applicable to the injury is inadequate to provide the contracted-for benefits because of financial inability of a restoration obligor to fulfill its obligation; or

(E) benefits are refused by a restoration obligor for a reason other than that the individual is not entitled in accordance with this Act to the basic restoration benefits claimed.

(2) If a claim qualifies for assignment under paragraph (1)(C), (D), or (E) of this subsection, the assigned claims bureau or any insurer to whom the claim is assigned is subrogated to all rights of the claimant against the restoration obligor legally obligated to provide basic restoration benefits to the claimant, or against any successor in interest to or substitute for such obligor for such benefits as are provided by the assignee.

(3) If an individual receives basic restoration benefits through the assigned claims plan for any reason other than because of the financial inability of a restoration obligor to fulfill its obligation, all benefits or advantages that such individual receives or is entitled to receive as a result of such injury, other than life insurance benefits or benefits by way of succession at death or in discharge of familial obligations of support, shall be subtracted from loss in calculating net loss.

(4) An assigned claim of an individual who does not comply with the requirement of providing security for the payment of basic restoration benefits, or of an individual as to whom the security is invalidated because of his fraud or willful misconduct, is subject to—

(A) all the maximum optional deductibles and exclusions required to be offered; and

(B) a deduction in the amount of $500 for each year or part thereof of the period of his continuous failure to provide security, applicable to any benefits otherwise payable except basic restoration benefits for allowable expense.

(b) ASSIGNED CLAIMS PLAN.—(1) Restoration obligors providing basic restoration insurance in a State may organize and maintain, subject to approval and regulation by the commissioner, an assigned claims bureau and an assigned claims plan and adopt rules for their operation and for assessment of costs on a fair and equitable basis consistent with this Act. If such bureau and plan are not organized and maintained in a manner considered by the commissioner to be consistent with this Act and with State law, he shall organize and maintain an assigned claims bureau and an assigned claims plan. Each restoration obligor insurer providing basic restoration insurance in a State shall participate in the assigned claims bureau and the assigned claims plan in the State. Costs incurred shall be allocated fairly and equitably among the restoration obligors.

(2) The assigned claims bureau shall promptly assign—

(A) each claim for no-fault benefits to an assignee who shall be a participating insurer; and (B) notify the claimant of the identity and address of such assignee. Claims shall be assigned so as to minimize inconvenience to claimants. The assignee thereafter has rights and obligations as if he had issued a policy of basic restoration insurance complying with this Act applicable to the injury or, in a case involving the financial inability of a restoration obligor to perform its obligations, as if the assignee had written the applicable basic restoration insurance, undertaken the self-surance, or lawfully obligated itself to pay basic restoration benefits.

(c) TIME FOR PRESENTING CLAIMS UNDER ASSIGNED CLAIMS PLAN.—(1) Except as provided in paragraph (2) of this subsection, an individual authorized to obtain basic restoration benefits through the assigned claims plan shall notify the assigned claim bureau of his claim within the time that would have been allowed pursuant to section 106(c) of this Act for commencing an action for basic restoration benefits against any restoration obligor, other than an assigned claims bureau, in any case which identifiable no-fault insurance coverage was in effect and applicable to the claim.

(2) If timely action for basic restoration benefits is commenced against a restoration obligor who is unable to fulfill his obligations because of financial inability, an individual authorized to obtain basic restoration benefits through the assigned claims plan shall notify the bureau of his claim within six months after his discovery of such financial inability.

STATE REGULATION

SEC. 109. (a) RATES AND RATING.—The commissioner, in accordance with applicable State law, shall regulate restoration obligors providing security covering a motor vehicle in his State. The rates charged for security shall be established, determined, and modified in each State only in accordance with the provisions of the applicable rating law of such State.

(b) PUBLIC INFORMATION.—The commissioner shall provide the means to inform purchasers of insurance, in a manner adequate to permit them to compare prices, about rates being charged by insurers for no-fault benefits and tort liability coverage.

(c) ACCOUNTABILITY PROGRAM.—The commissioner, through the State vocational rehabilitation agency, shall establish and maintain a program for the regular and periodic evaluation of medical and vocational rehabilitation services for which reimbursement or payment is sought from a restoration obligor as an item of allowable expense to assure that—

(A) the services are medical and vocational rehabilitation services, as defined in section 103(16) of this Act;

(B) the recipient of the services is making progress toward a greater level of independent functioning and the services are necessary to such progress and continued progress; and

(C) the charges for the services for which reimbursement or payment is sought are fair and reasonable.

Progress reports shall be made periodically in writing on each case for which reimbursement or payment is sought under security for the payment of basic restoration benefits. Such reports shall be prepared by the supervising physician or rehabilitation counselor and submitted to the State vocational rehabilitation agency. The State vocational rehabilitation agency shall file reports with the applicable restoration obligor or obligors. Pursuant to this program, there shall be provision for determinations to be made in writing of the rehabilitation goals and needs of the victim and for the periodic assessment of progress at reasonable time intervals by the supervising physician or rehabilitation counselor.

(2) The commissioner is authorized to establish and maintain a program for the regular and periodic evaluation of his State's no-fault plan for motor vehicle insurance.

(d) AVAILABILITY OF SERVICE.—The commissioner is authorized to coordinate with appropriate government agencies in the creation and maintenance of an emergency health services system or systems, and to take all steps necessary to assure that emergency health services are available for each victim suffering injury in the State. The commissioner is authorized to take all steps necessary to assure that medical and vocational rehabilitation services are available for each victim resident in the State. Such steps may include, but are not limited to, guarantees of loans or other obligations of suppliers or providers of such services, and support for training programs for personnel in programs and facilities offering such services.

MOTOR VEHICLES IN INTERSTATE TRAVEL

SEC. 110. (a) GENERAL.—An owner of a motor vehicle who has complied with the requirements for security covering a motor vehicle in the State of registration of such vehicle shall be deemed to have complied with the requirements for such security in any State in which such vehicle is operating.

(b) CONFORMING COVERAGE.—(1) A restoration obligor providing security for the payment of basic restoration benefits shall be obligated to provide, and each contract of insurance for the payment of basic restoration benefits shall be construed to contain, coverage sufficient to satisfy the requirements for security covering a motor vehicle in any State in which any victim who is a claimant or whose survivors are claimants is domiciled or is injured.

(2) A restoration obligor providing security for the payment of basic restoration benefits shall be obligated to provide, and each contract of insurance for the payment of basic restoration benefits shall be construed to contain, coverage of $50,000 to protect the owner or operator of a motor vehicle from tort liability to which he is exposed through application of the law of the State of domicile of a victim (or in the State in which the accident resulting in injury or harm to property occurs if a victim is not domiciled in any State), but to which he would not have been exposed through application of the law of the State of registration of the motor vehicle.

(c) APPLICABLE LAW.—(1) The basic restoration benefits available to any victim or to any survivor of a deceased victim shall be determined pursuant to the provisions of the State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act which is in effect in the State of domicile of the victim on the date when the motor vehicle accident resulting in in-

jury occurs. If there is no such State no-fault plan in effect or if the victim is not domiciled in any State, then basic restoration benefits available to any victim shall be determined pursuant to the provisions of the State no-fault plan for motor vehicle insurance, if any, in effect in the State in which the accident resulting in injury occurs.

(2) The right of a victim or of a survivor of a deceased victim to sue in tort shall be determined by the law of the State of domicile of such victim. If a victim is not domiciled in a State, such right to sue shall be determined by the law of the State in which the accident resulting in injury or damage to property occurs.

RIGHTS AND DUTIES OF RESTORATION OBLIGORS

SEC. 111. (a) REIMBURSEMENT AND SUBROGATION.—(1) Except as provided in paragraphs (2) and (3) of this subsection, a restoration obligor—

(A) does not have and may not contract, directly or indirectly, in whole or in part, for a right of reimbursement from or subrogation to the proceeds of a victim's claim for relief or to a victim's cause of action for noneconomic detriment; and

(B) may not directly or indirectly contract for, or be granted by a State, any right of reimbursement based upon a determination of fault from any other restoration obligor not acting as a reinsurer for no-fault benefits which it has paid or is obligated to pay as a result of injury to a victim.

(2) Whenever an individual who receives or is entitled to receive no-fault benefits for an injury has a claim or cause of action against any other person for breach of an obligation or duty causing the injury or for breach of express or implied warranty, the restoration obligor is subrogated to the rights of the claimant and has a claim for relief or a cause of action, separate from that of the claimant, to the extent that:

(A) elements of damage compensated for by security for the payment of no-fault benefits are recoverable; and

(B) the restoration obligor has paid or become obligated to pay accrued or future no-fault benefits.

(3) Nothing in this subsection shall preclude any person supplying or providing products, services, or accommodations from contracting otherwise providing for a right of reimbursement to any basic restoration benefits for allowable expense.

(b) DUTY TO PAY BASIC RESTORATION BENEFITS.—A restoration obligor providing security for the payment of basic restoration benefits shall pay or otherwise provide such benefits without regard to fault to each individual entitled thereto, pursuant to the terms and conditions of the State no-fault plan for motor vehicle insurance applicable thereto.

(c) INDEMNITY.—A restoration obligor has a right of indemnity against an individual who has converted a motor vehicle involved in an accident, or against an individual who has intentionally injured himself or another individual, for no-fault benefits paid for—

(1) the loss caused by the conduct of that individual;

(2) the cost of processing the claims for such benefits; and

(3) the cost of enforcing this right of indemnity, including reasonable attorney's fees.

(d) REFERRAL FOR REHABILITATION SERVICES.—The restoration obligor shall promptly refer each victim to whom basic restoration benefits are expected to be payable for more than two months to the State vocational rehabilitation agency.

JURISDICTION OF FEDERAL COURTS

SEC. 112. No district court of the United States may entertain an action for no-fault benefits unless the United States is a party to the action.

FEDERAL MOTOR VEHICLE

SEC. 113. (a) GENERAL.—(1) Notwithstanding any other provision of law, a claim against the United States as a restoration obligor for injury arising out of the maintenance or use of a Federal motor vehicle which is a secured vehicle shall be governed by this Act. A Federal motor vehicle is a secured vehicle, for purposes of this Act, whenever it is located or operated in the territorial area of any State, Puerto Rico, Canada, or Mexico.

(2) The level of basic restoration benefits which the United States shall pay or provide shall be controlled by the no-fault plan for motor vehicle insurance in effect in the State of domicile of the victim, if any, or if none, in the State in which the accident resulting in injury occurs.

(b) PROCEDURE.—The Secretary, in cooperation with the Administrator of General Services, shall promulgate, and may from time to time revise, regulations with respect to security covering a Federal motor vehicle and administrative procedures to be followed in claims against the United States for no-fault benefits.

(c) DEFINITIONS.—As used in this section—

(1) "Federal agency" means any branch, department, commission, administration, authority, board, or bureau of, or any corporation owned or controlled by, the Government of the United States.

(2) "Federal motor vehicle" means a motor vehicle owned or leased by a Federal agency and operated with its express or implied permission.

SEPARABILITY

SEC. 114. If any provision of this Act or any application thereof to any individual or circumstance is held invalid, the invalidity shall not affect any provision or application of the Act which can be given effect without the involved provision or application, and to this end the provisions of this Act are separable: *Provided*, That if any provision in paragraph (5) of subsection (a) of section 206 of this Act, or any application thereof to any individual or circumstance, is held invalid, this Act shall be interpreted as if such paragraph (5) had never been enacted.

TITLE II—NATIONAL STANDARDS FOR STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

STATE NO-FAULT PLAN IN ACCORDANCE WITH THIS TITLE

SEC. 201. (a) PREEMPTION.—Any provision of any State law which would prevent the establishment or administration in such State of a no-fault plan for motor vehicle insurance in accordance with this title or title III of this Act is preempted.

(b) STATE PLAN.—By the completion of the first general session of the State legislature which commences after the date of enactment of this Act, a State may establish a no-fault plan for motor vehicle insurance in accordance with this title. Upon the establishment of such a plan, the commissioner shall promptly submit to the Secretary a certified copy of such plan, together with all relevant information which is requested by the Secretary.

(c) DETERMINATION BY SECRETARY.—Within ninety days after the Secretary receives a copy of a State no-fault plan established under subsection (b) or (e) of this section, the Secretary shall make a determination whether such State has established a no-fault plan for motor vehicle insurance in accordance with this title. Unless the Secretary determines, pursuant to this section, that a State no-fault plan is not in accordance with this title, the plan shall go into effect in such State on the date designated in the plan. In no event shall such State plan go into effect less than nine months or more than twelve months after the date of its establishment.

(d) PERIODIC REVIEW.—The Secretary shall periodically, but not less than once every three years, review each State no-fault plan for motor vehicle insurance, which has been approved under subsection (c) of this section and for which there is experience, to determine whether such plan is still in accordance with this title and to evaluate the success of such plan in terms of the policy set forth and declared in section 102 of this Act. To facilitate such review, the commissioner in each such State shall submit to the Secretary periodically all relevant information which is requested by the Secretary. The Secretary shall report to the President and Congress simultaneously on July 1 each year on the results of such reviews, including any recommendations for legislation.

(e) ALTERNATIVE STATE PLAN.—(1) The alternative State no-fault plan for motor vehicle insurance (the State no-fault plan in accordance with title III of this Act) shall become applicable following the completion of the first general session of the State legislature which commences after the date of enactment of this Act unless, prior to such date, the Secretary has made a determination that such State has established a no-fault plan for motor vehicle insurance in accordance with this title. The alternative State no-fault plan shall go into effect in a State on the first day of the ninth month after such plan becomes applicable or on a date designated by the Secretary, whichever is earlier.

(2) If, after the alternative State no-fault plan is applicable or in effect in a State, the Secretary, upon petition, makes a determination, pursuant to subsection (c) of this section, that such State has established a no-fault plan in accordance with this title, such State no-fault plan shall go into effect and the alternative State no-fault plan shall cease to be applicable or in effect on a date to be designated by the Secretary.

(3) If, after a State no-fault plan in accordance with this title is in effect in a State, the Secretary makes a determination, pursuant to subsection (d) of this section, that such State no-fault plan is no longer in accordance with this title, then the plan which is no longer in accordance with this title shall cease to be in effect on a date to be designated by the Secretary, and on that date the alternative State no-fault plan shall go into effect in such State.

(f) PROCEDURE.—(1) Before making any determination under this section, the Secretary shall publish a notice in the Federal Register and afford the State and all interested parties a reasonable opportunity to present their views by oral and written submission.

(2) The Secretary shall notify in writing the Governor of the affected State of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register.

(3) Any determinations made by the Secretary under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States court of appeals for the circuit in which is located the State whose plan is the subject of such determination or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall be instituted within sixty days from the date on which the determination made by the Secretary is published in the Federal Register.

NATIONAL STANDARDS

SEC. 202. (a) GENERAL.—A State establishing a no-fault plan for motor vehicle insurance in accordance with this title shall enact a law which incorporates, at a minimum, title I of this Act, except sections 101, 102, 112, and 113, and this title except this section and section 201. The provisions of these sections, taken together, shall be

known as the "national standards" for State no-fault motor vehicle insurance.

(b) CRITERIA.—A State no-fault plan for motor vehicle insurance is in accordance with this title if it meets or exceeds all of the national standards. A provision in a State plan "meets" a provision in the national standards if the substance of the State plan provision is the same as or the equivalent of the corresponding provision in the national standards. A provision in a State plan "exceeds" a provision in the national standards if the substance of the State plan provision is more favorable or beneficial to an insured or a claimant or more restrictive of tort liability than the corresponding provision in the national standards. Any provision in a State plan as to which there is no corresponding provision in the national standards shall not be evaluated in determining whether such plan meets or exceeds national standards provided such provision is not inconsistent with the national standards or the policy set forth and declared in section 102 of this Act.

RIGHT TO BASIC RESTORATION BENEFITS

SEC. 203. (a) ACCIDENT WITHIN A STATE.—If the accident resulting in injury occurs in a State in which a no-fault plan for motor vehicle insurance in accordance with this title or title III of this Act is in effect, any victim or any survivor of a deceased victim is entitled to receive basic restoration benefits.

(b) ACCIDENT OUTSIDE ANY STATE.—If the accident resulting in injury occurs outside a State in which a no-fault plan is in effect, but in any other State, Puerto Rico, Canada, or Mexico, a victim or a survivor of a deceased victim is entitled to receive basic restoration benefits if such victim is or was—

(1) an insured; or

(2) the driver or other occupant of a secured vehicle.

LIMITATIONS ON BENEFITS

SEC. 204. A State establishing a no-fault plan for motor vehicle insurance in accordance with this title—

(a) may not limit basic restoration benefits for allowable expense, as defined in section 103(2) of this Act;

(b) may limit basic restoration benefits for work loss to—

(1) a monthly amount equal to the lesser of the following—

(A) $1,000 multiplied by a fraction whose numerator is the average per capita income in the State and whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; or

(B) the disclosed amount in the case of a named insured who, prior to the accident resulting in injury, voluntarily discloses his actual monthly earned income to his restoration obligor and agrees in writing with such obligor that such sum shall measure work loss; and

(2) a total amount equal to—

(A) $25,000 multiplied by a fraction whose numerator is the average per capita income in the State whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; or

(b) such total amount as may be determined by the State but in no event less than $15,000;

(c) may provide reasonable exclusions from or monthly or total limitations on basic restoration benefits for replacement services loss;

(d) may provide reasonable exclusions from or monthly or total limitations on basic restoration benefits for survivor's loss;

(e) may provide that any contract of insurance for no-fault benefits allow an insurer to offer—

(1) a deductible not to exceed $100 for each individual;

(2) a waiting period not to exceed one week.

Deductibles and waiting periods shall be applicable only to claims of insureds and, in the case of the death of an insured, to the claims of his survivors; and

(f) shall permit any legally constituted entity, which is providing benefits other than no-fault benefits on account of an injury, to coordinate such benefits with benefits payable by any restoration obligor on account of the same injury. In order for such coordination to occur, there must be an equitable reduction or savings in the direct or indirect cost to the purchasers of benefits other than no-fault benefits. If benefits other than no-fault benefits are provided to an individual through a program, group, contract, or other arrangement for which some other person pays in whole or in part, then reduction or savings in the direct or indirect cost to such person of such benefits resulting from coordination shall be returned to such individual or utilized for his benefit.

SOURCE OF BASIC RESTORATION BENEFITS

SEC. 205. (a) APPLICABLE SECURITY.—The security for the payment of basic restoration benefits to any injury to—

(1) an employee, or to the spouse or other relative of an employee residing in the same household as the employee, if the accident resulting in injury occurs while the victim or deceased victim is driving or occupying a motor vehicle furnished by such employee's employer, is the security for the payment of basic restoration benefits covering such motor vehicle or, if none, any other security applicable to such victim;

(2) an insured is the security under which the victim or deceased victim is an insured;

(3) the driver or other occupant of a motor vehicle involved in an accident resulting in injury who is not an insured is the security covering such vehicle;

(4) an individual who is not an insured or the driver or other occupant of a motor vehicle involved in an accident resulting in injury is the security covering any motor vehicle involved in such accident. For purposes of this paragraph, a parked and unoccupied motor vehicle is not a motor vehicle involved in an accident, unless it was parked so as to cause unreasonable risk of injury; and

(5) any other individual is the applicable assigned claims plan.

(b) MULTIPLE SOURCES OF EQUAL PRIORITY.—If two or more obligations to pay basic restoration benefits apply equally to an injury under the priorities set forth in subsection (a) of this section, the restoration obligor against whom a claim is asserted first shall process and pay the claim as if wholly responsible. Such obligor is thereafter entitled to recover contribution pro rata from any other such obligor for the basic restoration benefits paid and for the costs of processing the claim. If contribution is sought among restoration obligors responsible under paragraph (4) of subsection (a) of this section proration shall be based on the number of involved motor vehicles.

RESTRICTIONS ON TORT LIABILITY

SEC. 206. (a) PARTIAL ABOLITION.—Tort liability is abolished with respect to any injury that takes place in a State in which a no-fault plan for motor vehicle insurance in accordance with this title is in effect prior to such injury, if such injury arises out of the maintenance or use of a motor vehicle, except that—

(1) An owner of a motor vehicle involved in an accident remains liable if, at the time of the accident, the vehicle was not a secured vehicle.

(2) A person in the business of designing, manufacturing, repairing, servicing, or otherwise maintaining motor vehicles, remains liable for injury arising out of a defect in such motor vehicle which is caused or not corrected by an act or omission in the course of such business, other than a defect in a motor vehicle which is operated by such business.

(3) An individual remains liable of intentionally injuring himself or another individual.

(4) A person remains liable for loss which is not compensated because of any limitation in accordance with sections 204(b)(2), (c), or (d) of this Act. A person is not liable for loss which is not compensated because of limitations in accordance with subsection (b)(1) or (e) of section 204 of this Act.

(5) A person remains liable for damages for noneconomic detriment in excess of $2,500, if the accident results in—

(A) death, serious and permanent disfigurement, or other serious and permanent injury; or

(B) more than six continuous months of total disability. As used in this subparagraph, "total disability" means medically determinable physical or mental impairment which prevents the victim from performing all or substantially all of the material acts and duties which constitute his usual and customary daily activities.

(b) NONREIMBURSABLE TORT FINE.—Nothing in this section shall be construed to immunize an individual from liability to pay a fine on the basis of fault in any proceeding based upon any act or omission arising out of the maintenance or use of a motor vehicle: *Provided*, That such fine may not be paid or reimbursed by an insurer or other restoration obligor.

WORK LOSS

SEC. 207. (a) REGULARLY EMPLOYED.—The work loss of a victim whose income prior to the injury was realized in regular increments shall be calculated by:

(1) determining his probable weekly income by dividing his probable annual income by 52; and

(2) multiplying that quantity by the number of work weeks, or fraction thereof, the victim sustains loss of income during the accrual period.

(b) SEASONALLY EMPLOYED.—The work loss of a victim whose income is realized in irregular increments shall be calculated by:

(1) determining his probable weekly income by dividing his probable annual income by the number of weeks he normally works; or

(2) multiplying that quantity by the number of work weeks or fraction thereof the victim was unable to perform and would have performed work during the accrual period but for the injury.

(c) NOT EMPLOYED.—The work loss of a victim who is not employed when the accident resulting in injury occurs shall be calculated by:

(1) determining his probable weekly income by dividing his probable annual income by 52; and

(2) multiplying that quantity by the number of work weeks, or fraction thereof, if any, the victim would reasonably have been expected to realize income during the accrual period.

(d) CHANGES IN BENEFITS.—(1) Sums for work loss shall be periodically increased in a manner corresponding to annual compensation increases that would predictably have resulted but for the injury.

(2) Beginning in 1978, and at five-year intervals thereafter, whenever a dollar figure limits benefits for work loss, that figure shall be multiplied by a number whose numerator is the average weekly earnings of production or nonsupervisory workers in the private nonfarm economy for that year and whose denominator is the average weekly earnings of this group of workers in the base year 1973,

according to the latest available figures published by the Bureau of Labor Statistics of the United States Department of Labor.

(e) DEFINITIONS.—As used in thi. section—

(1) "Probable annual income" means, absent a showing that it is or would be some other amount, the following—

(A) twelve times the monthly gross income earned by the victim from work in the month preceding the month in which the accident resulting in injury occurs, or the average annual income earned by the victim from work during the years, not to exceed three, preceding the year in which the accident resulting in injury occurs, whichever is greater, for a victim regularly employed at the time of the accident;

(B) the average annual gross income earned by the victim from work during the years in which he was employed, not to exceed three, preceding the year in which the accident resulting in injury occurs, for a victim seasonally employed or not employed at the time of the accident; or

(C) the average annual gross income of a production or nonsupervisory worker in the private nonfarm economy in the State in which the victim is domiciled for the year in which the accident resulting in injury occurs, for a victim who has not previously earned income from work.

(2) "Work week" means the number of days an individual normally works in a seven-day period; "weekly income" means income earned during a work week.

NET LOSS

SEC. 208. (a) GENERAL.—Except as provided in paragraph (3) of subsection (a) of section 108 of this Act, all benefits or advantages (less reasonably incurred collection costs) that an individual receives or is entitled to receive from social security (except those benefits provided under title XIX of the Social Security Act), workmen's compensation, any State-required temporary, nonoccupational disability insurance, and all other benefits, except the proceeds of life insurance, received by or available to an individual because of the injury from any government, unless the law authorizing or providing for such benefits or advantages makes them excess or secondary to the benefits in accordance with this Act, shall be subtracted from loss in calculating net loss.

(b) TAX DEDUCTION.—If a benefit or advantage received to compensate for loss of income because of injury, whether from no-fault benefits or from any source of benefits or advantages subtracted under subsection (a) of this section, is not taxable income, the income tax saving that is attributable to such loss of income because of injury is subtracted in calculating net loss for work loss. Subtraction may not exceed fifteen per centum of the loss of income and shall be in such lesser amount as the insurer reasonably determines is appropriate based on a lower value of the income tax advantage.

ADDED RESTORATION BENEFITS

SEC. 209. (a) OPTIONAL OFFERING.—Restoration obligors providing security for the payment of basic restoration benefits may offer or obligate themselves to provide added restoration benefits for injury or damage arising out of the ownership, maintenance, or use of a motor vehicle, including—

(1) loss excluded from basic restoration benefits by limits on allowable expense, work loss, replacement services loss, and survivor's loss;

(2) benefits for damage to property;

(3) benefits for loss of use of a motor vehicle; and

(4) benefits for expense for remedial religious treatment and care.

Subject to the approval of terms and forms by the commissioner, restoration obligors may offer or obligate themselves to provide other added restoration coverages.

(b) MANDATORY OFFERING.—(1) Insurers providing basic restoration insurance shall offer the following added restoration coverage.

(A) for physical damage to a motor vehicle, a coverage for all collision and upset damage, subject to an optional deductible of not to exceed $100; and

(B) for the payment of tort liability, if a State determines that security for the payment of tort liability is not required motor vehicle insurance; and

(C) for economic detriment, a coverage for work loss sustained by a victim in excess of limitations on basic restoration benefits for work loss.

(2) The commissioner may adopt rules requiring that insurers providing basic restoration insurance offer, in accordance with State law, any other specified added restoration coverages.

(c) TERRITORIAL APPLICABILITY.—All added restoration coverages are applicable in any State, Puerto Rico, or Canada.

INELIGIBLE CLAIMANTS

SEC. 210. (a) CONVERTER.—(1) Except as provided for assigned claims, a converter of a motor vehicle is ineligible to receive no-fault benefits, including benefits otherwise due him as a survivor, from any source other than a contract of insurance under which he is an insured, for any injury arising out of the maintenance or use of the converted vehicle. If a converter dies from such injuries, his survivor or survivors are not entitled to no-fault benefits for survivor's loss from any source other than a contract of insurance under which the converter is an insured.

(2) For purposes of this subsection and subsection (c) of section 111 of this Act, an individual is not a converter of a motor vehicle if he used it in the good faith belief that he was legally entitled to do so.

(b) INTENTIONAL INJURIES.—(1) An individual who intentionally injures himself or another individual is ineligible to receive no-fault benefits for injury arising out of his acts, including benefits otherwise due him as a survivor. If an individual dies as a result of intentionally injuring himself his survivor or survivors are not entitled to no-fault benefits for survivor's loss. An individual intentionally injures himself or another individual if he acts or fails to act for the purpose of causing such injury or with knowledge that such injury is substantially certain to follow. An individual does not intentionally injure himself or another individual—

(A) merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of causing injury; or

(B) if the act or omission causing the injury is for the purpose of averting bodily harm to himself or another individual.

(2) For purposes of subsection (c) of section 111 and paragraph (3) of subsection (a) of section 206 of this Act, an individual does not intentionally injure himself or another individual merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of harm.

OTHER PROVISIONS

SEC. 211. (a) INCLUDED COVERAGE.—A contract of insurance covering liability arising out of the ownership, maintenance, or use of a motor vehicle registered in a State includes basic restoration benefits and any other benefit coverages required by the no-fault plan for motor vehicle insurance in effect in such State unless such contract—

(1) provides tort liability coverages only in excess of any of those required by such State no-fault plan; or

(2) is a contract which the commissioner determines by regulation provides motor vehicle liability coverages only as incidental to some other basic coverage.

(b) APPROVAL OF TERMS AND FORMS.—Terms and conditions (including forms used by insurers) of any contract, certificate, or other evidence of insurance sold or issued pursuant to a State no-fault plan for motor vehicle insurance in accordance with this title or title III of this Act and providing no-fault benefits or any required tort liability are subject to approval and regulation by the commissioner in such State.

The commissioner shall approve only terms and conditions which are consistent with the purposes of this Act and fair and equitable to all persons whose interests may be affected. The commissioner may limit by rule the variety of coverage available in order to give purchasers of insurance a reasonable opportunity to compare the cost of insuring with various insurers.

TITLE III—ALTERNATIVE STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

PROVISIONS

SEC. 301. The alternative State no-fault plan for motor vehicle insurance (the State no-fault plan in accordance with this title), which becomes applicable and goes into effect in a State pursuant to subsection (e) of section 201 of this Act, is composed of title I of this Act, except sections 101, 102, 112, and 113; sections 201(d), 203, 204 (e), (f), 205, 207, 208, 210, and 211 of title II of this Act; and this title, except this section. A State may establish additional requirements provided that they are not inconsistent with the provisions of the alternative State no-fault plan for motor vehicle insurance or the policy set forth and declared in section 102 of this Act.

LIMITATIONS ON BASIC RESTORATION BENEFITS

SEC. 302. Basic restoration benefits payable to a victim or the survivor or survivors of a deceased victim for—

(a) allowable expense, as defined in section 103(2) of this Act, may not be limited;

(b) work loss may not exceed a monthly amount equal to $1,000 multiplied by a fraction whose numerator is the average per capita income in the State and whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; and

(c) replacement services loss and survivor's loss may not exceed $200 for the calendar week during which the accident resulting in injury occurs and for each calendar week thereafter.

RESTRICTIONS ON TORT LIABILITY

SEC. 303. (a) PARTIAL ABOLITION.—Tort liability is abolished with respect to any injury that takes place in a State in which the alternative State no-fault plan for motor vehicle insurance is in effect, if such injury arises out of the maintenance or use of a motor vehicle, except that—

(1) An owner of a motor vehicle involved in an accident remains liable if, at the time of the accident, the vehicle was not a secured vehicle;

(2) A person in the business of designing, manufacturing, repairing, servicing, or otherwise maintaining motor vehicles remains liable for injury arising out of a defect in such motor vehicle which is caused or not corrected by an act or omission in the course of such business, other than a defect in a motor vehicle which is operated by such business; and

(3) An individual remains liable for intentionally injuring himself or another individual.

(b) NONREIMBURSABLE TORT FINE.—Nothing in this section shall be construed to immunize an individual from liability to pay a

fine on the basis of fault in any proceeding based upon any act or omission arising out of the maintenance or use of a motor vehicle: *Provided,* That such fine may not be paid or reimbursed by an insurer or other restoration obligor.

ADDED RESTORATION BENEFITS

SEC. 304. (a) OPTIONAL OFFERING.—Restoration obligors providing security for the payment of basic restoration benefits may offer or obligate themselves to provide added restoration benefits for injury or damage arising out of the ownership, maintenance, or use of a motor vehicle, including:

(1) loss excluded from basic restoration benefits by limits on allowable expense, work loss, replacement services loss, and survivor's loss;

(2) benefits for damage to property;

(3) benefits for loss of use of a motor vehicle; and

(4) benefits for expense for remedial religious treatment and care.

Subject to the approval of terms and forms by the commissioner, restoration obligors may offer or obligate themselves to provide other added restoration coverages.

(b) MANDATORY OFFERING.—(1) Insurers providing basic restoration insurance shall offer the following added restoration coverages:

(A) for physical damage to a motor vehicle, a coverage for all collision and upset damage, subject to an optional deductible of not to exceed $100;

(B) for physical damage to a motor vehicle, a coverage for all collision and upset damage to the extent that the insured has a valid claim in tort against another identified person; and

(C) for noneconomic detriment to a victim, a coverage in such amounts and upon such conditions as the commissioner directs and the insured selects.

(2) The commissioner may adopt rules requiring that insurers providing basic restoration insurance offer, in accordance with State law, any other specified added restoration coverages.

(c) TERRITORIAL APPLICABILITY.—All added restoration coverages are applicable in any State, Puerto Rico, or Canada.

Amend the title so as to read: A bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways.

EXECUTIVE REPORTS OF COMMITTEES

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

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

Alfred P. Love, for reappointment as a member of the District of Columbia Redevelopment Land Agency.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HELMS (for himself, Mr. EASTLAND, Mr. SCOTT of Virginia, Mr. ALLEN, and Mr. THURMOND):

S. 2336. A bill to provide objective definitions of unitary school systems for uniform court enforcement of the Civil Rights Act, and to relieve the congestion of court calendars by providing for the orderly release of continuing Federal jurisdiction over desegregated schools, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2337. A bill for the relief of Dulce Pilar Castin. Referred to the Committee on the Judiciary.

By Mr. STEVENS:

S. 2338. A bill to provide for the conservation of U.S. Coastal and Anadromous Fish. Referred to the Committee on Commerce.

By Mr. CRANSTON:

S. 2339. A bill to establish the Santa Barbara Channel Federal Energy Reserve. Referred to the Committee on Interior and Insular Affairs.

By Mr. TOWER (for himself and Mr. HRUSKA):

S. 2340. A bill to prohibit unauthorized disclosure of grand jury information. Referred to the Committee on the Judiciary.

By Mr. McINTYRE:

S. 2341. A bill to amend the Economic Stabilization Act of 1970 by providing for a moratorium on further control of the marketing of petroleum products by petroleum producers and refiners. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MONTOYA:

S. 2342. A bill to amend title II of the Social Security Act to increase to $3,000 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

By Mr. McCLURE:

S. 2343. A bill to authorize the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands; and

S. 2344. A bill relating to abandonment of mining claims. Referring to the Committee on Interior and Insular affairs.

By Mr. HATFIELD:

S. 2345. A bill for the relief of Leo Lucas. Referred to the Committee on the Judiciary.

By Mr. HANSEN:

S. 2346. A bill to authorize the Secretary of the Interior to convey certain lands in the State of Wyoming. Referred to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 2347. A bill to amend the Internal Revenue Code of 1954 to encourage the preservation and rehabilitation of historic buildings and structures and the rehabilitation of other property, and for other purposes. Referred to the Committee on Finance.

By Mr. McCLELLAN:

S. 2348. A bill to amend the Canal Zone Code to transfer the functions of the Clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes; and

S. 2349. A bill to provide cost-of-living adjustments in retirement pay of certain Federal judges. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 2350. A bill to amend the National Aeronautics and Space Act of 1958 to provide for the coordinated application of technology to civilian needs in the area of Earth resources survey systems, to establish within the National Aeronautics and Space Administration an Office of Earth Resources Survey Systems, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. HATHAWAY:

S. 2351. A bill to prohibit sex discrimination by educational institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine; and

S. 2352. A bill to amend the Education Amendments of 1972 to make the prohibition against sex discrimination apply to educational institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine. Referred, by unanimous consent, jointly to the Committees on Armed Services and Commerce.

By Mr. CURTIS:

S. 2353. A bill to permit small units of local government to satisfy the publication requirements of section 121 of the State and Local Fiscal Assistance Act of 1972 by publishing simplified statements of the information contained in reports submitted under such section. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. McGEE, Mr. KENNEDY, Mr. BROOKE, and Mr. JAVITS):

S. 2354. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

By Mr. HRUSKA:

S. 2355. A bill to amend the National Labor Relations Act to clarify judicial procedures, standards, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. McCLELLAN (for himself, Mr. LONG, Mr. JOHNSTON, and Mr. FULBRIGHT):

S. 2356. A bill to modify the project for flood control and improvement of the lower Mississippi River. Referred to the Committee on Public Works.

By Mr. WILLIAMS:

S. 2357. A bill to provide for a national educational campaign to improve safety on the highways by improving driver skill, driver attitudes, and driver knowledge of highway regulations. Referred to the Committee on Commerce.

By Mr. TALMADGE (for himself, Mr. BENTSEN, Mr. GRAVEL, Mr. MONDALE, and Mr. PACKWOOD):

S. 2358. A bill to clarify the exempt status of joint activities of educational organizations under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. HARTKE (for himself, Mr. ABOUREZK, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BENTSEN, Mr. BIBLE, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. ROBERT C. BYRD, Mr. CANNON, Mr. CASE, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. COOK, Mr. CRANSTON, Mr. CURTIS, Mr. DOMENICI, Mr. DOMINICK, Mr. EAGLETON, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GRAVEL, Mr. GRIFFIN, Mr. HANSEN, Mr. HART, Mr. HATFIELD, Mr. HOLLINGS, Mr. HRUSKA, Mr. HUGHES, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. McGEE, Mr. McGOVERN, Mr. McINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. NELSON, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STAFFORD, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S. 2359. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder. Referred to the Committee on Finance.

By Mr. PROXMIRE:

S. 2360. A bill to amend the Fair Credit Reporting Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOLE:

S. 2361. A bill to authorize the President to enter into agreements establishing totalization arrangements between the social security system established by title II of the Social Security Act and the social security systems of other countries. Referred to the Committee on Finance.

By Mr. DOMENICI (for Mr. MONTOYA) (for himself, Mr. DOMENICI, Mr. DOMINICK, and Mr. HASKELL):

S. 2362. A bill granting the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact. Referred to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. HARTKE, and Mr. RANDOLPH):

S. 2363. A bill to amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces. Referred to the Committee on Veterans' Affairs.

By Mr. CRANSTON (for himself, Mr. BEALL, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. JAVITS, Mr. MONDALE, Mr. PELL, and Mr. TUNNEY):

S. 2364. A bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. TUNNEY, from the Committee on Commerce:

S. 2365. An original bill to regulate interstate and foreign commerce as it relates to the conduct of organized amateur athletic competition within the United States and the participation of American athletes in international amateur athletic competition. Placed on the calendar.

By Mr. GRIFFIN (for Mr. BROCK):

S. 2366. A bill to amend the Federal Election Campaign Act of 1971 to provide for the preparation and distribution of voters' information pamphlets by the General Accounting Office. Referred to the Committee on Rules and Administration.

By Mr. MOSS (for himself and Mr. CLARK):

S. 2367. A bill to extend the period for comment on regulations proposed by the Secretary of Health, Education, and Welfare relating to skilled nursing facilities. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. CRANSTON, Mr. MONDALE, Mr. PELL, and Mr. RANDOLPH):

S. 2368. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices. Referred to the Committee on Labor and Public Welfare.

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

S. 2369. A bill to authorize the Secretary of Agriculture to acquire certain lands in the county of San Diego, State of California. Referred to the Committee on Agriculture and Forestry.

By Mr. MATHIAS:

S. 2370. A bill to authorize the Commissioner of the District of Columbia to enter into agreements with the Commonwealth of Virginia and the State of Maryland concerning the fees for the operation of certain motor vehicles; and

S. 2371. A bill to eliminate the tax on premium paid on annuities in the District of Columbia. Referred to the Committee on the District of Columbia.

By Mr. McCLURE (for himself, Mr. CURTIS, Mr. DOMENICI, Mr. FANNIN, Mr. HANSEN, and Mr. SAXBE):

S. 2372. A bill to permit the use of the drug diethylstilbestrol (DES) for implants in beef cattle and sheep. Referred to the Committee on Agriculture and Forestry.

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

S. 2373. A bill to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes. Referred, by unanimous consent, to the Committee on Labor and Public Welfare until October 15, 1973; and then to the Committee on Commerce, at the option of that committee.

By Mr. MONDALE:

S.J. Res. 146. Joint resolution entitled "A national education policy." Referred to the Committee on Labor and Public Welfare.

By Mr. McINTYRE:

S.J. Res. 147. A joint resolution calling for a report on the People's Republic of China grain purchase. Referred to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S.J. Res. 148. A joint resolution to bestow U.S. citizenship upon Leif Ericson. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S.J. Res. 149. Joint resolution to extend the mutual and self-help housing program under title V of the Housing Act of 1949. Considered and passed.

By Mr. HRUSKA (by request):

S.J. Res. 150. A joint resolution to authorize the President to proclaim the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. EASTLAND, Mr. SCOTT of Virginia, Mr. ALLEN, and Mr. THURMOND):

S. 2336. A bill to provide objective definitions of unitary school systems for uniform court enforcement of the Civil Rights Act, and to relieve the congestion of court calendars by providing for the orderly release of continuing Federal jurisdiction over desegregated schools, and for other purposes. Referred to the Committee on the Judiciary.

PUBLIC SCHOOL JURISDICTION ACT OF 1973

Mr. HELMS. Mr. President, I send to the desk a bill designed to restore local jurisdiction over public schools in an orderly and rapid manner. I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HELMS. I also ask unanimous consent that the names of the distinguished Senator from Mississippi (Mr. EASTLAND) and the distinguished Senator from Virginia (Mr. SCOTT) be added as cosponsors of this bill.

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

I. THE NATURE OF THE PROBLEM

Mr. HELMS. Mr. President, in framing a remedy for the problem of educational disruption through court orders to achieve racial balance, we must focus precisely upon the nature of the problem, the restraints of the Constitution as currently interpreted by the Supreme Court, and the practical effects of the solutions proposed. Moreover, we want a remedy that will work, and work now.

A further complication is that such a remedy must be universally applicable in cases arising both out of de jure and de facto segregation. Since the Denver decision it may be assumed that court orders will now be issued in geographic areas where it had formerly been assumed that segregated schools were the result of de facto situations. The mere absence in the past of legislation or regulations requiring the separation of students by race no longer protects school systems outside the South from assault through the courts. It is urgent therefore that both North and South join in framing a remedy.

Nor can a legislative remedy deal directly with the desire of most people for neighborhood and community schools, and their distaste for court-imposed busing and other mandatory assignment plans and integration devices. I believe that any attempt to restrict the hands of the courts would ultimately be set aside, even though I disagree with the basic premise the courts are using. It would be deeply disappointing to pass a bill providing relief against busing for racial balance, only to have it thrown out by the courts.

Finally, our remedy must be a solution that can be supported in good conscience by all men of good will, whatever their political persuasion. We must not forget that the ultimate aim of relief legislation is to promote good community relations and a wholesome atmosphere for sound education. The research report by Harvard sociologist David J. Armor, "The Evidence on Busing" in the Public Interest, No. 28 Summer 1972, and the subsequent discussions clearly demonstrate that the sociology of mandatory integration without freedom of choice has proven to be either erroneous or much more complex than formerly imagined. It does nothing to improve relationships between the races or academic achievement; in fact the evidence is that it endangers hostility and lowers self-esteem and achievement. Until our constitutional interpretation can be brought into line with reality, we must take legislative steps to foreclose the harm being done to the children.

If such steps are to survive a court test, they must not violate the internal logic of the current mythology attributed to the 14th amendment. We must focus the issue more narrowly upon what the courts have decided, not upon what we think they have decided, or what we would like them to decide. Changing judicial thinking is a process of years, even if a constitutional amendment were passed overnight. The only ready remedy is one written within the grammar of recent court decisions. And contrary to the popular impression, the major court decisions—although sweeping in their effects—have been quite narrowly defined.

II. AFFIRMATIVE ACTION TO ACHIEVE RACIAL BALANCE

Although "busing" gets the headlines, there are many other techniques also prescribed by courts to achieve what is commonly called "a racial balance." These other techniques are just as disruptive—some even more so—of the

organic patterns of community development.

These techniques include pairing of schools, reorganization of junior and senior high schools, building of new schools, gerrymandering of attendance zones, and other devices apparently intended to create a racial balance in each school. Yet the common impression that the courts have required a racial balance as an end in itself is misleading. On the contrary, the U.S. Supreme Court has never required that a school system must have a racial balance for its own sake. In specific situations, however, the Court has upheld orders that are weighted heavily on the side of accomplishing in each school of the system a racial distribution that approximates the racial balance of the locality.

Such orders have been generally issued by the lower courts under their equity powers, usually in the form of decrees or orders of a continuing quality which retain jurisdiction in the courts without limit of time or circumstances. Civil rights cases and in particular school cases have created a special form of constitutional interpretation. Until such cases came to the courts, the Constitution was viewed as a prohibitory instrument forbidding discrimination under "State action." The lower Federal courts, in particular, have devised an affirmative or "compensatory" interpretation of the Constitution on the ground that preexisting deprivation of constitutional right must be affirmatively adjusted to a given point of defined equality before the normal constitutional limits can be restored.

In effect, then, when the Supreme Court is upholding a lower court order that requires some affirmative action—in the form of busing, pairing, zoning, et cetera—it is requiring the school authorities to demonstrate that the State is no longer encouraging segregation. In order to prove that the past practices which resulted in segregation and are now declared unconstitutional have been abandoned, the school authorities must take steps to achieve the uniform racial distribution that presumably would have resulted had it not been for past State action. In short, the Court does not hold that it is the Constitution that requires a uniform racial distribution; it is the doctrine of equity that requires busing and similar artificial steps to achieve racial balance until a supposedly normal state of constitutional rights can be restored.

For example, in approving the district court's formula for a racial balance of 71 percent to 29 percent, the Supreme Court in Swann against Charlotte-Mecklenburg Board of Education, specifically called it "a useful starting point in shaping a remedy to correct past Constitutional violations." It was a starting point, not an end in itself. The Supreme Court found that—

In sum, the very limited use made of mathematical ratios was within the equitable remedial discretion of the district court.

These are subtle distinctions which are of no comfort to parents who find their children's lives disrupted and their educational achievement threatened by the instability and social chaos which so frequently follows such court orders. I strongly dissent from the fine-spun constitutional theory that invents momentous new doctrines of affirmative action out of whole cloth. Yet we must use as our starting point the fact that these theories are the prevailing law and that there is little hope that they will be overturned in the near future. Our legislative remedy must be framed out of the same distinctions.

III. THE REQUIREMENT FOR A UNITARY SCHOOL SYSTEM

If racial balance is not the end sought by present constitutional interpretation, then what is that end? In judicial language, the requirement is that a State, under a recent interpretation of the 14th amendment, must convert any dual school system into a unitary school system. The Supreme Court has emphasized this over and over.

In the pivotal Green decision, the Court said:

The transition to a unitary, nonracial system of public education was and is the ultimate end to be brought about. [391] US 430 at 436; 20 Law Ed 2nd 716 at 722; 88SCt 1689 at 1693]

Referring back to Brown II, the Court's opinion in Green was very specific:

School boards such as the respondent then operating state-compelled dual systems were nevertheless clearly charged with the affirmative duty to take whatever steps might be necessary to convert to a unitary system in which racial discrimination would be eliminated *root* and *branch*. [391 US 430 at 437; 20 Law Ed 2nd 716 at 723; 88SCt 1689 at 1664]

Unfortunately, the phrase "a unitary system" has never been defined. Yet we can deduce the Court's concept from the way it was handled in the Swann opinion. There we find that "the objective today remains to eliminate from the public schools all vestiges of State-imposed segregation." Over and over again, Swann deals with the problem of racial composition strictly in accord with whether or not the pattern was State-imposed.

The constant theme and thrust of every holding from *Brown I* to date is that state-enforced separation of races in public schools is discrimination that violates the Equal Protection Clause. The remedy commanded was to dismantle dual school systems. [402 US 1 at 22; 28 Law Ed 2nd at 570; 91SCt 1267 at 1279]

And again, the Court narrowly defined its mission to include only State-sanctioned discrimination in schools, not discrimination which might arise from other factors:

We are concerned in these cases with the elimination of the discrimination inherent in the dual school systems, not with the myriad factors of human existence which can cause discrimination in a multitude of ways on racial, religious, or ethnic grounds. The target of the cases from *Brown I* to the present was the dual school system. The elimination of racial discrimination in public schools is a large task and one that should not be retarded by efforts to achieve broader purposes lying beyond the jurisdiction of school authorities. One vehicle can carry only a limited amount of baggage. It would not serve the important objective of *Brown I* to seek to use school desegregation cases for purposes beyond their scope, although desegregation of schools ultimately will have impact on other forms of discrimination. [402 US 1 at 22; 28 Law Ed 2nd at 570; 91SCt 1267 at 1279]

Finally, the Court came as close as it ever has done to defining a unitary school system when it said:

Our objective in dealing with the issues presented by these cases is to see that school authorities exclude no pupil of a racial minority from any school, directly or indirectly, on account of race; it does not and cannot embrace all the problems of racial prejudice, even when those problems contribute to disproportionate racial concentrations in some schools. [402 U.S. 1 at 23; Law Ed 2nd at 570; 91SCt 1267 at 1279].

We may conclude that a unitary school system is one in which the school authorities exclude no pupils of a racial minority from any school, directly or indirectly, on account of race. At the same time, the Court recognizes that a unitary school system might include disproportionate racial concentrations in some schools, so long as those disproportionate concentrations are not caused by action on the part of school authorities with intent to segregate. State discriminatory actions are proscribed; other factors which result in racial imbalance in the schools are beyond the scope of the Court's activity. In fact, the Court said specifically:

The Constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole. [402 U.S. 1 at 24; 28 Law Ed 2nd 554 at 24; 91SCt 1267 at 1280].

In fact, the Court tells us that "absent a constitutional violation, there would be no basis for judicially ordering assignment of students on a racial basis."

To summarize these important distinctions, we may say that the Supreme Court holds it unconstitutional to assign pupils on the basis of race; however, when a court finds a situation where pupils have been assigned on the basis of race, then equity requires that this "constitutional violation" be compensated by pupil assignment on a racial basis. Yet this compensatory action is obviously of limited duration. Compensation cannot go on forever; nor can a sound theory of the Constitution endure a permanent suspension of the constitutional right not to be assigned on a racial basis.

The Court itself calls this suspension an "Interim period." Referring to remedial altering of school zones in Swann, it said:

As an interim corrective measure this cannot be said to be beyond the broad remedial powers of a Court. [402 U.S. 1 at page 27; 28 Law Ed 2nd 554 at page 573; 91SCt 1267 at 1282].

Noting the burdens which court orders impose—burdens the Court itself admits may be "administratively awkward, inconvenient and even bizarre"—the Court says—

But all awkwardness and inconvenience cannot be avoided in the interim period when remedial adjustments are being made to eliminate the dual school systems. [402 US] page 28; Law Ed 2nd 554 at page 575: 91SCt 1267 at 1282]

It follows therefore that Congress is at liberty to impose a legislative definition of a normal interim period. Moreover, the situation which the courts are seeking to remedy is in constant flux. School authorities, pupils, and families come and go. The inherent logic of the Supreme Court's argument demands that the extraordinary suspension of constitutional rights come to an end within a reasonable length of time. The Court itself accepted its own logic. In the remarkable concluding paragraphs of Swann, the Court had this to say:

At some point, these school authorities and others like them should have achieved full compliance with this Court's decision in *Brown I*. The systems will then be "unitary" in the sense required by our decisions in *Green* and *Alexander*.

It does not follow that the communities served by such systems will remain demographically stable, for in a growing, mobile society, few will do so. Neither school authorities nor district courts are constitutionally required to make year-by-year adjustments of the racial composition of student bodies once the affirmative duty to desegregate has been accomplished and racial discrimination through official action is eliminated from the system. This does not mean that Federal courts are without power to deal with future problems; but in the absence of a showing that either the school authorities or some other agency of the State has deliberately attempted to fix or alter demographic patterns to affect the racial composition of the schools, further intervention by a district court should not be necessary. [402 US 1 at 31; 28 Law Ed 2nd 554 at 575; 91SCt 1267 at 1283]

Working strictly within the constraints of the Court's reasoning, we can see therefore that there can and must be an end to pupil assignments on the basis of race. There can and must be an end to busing, pairing, zoning, and so forth. A return to neighborhood schools is not only desirable, but feasible under current court decisions. The only question is when.

IV. THE DURATION OF COURT JURISDICTION

Thus neither school authorities nor district courts are required to adjust the racial composition of student bodies once the affirmative duty to desegregate has been accomplished and racial discrimination through official action has been eliminated from the system. The suspension of the constitutional right of pupils not to be assigned to a school on the basis of race is of limited, but indefinite duration. Since the Supreme Court itself has admitted that the suspension of rights is of limited duration, it is entirely proper for the Congress of the United States to pass legislation setting a definite time limit during which the courts can suspend these rights.

I believe that a great majority of school systems have by this time become desegregated under the terms of the original orders of the Federal courts, by compliance with the guidelines issued by the Commissioner of Education, or remain in a form historically instituted without reference to racial separation either by law or collusive drawing of attendance zones. Current problems before the courts accordingly are, in possibly a majority of cases, directed against resegregation caused by population shifts occurring subsequent to prior school desegregation. Quite frequently it is argued that the actions of school authorities, although possibly taken today without regard to race, are tainted by the vestiges of past actions. In the forefront of such actions are those which attempt to overcome the increasing concentration of blacks in inner city areas by overriding political boundaries existing between different school systems as in the cases of Richmond and Detroit where massive busing into suburbs has been directed.

Yet in every case, the orders are different, the standards are different, and the burdens to be borne and the levels of compliance are different. The length of time the school systems remain under court jurisdiction is entirely at the discretion of the court. Every court commands the establishment of a unitary system, but the level of compliance varies. There are two difficulties. First, unitary is indefinite both in quantum and period of time. Second, the equitable doctrine of continuing jurisdiction over an existing decree permits the courts to change preexisting orders from time to time in order to correct situations which have changed after an initial determination and local compliance.

It is within the power of Congress to statutorily define the unitary concept, to fix its effective period, and to terminate continuing district court jurisdiction, provided only that in so doing the Congress does not specifically or by implication permit the restoration of a school system based on racial separation.

V. THE REMEDY

The Public School Jurisdiction Act provides the required remedy. It defines a "unitary school system" with the constraints of current practices.

First of all, it accepts the work of any Federal court that has approved a desegregation plan to achieve a unitary system. If the Court has said that such and such a plan will bring a system into compliance, then the Public School Jurisdiction Act agrees that it is a plan which will bring about compliance. In the same way, the Public School Jurisdiction Act also accepts compliance with any specific plan or generally published guideline authorized or approved by the Commissioner of Education. Both accomplish the same end and should have equal standing in the light of the numerous court references to such guidelines as indicative of the meaning of the term "desegregated school."

Thus, this first definition does not negate any plan currently in effect. It makes every court order and every HEW pupil assignment plan part of the definition of "unitary school system." There are some activists who say that present plans do not go far enough. Yet, present plans must go at least as far as the Supreme Court itself has gone.

Those who want to go further are not arguing law, but questions of policy.

The Public School Jurisdiction Act's second definition of a unitary school system accepts the decision of any court of the United States upholding a pupil assignment plan as in compliance with the laws and Constitution of the United States. Thus, any school system which has successfully defended itself against the charge of unconstitutional actions is, on the face of it, a unitary school system. This is really a corollary of the first definition. A court decides whether a school system is unitary or not.

The Public School Jurisdiction Act's third definition of a unitary school system also involves a court test. Here, if a court decided that attendance zones were originally established with reasonable geographical divisions without the intent to discriminate—and no changes had been made except for reasonable educational discretion—then such a school system is a unitary school system. Such a finding is a reasonable defense against demands that school attendance zones be altered within a system, or that the system be merged with adjacent systems in other political jurisdictions.

The Public School Jurisdiction Act's fourth definition recognizes that many courts under a plea of equity have tried to fashion some formula for the overall racial composition of student bodies as evidence of the school authorities' affirmative action. Up to now, this has been left to the decision of the individual judge, with no guidelines for him to follow. The courts have acted variously with respect to their racial ratio requirements, which, despite Federal assistance legislation to the contrary, is being used by the Federal courts and to some extent as well by the Department of Health, Education, and Welfare as a target for the requirements of busing and the other techniques. Most courts have differed in the extent to which they view an approximation of local racial ratios as being required and the extent to which it will be applied across the board to all public schools in the system or be compromised to lessen the amount of change required.

In fact, in Swann, the Supreme Court was at pains to point out that it approved the district court's order only because that order was not to be interpreted as a "fixed mathematical racial balance." The Court said:

If we were to read the holding of the District Court to require, as a matter of substantive Constitutional right, any particular degree of racial balance or mixing, that approach would be disapproved and we would be obliged to reverse. The Constitutional command to desegregate schools does not mean that every school in every community must always reflect the racial composition of the school system as a whole. [402 US 1 at 24; 28 Law Ed 2nd 554 at 571; 91SCt 1267 at 1280]

Indeed, the Supreme Court quoted approvingly from the district court's own explanation as follows:

This court [the District Court] has not ruled and does not rule that "racial balance" is required under the Constitution; nor that all black schools in all cities are unlawful; nor that all school boards must bus children or violate the Constitution; *nor that the particular order entered in this case would be correct in other circumstances not before this court.* (Emphasis in original) [402 US 1 at 24 (n. 9); 28 Law Ed 2nd 554 at 571 (n. 9); 91SCt 1267 at 1280 (n. 3)]

Although the Supreme Court thus holds that there does not have to be a rigid mathematical formula, there are still no guidelines for a lower court to follow in fashioning a remedy in equity.

The Public School Jurisdiction Act has a formula under which Congress sets up the parameters. It provides for the kind of flexibility which the Supreme Court demanded in Swann, keeping in mind that the Court only approved a—

> . . . very limited use made of mathematical ratios . . . within the equitable remedial discretion of the District Court. [402 US 1 at 25; 28 Law Ed 2nd 554 at 572; 91SCt 1267 at 1280]

These limitations must be borne in mind. Basically, the formula would provide that a control group of not less than two-thirds of the schools of a local educational agency would have to meet certain standards of racial composition in enrollment if the school system does not otherwise qualify as a unitary school system. These standards would be based upon the ratio of whites and blacks in the school system: an individual school in the control group would have to have at least one-third of the percentage of majority students in the school population as a whole, and one-third of the percentage of minority students in the school population taken as a whole.

All in all these are not definitions which I endorse for their substance; I endorse them because they will work within the system as it is now constituted. They provide definitions of a unitary school system so that judges will have an objective standard of justice, nor do they upset current legislation or court orders on the subject.

The other aspect of definition is to put a limitation on the duration of the suspension of the constitutional rights of students not to be assigned to schools on the basis of race. As I have already pointed out, it is unhealthy for constitutional rights to be suspended indefinitely. Congress can put a reasonable limitation on the length of time required to demonstrate that a dual school has been abandoned. It would be highly suspect if Congress were to put severe limitations on the so-called remedies available to courts in equity. It might be charged that due process of low or equal protection was being abridged by statute. But a reasonable time limitation violates neither. The courts would still have all the powers that they now have to order desegregation plans, to order busing, pairing, and so forth. The power to order the organizational disruption that we now have in our school systems would not be abated. The only difference would be that it could not go on forever.

The Public School Jurisdiction Act sets a limitation of 1 full school year. This would apply either to schools on a 9-month plan or on a 12-month plan. It assumes that the school authorities are acting in good faith and that they actually do what they are ordered to do. One year is a significant administration unit in a school system, as pupils normally move from one grade to another in that year's time. The courts will see to it that the assignment plan is comprehensive enough to compensate for past unconstitutional practices; the year's duration under the court's jurisdiction will see to it that a constitutional assignment plan is actually in operation.

It must be remembered that the Supreme Court has said that the Constitution itself does not command proportional racial composition of student bodies; once a violation has been corrected, the Constitution is indifferent to assignment methods, so long as school authorities do not make assignments on the basis of race. School authorities are not required to make pupil assignment adjustments for discrimination that may result from other factors in society, once the affirmative duty to discriminate has been accomplished. This means that the neighborhood school—favored by the overwhelming majority of Americans of both races—can return once the violations have been corrected.

During the space of a school year, the dislocations of student bodies and teachers would have to be endured. There is no way within the present grammar of the court decisions that this can be evaded where the schools have been found to be operating dual systems. But it would be endurable because the end would be in sight.

Moreover, many school systems have already met and have been meeting the definition of a unitary school system for 1, 2, 3, or 4 years. Under the Public School Jurisdiction Act, they could pass the test immediately. What counts as far as meeting the constitutional test is the actual time served under court orders without regard to the passage of the Public School Jurisdiction Act. A statute cannot affect the constitutionality of an action.

At the end of a full school year, the school authorities, State officials, or any parent can apply to have the case reopened so that the judge involved can submit the case to a jury to make a determination that the school system has met the statutory definition of a unitary school system for a full school year. The determination is narrowly limited to questions of fact, that is, whether the plan decreed by the court has in fact been followed. The judge would have no opportunity to reassess the case itself or to consider new data.

Upon reopening of the case, enforcement of the judge's court order is stayed until the final determination has been made. This would ensure prompt actions by the Court so that any affected parties could make a timely appeal if desired.

Once the determination was made that the school authorities had been operating a unitary school system for the required length of time, then the system would be released from Federal district or appeals court jurisdiction in matters relating to segregation and allied problems. The matters could not be raised again in the Federal courts.

Nevertheless, the full system of State courts remains open to plaintiffs who allege that their constitutional rights have been abridged by some action of the school authorities, including appeal to the U.S. Supreme Court.

Thus it is clear that due process and equal protection are carefully preserved by the Public School Jurisdiction Act. Every school system may be brought into Federal court at least once, and that court will have the opportunity to apply the full range of so-called remedies that it perceives to be necessary. The unitary school system which the U.S. Supreme Court says is constitutionally required will have been established, and it will have actually been put into operation. If further State-directed discrimination occurs, the full range of State courts is available for redress. The United States Constitution would assure this, but for the sake of clarity, the Public School Jurisdiction Act spells it out.

Finally, the Public School Jurisdiction Act provides a specific exemption to preserve the right of any student who feels he has secured particular advantages under any current assignment plan. I think we can be sure that most parents will wish their children to attend school under a neighborhood school plan if one is offered. There may be some who are being transported to schools outside their neighborhood where they feel they have special advantages.

If there are such, they can be allowed to continue to be transported to those schools if they so choose. They have this right not by constitutional protection, but in the interests of good educational policy and sound community relations. Thus, under the Public School Jurisdiction Act, no child would lose what he or his parent perceives to be an advantage from the current system.

The Public School Jurisdiction Act preserves the interests of all those concerned. It maintains current court holdings, decrees, and HEW plans. It preserves all constitutional rights under the present mode of interpretation. It provides for the orderly termination of Federal court jurisdiction so that standards are uniform throughout the Nation. It provides for the early restoration of local control over attendance plans. And it safeguards the interests of those who feel they have obtained advantages under the present situation.

But most of all, it will bring about the rebuilding of a wholesome educational atmosphere and constructive community relations. The best society is the society that has the maximum of free choice and evolves from the myriad decisions of each citizen over the years, and over the generations. To destroy that organic development is to destroy the very fabric of a healthy society. The destruction has been imposed upon us by the courts, and it is time for Congress to begin rebuilding.

EXHIBIT 1

S. 2336

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 "Public School Jurisdiction Act of 1973."

SEC. 2. (a) The Congress finds that—

"(1) The Supreme Court has repeatedly ruled that the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment;

"(2) These and related court rulings have imposed upon public school agencies the burden of eliminating the vestiges of dual school systems and of establishing all school systems upon a unitary basis;

"(3) The lack of appropriate statutory definition of a unitary school system has left the courts without objective standards in enforcing the equal protection of the laws in

regard to pupil assignment, with a resulting lack of uniformity in enforcement and regulatory requirements;

"(4) The courts have been overburdened with the complexity and length of the litigation and continuing judicial process for effective enforcement of the fourteenth amendmend and the Civil Rights Act of 1964, and other related statutes.

"(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, including, but not limited to, section 5 of the fourteenth amendment, take action to enhance the enforcement of court determinations under the Civil Rights Act of 1964, to make court enforcement uniform by setting standards and definitions relative to a unitary school system, and to relieve the congestion of court calendars by providing for the orderly release of continuing Federal jurisdiction over desegregated public schools.

SEC. 3. Section 401 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following:

"(e) 'local educational agency' means any local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

"(f) 'State educational agency' means a State educational agency as defined by section 801(k) of the Elementary and Secondary Education Act of 1965.

"(g) 'unitary school system' means any public school system in which—

"(1) the local educational agency has complied with an order of any court of the United States based on racial enrollment criteria for the public schools of that agency, or is in compliance with any specific plan or published guideline authorized or approved by the Commissioner of Education with respect to such enrollment criteria; or

"(2) the presently used procedure for assignment of children and teachers in the elementary and secondary schools of the local educational agency has been found by any court of the United States to be in compliance with the Constitution and laws of the United States against a charge that the schools of such agency were segregated; or

"(3) the assignment of children to elementary and secondary schools of that agency is by attendance zones which are or have been found by any court of the United States (a) to have been originally established with reasonable geographical divisions without intent to discriminate between areas on the basis of race, color, or national origin, and (b) to have not thereafter been altered except to accord with and meet conditions caused by population increases or decreases in the area served, granting to such agency the right to reasonable educational discretion in the creation or elimination of neighborhood school zones in geographically contiguous areas without regard to the racial composition of the affected residential area;

"(4) not less than two-thirds of the schools of a local educational agency have a racial composition of the student body of each school which shall contain a percentage of majority students which is not less than one-third of the percentage of majority students in the school population taken as a whole, and a percentage of minority students which is not less than one-third of the percentage of minority students in the school population taken as a whole."

SEC. 4. Title IV of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new section:

"ORDERLY TERMINATION OF FEDERAL JURISDICTION OVER STATE EDUCATIONAL AGENCIES

"SEC. 411. (a) The continuing applicability of any order of any District Court or Court of Appeals of the United States requiring the desegregation of the public elementary and secondary schools of a local educational agency shall terminate upon a determination by jury in the issuing court or by a court having review jurisdiction thereover that such schools of the defendant local educational agency are and have been a unitary school system as defined in Section 401 of the Civil Rights Act of 1964 for a period of not less than a full school year since their establishment or following any voluntary or required organization thereof.

"(b) No District Court or Court of Appeals of the United States shall have original, continuing, or pendent jurisdiction to issue in any case or controversy, in law or in equity, any writ, process, rule, decree, order or command directing, forbidding or changing (A) the assignment or transportation of any student or students to any public elementary or secondary school made, provided or proposed pursuant to the determination and direction of the State or local educational agency operating or having supervisory powers over the operation of such school, or (B) the employment, assignment, reassignment, transfer or retention of any member of the teaching or administrative staff of any such school, or (C) any appropriation or expenditure of any funds for the construction, maintenance, equipment or operation of any such school, or (D) the accreditation of any such school by any public or private agency, or its inclusion in any published list or directory of accredited schools, if such school is, or is part of, a unitary public school system as defined in Section 401(g) of the Civil Rights Act of 1964, and has been so for the period specified in Paragraph (a) of this Section.

"(c) The provisions of this section shall apply with respect to any civil case or controversy now pending or hereafter brought in or removed to any court of the United States for or with respect to the desegregation of the public elementary and secondary schools of the local educational agency or for or with respect to the appropriation or expenditure of funds for the construction, equipment, maintenance, operation or support thereof.

"(d) On application therefor by any local educational agency, or by the parent of any student enrolled in any school operated by such agency, or by any State educational agency or any State officer having supervisory authority over the public elementary and secondary schools of such local educational agency, any prior judgment, decree or order of any District Court of the United States or of any Court of Appeals of the United States related to, providing for, or concerning the assignment or transportation of students in or to the public elementary and secondary schools of such local educational agency, as a means to end or prevent or correct the effects of segregation of students in the schools of such agency on the basis of race, color, or national origin, shall be reopened by such court and the court shall thereupon promptly submit to jury determination as a question of fact whether or not the public elementary and secondary schools of such agency are and have been, for the period specified in Paragraph (a) of this Section, a unitary school system as defined in Section 401 of the Civil Rights Act of 1964. Such application shall be made by a motion in the cause in the case or controversy and in the court in which such judgment, decree or order has been requested or was entered. Such application shall be heard and the determination thereby prayed shall be made within twelve (12) months from the date on which the applicatioh was filed. The filing of any such application shall stay the enforcement of any existing order pending final determination of the issue thereby raised.

"(e) Nothing contained in this section shall limit the right of a local educational agency to change or alter its administrative or financial policies following the termination of federal jurisdiction by reason of this section, provided however,

"(i) No such change thereafter made shall be for the purpose of discriminating against any class of students or employees on the basis of race, color, or national origin, and

"(ii) No student shall be denied the right to continue thereafter to attend the school to which such student was assigned prior to such change and to be furnished the necessary transportation therefor.

"(f) Nothing contained in this section shall limit the existing jurisdiction of the courts of any State with respect to the public elementary and secondary schools of that State, nor limit or affect the established review jurisdiction of the Supreme Court of the United States over decisions of the highest courts of the several States."

SEC. 5. If any provision of this Act or of any amendment made by this Act, or the application of any such provision to any person or circumstances is held invalid, the remainder of the provisions of this Act and of the amendments made by this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

By Mr. STEVENS:

S. 2338. A bill to provide for the conservation of the U.S. coastal and anadromous fish. Referred to the Committee on Commerce.

THE COASTAL AND ANADROMOUS FISH CONSERVATION ACT OF 1973

Mr. STEVENS. Mr. President, today I am introducing a bill to provide for the conservation of U.S. coastal and anadromous fish.

Last year, on September 12, I introduced Senate Concurrent Resolution 95, calling upon the President of the United States to take unilateral action to impose and enforce a moratorium upon foreign fishery operations on U.S. coastal stocks of fish, and further requesting the President to prohibit foreign fishing of any American coastal species within American coastal waters unless specific permission is granted by the United States. This resolution urged the President to refuse permission for foreign fishing of such species unless the foreign nationals presented convincing proof that there is no existing danger to the American coastal fisheries species and it also urged the President to maintain this moratorium until an international regime for the conservation of American coastal fish species could be established.

At the time I introduced the resolution, I traced the history of the so-called species approach which is presently being advocated by the U.S. delegation to the Law of the Seas Conference. My introductory remarks appear in the September 12, 1972, CONGRESSIONAL RECORD, volume 118, part 23, pages 30209–30215.

On June 13 of this year, Senator MAGNUSON and several other Senators, including myself, introduced S. 1988, a bill to implement unilaterally certain fish conservation measures, including the establishment of a 200-mile fishery conservation zone and protection over anadromous fish species. At that time, I also made some remarks on the need for this legislation.

The legislation I am introducing today, "The Coastal and Anadromous Fish Conservation Act of 1973," will implement the species approach unilaterally.

I have concluded that a moratorium resolution, without the effect of law, is not enough. We must take unilateral action until an international agreement can be entered into between this country and the other nations interested in fishing for these species. Our fish stocks are in serious danger and need immediate protection. Our domestic fishing industry needs similar protection. This will require the enactment of tough new Federal legislation.

I anticipate that the Oceans and Atmosphere Subcommittee will be having hearings on this subject in the near future. I am introducing this bill as another approach to S. 1988. Both approaches would provide protection for our fish, but this legislation will be in accord with the official position taken by the U.S. delegation at the Law of the Seas Conference, and will avoid some of the international repercussions of a unilateral expansion of our territoriality.

It will also comport with Senate Resolution 82, recently passed unanimously by this body. That resolution states in pertinent part:

Resolved, That the Senate endorses the following objectives, envisioned in the President's ocean policy statement of May 23, 1970, and which are now being pursued by the United States delegation to the Seabed Committee preparing for the Law of the Sea Conference.

(4) conservation and protection of living resources with fisheries regulation for maximum sustainable yield, with coastal State management of coastal and anadromous species, and international management of such migratory species as tuna.

The accompanying report. S. 93-296, enclosed a letter from Mr. Charles N. Brower, Acting Chairman of the Interagency Task Force on the Law of the Sea, and Acting Legal Adviser to the State Department. Mr. Brower stated:

We advocate a species approach to fisheries management.

Mr. Brower explained the species approach in his letter:

Coastal species of fish would be managed by the costal State wherever they might be on the high seas off the coast of that State. Similarly, the coastal State of origin would manage anadromous species throughout their migratory range on the high seas. In both cases, there would be international treaty standards to assure conservation, maximum utilization, and equitable allocation of the fish stocks consistent with a coastal State preference based on its capacity to harvest, and peaceful and compulsory settlement of disputes. On the other hand, highly migratory species of fish such as tuna would be subject to international regulation.

The bill I am introducing today will implement that approach.

What is the state of our fisheries that requires us to adopt unilateral measures for the immediate protection of our fish species? The world fish catch has tripled in the last 20 years. The U.S. share of this $11.6 billion world catch is approximately 5.3 percent. During 1971, American commercial fishery landings were approximately 2.5 million tons, worth $643 million at dockside. These fish and fish products retailed for about $1.9 billion.

American exports in 1971 were $139 million, the highest ever, an increase of 19 percent from 1970. Most of these purchases went to three countries—Canada—$27 million—Japan—$26 million—and the United Kingdom—$20 million.

The American commercial fishing industry domestically employs approximately 132,000 people full or part time. Another 86,000 people work either seasonally or year round processing or wholesaling fish products.

Alaska employs the largest number of fishermen—18,700. In 1969, Alaska issued 18,927 commercial fishing licenses; 9,972 vessels were licensed. In July of that year, the peak month, 6,995 persons were employed in 125 canning and preserving establishments out of a total reported statewide employment of 111,-990; 23.2 percent of the State employment for that month were employed in the fishing industry—commercial fishing licenses plus peak monthly employment in processing.

Of course, fishing is a seasonal occupation in Alaska and includes a lot of transits, as well as casuals and part-timers. Also many people have "grandfathered" their rights to protect themselves under the new Alaska State-limited entry law. However, because of the relatively low average income from fishing, although more than one-fifth of the State's employed labor force—including transits—were directly engaged in fisheries either as fishermen or workers in the processing plants, only 2.8 percent—maximum—of the 1970 personal income of Alaska residents originated directly in fishing or seafood processing activities.

As a result of this program, in 1973 the State legislature enacted a limited entry program which is designed to serve the limited renewable resource.

Alaska employs the largest number of fishermen and is followed by Florida, California, Louisiana, and Washington. More Americans are engaged in fishing today than 10 years ago. In 1950, approximately 161,000 persons were in the industry. In 1960, the figure fell to 130,000. It has gone up slightly since then. Although there are presently more fishermen than in 1960, the total industry employment has declined from approximately 224,000 to 219,000 over the last decade. This is due in part to reductions in labor force due to modernization in processing and wholesaling.

A second important aspect of the fishing industry is the manufacture, sale, and repair of commercial fishing craft. In 1971, fishing craft constituted 13 percent of the merchant vessels of 100 or more tons launched from U.S. yards. During that same year, approximately 1,100 craft between 5 and 1,300 tons were added to the U.S. fishing fleet.

The American fishing industry supplements imported fish. Today approximately 62 percent of all fish consumed domestically are imported. This represents a cash outflow of $872 million. One-quarter of our trade is with Canada, which sold this country $206 million worth of edible fish and fish products in 1971. Japan sold us $144 million worth of products and Mexico $88 million. However, if we had no domestic fisheries, we would spend about $500 million more.

The American fishing industry is relatively stagnant today. The fisheries of other nations are increasing dramatically. Between World War II and 1957 the United States was second only to Japan in the size of the catch. Since that year, we have declined steadily. Since 1966 we have not even ranked among the top five fishing nations of the world.

Today the United States is sixth. We rank behind Japan, Peru, Communist China, the Soviet Union, and Norway. The total 1971 American catch, 2.5 million tons, was less than half of Japan's. Many of the fish the Japanese take are caught off of Alaska. This catch constitutes a major threat to America's fishery resources. In other words, foreign fishing has increased off of our shores while American fisheries off of distant coastal nations have declined.

In future years, an increasing amount of our protein will have to come from the sea. At the same time, fish conservation efforts are still at a relatively primitive stage. International competition outweighs cooperation. The fishing industry is a focus for international tension.

Yet, in this area, as in few others, the fate of mankind hangs in the balance. Aquaculture must receive the attention it deserves. International cooperation is vital and interim measures must be taken to insure the conservation of this resource until that international cooperation can be achieved.

It has been estimated that the fish and shellfish potential on or near the Continental Shelf and slope waters of the United States could, if we developed them thoroughly through aquaculture, yield catches of nearly 20 million tons annually. This haul would be worth $3 billion, as compared to the current $500 million catch.

Additionally plants, such as seaweed, could be used for various purposes, including food for humans and livestock and for fertilizer.

This problem is of such importance that we must take immediate measures to protect our resources.

Many nations are expanding their seaward borders unilaterally. But this can only lead to a rash of competing actions. Instead, as I have indicated, mankind's greatest hope lies in a coordinated effort of international cooperation, not competition.

On October 3, 1972, the Oceans and Atmosphere Subcommittee held hearings on the Law of the Sea Conference. We heard testimony from various members of the American delegation. A number of other written responses were received.

Many of these discussed the measures the United States should take to preserve our fishery resources.

As Prof. Lewis M. Alexander, Director of the Law of the Sea Institute at the University of Rhode Island indicated:

So far as the "developing countries" syndrome is concerned, probably the most effective direction in which the United States might move is in education. Some well-documented studies might be prepared which emphasize both the nature and importance to individual countries of their peculiar physical and economic relationships with the sea, as well as the impacts on their own situations which would result from the adoption of certain proposals, such as the 200-mile limit, or the extension of national con-

trol over resources to the outer edge of the continental margin. Such studies should be widely distributed among delegations, particularly those of the developing countries. At the same time U.S. diplomatic efforts should continue to focus on emphasizing the differences as well as similarities among national interests in the ocean, and in playing down the illusory commonality of developing states' positions.

Prof. William T. Burke of the University of Washington Law School advocated assistance to developing States to conserve their resources and to use the highest technological means to manage the limited fishery resources. He stated we must not only prevent depredation of the resource, we must financially and technologically encourage other nations to meet the same high standards we set for ourselves. This will entail three things: first, expanding the scope of statutory authority of various agencies to engage in technical assistance work on an international scale. Second, a need for increased funding for imaginative new programs in technical assistance oriented to the scientific investigation and ultimate development of the oceans. Third, as Professor Burke put it, "there is a need for some creative law-making aimed at encouraging a broader international perspective or outlook among U.S. institutions, public and private." One such program would be an expansion of the Sea Grant program internationally.

Prof. John L. Jacobson of the University of Oregon Law School authored a Law Review article, also included in the hearing record. Professor Jacobson makes a number of similar suggestions on this point which are incorporated in the bill.

The "Coastal and Anadromous Fish Conservation Act of 1973" is designed to meet the problems of our coastal and anadromous and high seas fisheries. It provides for an extension of conservation jurisdiction over U.S. coastal and anadromous fish. It will permit the United States to take responsible action to conserve our fishery resources.

I urge my colleagues to consider this legislation carefully.

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

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

S. 2338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Coastal and Anadromous Fish Conservation Act of 1973."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) Certain United States' coastal and anadromous fish have shown serious declines in population, such declines have commercially depleted several species and have put others in immediate danger of commercial depletion;

(2) recent years have seen significant increases in foreign commercial fishing of such fish with more efficient technologly resulting in much larger catches of such fish;

(3) little is known about the habits of such fish and the effects of the weather, natural predators, diseases, and foreign commercial fishing upon their populations;

(4) the decline in the populations of such fish has seriously threatened America's commercial fishing industry; and

(5) conservation rules and regulations will take some time to be worked out on a permanent basis with the nations involved.

(b) The Congress therefore concludes—

(1) such coastal and anadromous fish should not be permitted to become commercially depleted prior to the time conservation rules and regulations are worked out on a permanent basis with the nations involved;

(2) the "species" approach contained in the draft article tabled by the United States at the Law of the Seas Conference preparatory session represents a workable conservation program;

(3) under the "species" conservation concept this Nation has the primary duty to manage and the primary right to harvest such fish;

(4) until more is known about the causes of the declines in fish populations and the relationship of foreign commercial fishing to such declines, or until conservation rules and regulations are worked out on a permanent basis with the nations involved, it is to this country's economic interest and in the interest of good conservation to impose a conservation moratorium upon foreign fishing of United States coastal and anadromous fish; and

(5) it is therefore the purpose of this Act to provide for the conservation of such fish under United States conservation jurisdiction until such time as the necessary treaties or conventions can be entered into.

DEFINITION

SEC. 3. For the purposes of this Act "commercial depletion" means any level below the level at which any fish species or stock can produce its optimum sustainable yield.

CONSERVATION JURISDICTION

SEC. 4 (a). The United States hereby extends its jurisdiction for conservation purposes over all United States coastal and anadromous fish.

(b) Such conservation jurisdiction shall extend over all United States coastal and anadromous fish throughout their ranges, however, such jurisdiction shall not extend to the territorial waters or fishery conservation zone of another nation.

(c) Such conservation jurisdiction shall be exercised to the same extent and under the same procedures as the United States jurisdiction over fish within its territorial sea and fishery zone contiguous thereto.

(d) Sixty days after written notice to the President of the Senate and the Speaker of the House of Representatives, the Secretary of the Treasury may authorize a vessel other than a vessel of the United States to engage in fishing under specified terms and conditions for fish under the jurisdiction of the United States. Such authorization may be made only after consultation with all federal and state agencies concerned and must be based upon clear and convincing evidence that such fishing would not cause or significantly contribute to the commercial depletion of such fish and that such fishing is to be carried out in accordance with good conservation practices.

(e) Such fishery conservation jurisdiction may be terminated—

(1) when conservation rules and regulations are worked out on a permanent basis with the nations involved; or

(2) when it is determined that a particular fish is in no danger of commercial depletion.

INTERNATIONAL RELATIONS

SEC. 5. (a) Nothing in this Act shall be construed to abrogate any treaty, convention, or executive agreement to which the United States is a party from the date of enactment of this Act.

(b) The Secretary of State shall—

(1) direct the United States delegation to the Law of the Seas Conference to encourage and support articles, measures, and agreements at the Conference to carry out the policies and provisions of this Act;

(2) initiate negotiations as soon as possible with all foreign governments which are engaged in or which have persons or companies engaged in commercial fishing operations for fish protected by this Act, for the purpose of entering into treaties and agreements with such countries to carry out the policies and provisions of this Act;

(3) review and, if necessary, initiate the amendment of treaties, conventions, and agreements to which the United States is a party in order to make such treaties, conventions, and agreements consistent with the policies and provisions of this Act;

(4) provide to the Congress not later than one year after the date of enactment of this Act a full report on the results of his activities under this section.

RESEARCH

SEC. 6. (a) During the time the United States exercises conservation jurisdiction over its coastal and anadromous fish, it shall undertake such research activities as may be necessary to remove the danger of commercial depletion to these fish.

(b) The Secretaries of Commerce and the Interior are jointly and severally authorized to carry out research or to provide financial assistance within their respective jurisdictions to public and private agencies, institutions, or persons to carry out research furthering the purpose and policies of this Act.

(c) Such research activities shall be undertaken in cooperation with other nations wherever possible.

(d) There is authorized to be appropriated, not to exceed $——— in any fiscal year to carry out the provisions of this section.

REGULATIONS

SEC. 7. The Secretaries of State, Commerce, the Interior, and the Department in which the Coast Guard is operating are authorized jointly and severally to issue such regulations as may be necessary to carry out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated not to exceed $——— to carry out the provisions of this Act other than Section 6.

EFFECTIVE DATE

SEC. 9. The provisions of this Act shall become effective on the date of enactment of this Act, except that the provisions of Section 4 shall become effective 90 days following such date of enactment.

By Mr. CRANSTON:

S. 2339. A bill to establish the Santa Barbara Channel Federal Energy Reserve. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, I rise to introduce for appropriate reference a bill designed to resolve the controversy about whether environmental considerations necessitate the suspension of oil and gas production in the Santa Barbara Channel.

This new proposal is the product of many conversations with both industry and environmental leaders. It is a further refinement of the various bills I have sponsored in the 91st and the 92d Congresses to halt oil production in the channel. I believe it presents a fair and balanced solution that provides environmental safeguards without precluding future development of the substantial oil and gas reserves in the Santa Barbara Channel.

The bill designates the area of the Outer Continental Shelf, as defined in the Outer Continental Shelf Lands Act, in the Santa Barbara Channel off the coast of California as the "Santa Barbara Channel Federal Energy Reserve." All production of oil and gas on the leases within the reserve, except for the three that are now producing, would be suspended until we have developed and proven elsewhere an offshore extraction technology that can insure maximum environmental protection. Suspension of oil production could be terminated in only three ways: First, affirmative findings by the Secretary of the Interior that a number of conditions specified in my bill have been met; second, a subsequent act of Congress; or third, authorization by the President pursuant to an Executive order declaring a national emergency and requiring the development of the oil and gas within the reserve.

The chief difference between this and my past bills is that this new proposal will not prohibit continued exploration for and identification of oil and gas reserves on existing leases in the channel. I believe this is an important feature as we find ourselves in the midst of an "energy crisis"—and while there may be disagreement about the proportions and the timing of this crisis, there certainly is agreement about the fact that sooner or later we are going to have to face up to our dwindling supplies of fossil fuels. My bill addresses this question by allowing the continuation of exploratory activities in the channel, for the purpose of identifying the oil and gas reserves we can tap at some future date. If and when oil is found on any lease, production would be automatically suspended and held in abeyance in the Federal Energy Reserve until we have developed and proven an environmentally sound technology.

Mr. President, since the blowout of platform A on January 28, 1969, I have been trying to develop a legislative solution that Congress would find acceptable. I am convinced that the bill Senator TUNNEY and I are introducing today is reasonable, fair, and feasible, and I urge my colleagues to support my efforts to get it enacted.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed at this point in the RECORD.

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

S. 2339

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 "Santa Barbara Channel Federal Energy Reserve Act".

FINDINGS

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

(1) the Santa Barbara Channel is a unique area;

(2) hazards may exist in offshore oil and gas production posing a serious threat of pollution of coastal waters;

(3) such pollution has occurred in the Santa Barbara Channel of California;

(4) present drilling and production methods and unsightly drilling rigs constitute environmental and navigational hazards which threaten the Santa Barbara coastline and its submerged lands sanctuary, including the offshore islands;

(5) while continued exploration for potential oil and gas reserves is consistent with the development of a sound national energy policy, there exists a need for a production moratorium in the Santa Barbara Channel until a drilling or production technology has been established that can insure maximum environmental protection; and

(6) it is therefore in the national interest to postpone oil and gas production and to create a Federal energy reserve in the Santa Barbara Channel until such adequate technology is established and proven.

ESTABLISHMENT OF SANTA BARBARA CHANNEL FEDERAL ENERGY RESERVE

SEC. 3. The area of the Outer Continental Shelf, as defined in the Outer Continental Shelf Lands Act, in the Santa Barbara Channel off the coast of California is hereby established as the Santa Barbara Channel Federal Energy Reserve (hereinafter referred to as the "Reserve"). Such Reserve shall be subject to the provisions of this Act and to the Outer Continental Shelf Lands Act to the extent consistent with this Act.

SUSPENSION OF PRODUCTION IN RESERVE

SEC. 4. (a) Except on leases described and as provided in section 5, all production of oil and gas in the Reserve is suspended but nothing in this Act shall prevent the continued exploration for oil and gas in the Reserve.

(b) Such suspension shall be terminated by the Secretary of the Interior, after consultation with the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, and finding by the secretary that—

(1) oil spill containment and recovery technology adequate for Santa Barbara Channel sea conditions and the rate of flow historically associated with major oil blowouts (of 1,000 barrels per day or more) has been developed, and made available;

(2) independent oil consultants of national reputation concur that the characteristics of the specific geological formation to be drilled and produced do not present unusual hazards and indicate sufficient stability for drilling and production without the danger of causing an oil blowout from the ocean floor;

(3) the technology of the offshore drilling provides the optimum in pollution prevention for the specific geological formation to be drilled;

(4) underwater completion and production techniques have been perfected and demonstrated at another location to be safe and effective;

(5) the location of the drilling site offers no navigational hazards;

(6) the reliability of a proposed drilling or production technology has been established and demonstrated to be safe and effective;

(7) environmental impact recommendations are filed by appropriate Federal agencies or advisory boards in compliance with the reporting requirements of the National Environmental Policy Act of 1969; and

(8) public hearings on these matters have been held in Santa Barbara, California.

(c) The Secretary is authorized to extend the primary term on each lease on which production is suspended pursuant to this section for—

(1) the period of the suspension pursuant to this section; and

(2) for an additional period equal to the time remaining on the primary term of such lease on the date of enactment of this Act. During the period of suspension the Secretary shall waive all of the rentals and drilling deferment payments with respect to such lease.

(d) Notwithstanding the preceding provisions of this section, the President may terminate the suspension provided for in this section, for such period as he may prescribe, upon determining that a national emergency in oil and gas supplies necessitates such termination for such period.

PROVISIONS WITH RESPECT TO CERTAIN LEASES

SEC. 5. (a) The Secretary is authorized under such terms and conditions as he may prescribe to unitize all or any part of the following described leases in the Reserve, if he finds such action is necessary or desirable to prevent or minimize oil spillage, leaks, or other pollution:

P–0241 P–0240 P–0166

(b) The Secretary shall not permit the erection of any further platforms within the leases described in this section unless necessary to prevent oil leakage, not otherwise contained, and where no other methods are feasible. No such platform shall be authorized unless pursuant to a recommendation made by the Secretary in accordance with the provisions of section 4 relating to findings under that section and such provisions shall also apply to recommendations under this section.

(c) The Secretary shall provide for and require the orderly removal of all platforms within the leases described in this section when he finds that they can be replaced by underwater drilling or production units which comply with the provisions of clause (4) of section 4(b) of this Act.

(d) At such time as the Secretary determines that no further drilling or production is required in leases P–0240 and P–0241 to prevent or minimize oil spillage, leaks, or other pollution, he shall report such fact to Congress.

(e) The Secretary shall suspend production on the lease designated as PRC–3150 pursuant to section 3 of this Act at such time as the State of California terminates the lease designated as PRC–3150, granted by such State with respect to adjoining lands in the Carpinteria Oil Field.

TAX CREDIT FOR CERTAIN SUSPENSION COSTS

SEC. 6. The holder fo any lease on which production is suspending pursuant to this Act shall be allowed a credit toward any tax imposed on such holder pursuant to subtitle A of the Internal Revenue Code of 1954 for any taxable year in an amount equal to the interest, at a current fair market rate on such holders investment in such lease, for the period of such suspension during such year.

SANTA BARBARA CHANNEL FEDERAL ENERGY RESERVE

SECTION-BY-SECTION ANALYSIS

Sec. 2. Findings and Declarations.

The Congress finds and declares that the Santa Barbara Channel is a unique area; that hazards exist in offshore oil and gas production posing a serious threat of pollution of the coastal waters; that such pollution has occurred in the Santa Barbara Channel; that present drilling and production methods and unsightly drilling rigs constitute environmental and navigational hazards which threaten the Santa Barbara coastline and its submerged lands sanctuary, including the offshore islands; that while continued exploration for potential oil and gas reserves is consistent with the development of a sound national energy policy, there exists a need for a production moratorium until a drilling or production technology has been established that can insure maximum environmental protection; and that it is in the national interest to postpone oil and gas production and to create a Federal energy reserve until such adequate technology is established and proven.

Sec. 3. Establishment of the Santa Barbara Channel Federal Energy Reserve

The area of the Outer Continental Shelf, as defined in the Outer Continental Shelf

Lands Act, in the Santa Barbara Channel is established as the Santa Barbara Channel Federal Energy Reserve.

Sec. 4. Suspension of Production in the Reserve

(a) All production of oil and gas in the Reserve is suspended, but nothing shall prevent the continued exploration for oil and gas in the Reserve.

(b) Such suspension shall be terminated, after consultation with the Administrator of EPA and the Coast Guard, upon a finding by the Secretary of Interior that—

(1) Oil spill containment and recovery technology adequate for Santa Barbara Channel sea conditions and the rate of flow historically associated with major oil blowouts (of 1,000 barrels per day or more) has been developed, proven, and made available.

(2) Independent oil consultants of national reputation concur that the characteristics of the specific geological formation to be drilled and produced do not present unusual hazards and indicate sufficient stability for drilling and production without the danger of causing an oil blowout from the ocean floor.

(3) The technology of the offshore drilling provides the optimum in pollution prevention for the specific geologic formation to be drilled.

(4) Underwater completion and production techniques have been perfected and demonstrated at another location to be safe and effective.

(5) The location of the drilling site offers no navigational hazards.

(6) The reliability of a proposed drilling or production technology has been established and demonstrated to be safe and effective.

(7) Environmental impact recommendations are filed by appropriate Federal agencies or advisory boards in compliance with the reporting requirements of the National Environmental Policy Act of 1969, and

(8) Public hearings on these matters have been held in Santa Barbara, California.

(c) The primary term on each lease can be extended for—

(1) The period of the suspension, and

(2) For an additional period equal to the time remaining on the primary term on the date of enactment of this Act.

During the period of suspension the Secretary shall waive all of the rentals and drilling deferment payments with respect to such lease.

(d) The President may terminate the suspension upon determining that a national emergency in oil and gas supplies exists.

Sec. 5. Provisions with Respect to Certain Leases

(a) The Secretary is authorized to unitize all or any part of the leases numbered P–9241, P–0240, and P–0166 if he finds such action necessary or desirable to prevent or minimize oil spillage, leaks or other pollution.

(b) The erection of additional platforms on these three leases is prohibited unless it is necessary to prevent oil leakage not otherwise contained and where other methods for containment are not feasible. No platform can be authorized unless the Secretary finds it meets the conditions specified in section 4.

(c) All existing platforms on these three leases shall be removed when the Secretary finds that they can be replaced with underwater drilling or production units which comply with clause (4) of section 4 (b) of this Act.

(d) If the Secretary determines that no further drilling or production is required in leases P–0240 and P–0241 he shall report such fact to Congress.

(e) The Secretary shall suspend production on the lease designated as P–0166 at such time as the State of California terminates the lease designated as PRC–3150 with respect to adjoining lands in the Carpinteria Oil Field.

Sec. 6. Tax Credit for Certain Suspension Costs

The holder of any lease on which production is suspended by this Act is allowed to claim a tax credit for any taxable year in an amount equal to the interest, at a current fair market rate on such holder's investment in such lease, for the period of the suspension in that year.

By Mr. TOWER (for himself and Mr. HRUSKA):

S. 2340. A bill to prohibit unauthorized disclosure of grand jury information. Referred to the Committee on the Judiciary.

Mr. TOWER. Mr. President, I am today introducing legislation to prevent unauthorized disclosure of materials before a grand jury by making it a felony to violate the rule of secrecy before such panels. I am extremely pleased that Senator HRUSKA, the distinguished ranking minority member of the Senate Judiciary Committee, has joined in sponsoring this bill with me.

Recent disclosures of grand jury proceedings have shocked me and other Americans who have great confidence and respect for the grand jury as a significant institution imbedded in the finest traditions of English common law and American jurisprudence. Improper disclosures, such as the verbatim publishing of grand jury testimony in one of our leading newspapers and in a syndicated newspaper column with a vast circulation of its own, are extremely detrimental to the attainment of swift, certain, and impartial justice, and cannot, therefore, be justified under any circumstances.

Under existing law, improper disclosuers of grand jury proceedings may only be punishable as contempt of court. The bill I am introducing today would not affect the power of the court to punish for contempt, but would in addition provide that such unauthorized leaks of grand jury matters could be prosecuted as a felony. Under the bill's penalty provisions such an unauthorized leak could lead to no more than 2 years imprisonment or a $5,000 fine or both.

I am sure that the contempt procedure when utilized can be effective in restricting such unauthorized disclosures. However, in the interest of justice and fair play I believe that an additional criminal remedy which the prosecutor can utilize is needed to promote and safeguard the true aims of the grand jury.

Mr. President, the independence of the grand jury and the secrecy of its proceedings has served as a basic foundation of our legal system since the Earl of Shaftesbury Trial case in 1681. This case signaled the end of the use of the grand jury as an instrument of the English crown. Since that time the secrecy of the proceedings has allowed the grand jury to operate as an independent body subservient to no other governmental institution.

The rationale for grand jury secrecy has been stated in a variety of ways. Basically the five major reasons are, first, to prevent escape of those whose indictment may be contemplated; second, to insure utmost freedom to a grand jury in its deliberations, and to prevent importuning of grand jurors; third, to prevent subordination of perjury or tampering with witnesses; fourth, to encourage free, untrammeled, and candid disclosures by persons who have information with respect to alleged criminal activities; and fifth, to protect the rights of the accused.

In recent years there has been a trend in favor of limited disclosure of material relating to grand jury proceedings. Such limited disclosure, however, is only available to a defendant upon a showing that the information is essential to his defense at trial. These disclosures must be authorized by the court and, therefore, have no bearing or relationship to the situation with which I am concerned. Furthermore, this legislation protects the right of limited disclosure contained in rule 6(e) of the Federal Rules of Criminal Procedure by specifically listing those instances where disclosure is authorized. For instance, disclosure is authorized upon a showing by the defendant that grounds may exist for a dismissal, because of matters occuring before a grand jury.

The types of unauthorized disclosures that the country has witnessed in recent months is not only injurious to the rights of the accused, but also to those questioned by a grand jury but never indicted. It also restricts the ability of the grand jury and the various law enforcement agencies to function in accordance with their prescribed legal duties. Due process of law becomes impossible to insure if there exists the possibility that a witness' secret testimony today will be front-page news tomorrow.

There are those in our society who would rather indict and convict not in a court of law, but rather through a systematic policy of guilt by innuendos cloaked behind an aura of sensationalism. In this regard they are acting as irresponsibly as those who eventually may be found guilty of the wrongdoing which they now condemn. As soon as one criticizes such jingoistic policies, however, these individuals raise the specter that their first amendment rights are being trampled upon. It should be recalled that the Founding Fathers wrote the first amendment to protect the basic rights of all Americans and not as a shield to use by those who have violated some of our basic principles of due process and fair play.

I am hopeful that the Subcommittee on Criminal Laws and Procedures of the Senate Judiciary Committee would give this matter their careful consideration as they continue reviewing legislative proposals to revise the Federal Criminal Code. The bill does not affect any existing substantive or procedural statute. It is solely intended to stop the unauthorized leaks of grand jury deliberations that has had the effect at times of making the whole proceeding look as if it were a farce.

The enactment of the criminal measure which the bill proposes will permit investigation by Federal law enforcement officers to determine the source of the unauthorized disclosures. It will serve to emphasize the seriousness of the

effect of such disclosures on grand jury proceedings and, therefore, hopefully act as a deterrent against future unauthorized actions of this nature.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 2340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 73 of title 18, United States Code, is amended—

(a) by adding at the end thereof the following new section:

"§ 1512. VIOLATIONS OF GRAND JURY SECRECY

"(a) Whoever discloses any matter occurring before any grand jury impaneled before a court of the United States shall be fined not more than $5,000 or imprisoned not more than two years or both.

"(b) Subsection (a) shall not apply to—

"(1) disclosure by any person of any matter to an attorney for the Government for use in the performance of his duties:

"(2) disclosure of any matter by a juror, attorney, interpreter, stenographer, operator of a recording device, or any typist who transcribes recorded testimony when so directed by the court preliminarily to or in connection with a judicial proceeding or when permitted by the court at the request of the defendant upon a showing that grounds may exist for a motion to dismiss the indictment because of matters occurring before the grand jury; or

"(3) disclosure by a witness before such grand jury or by his attorney of any matter concerning which the witness has testified, or produced other information, before the grand jury.

"(c) Nothing contained in this section shall be construed to affect the power of the court to punish any person for contempt."; and

(b) by adding at the end of the table of sections at the beginning of the chapter the following new item:

"1512. Violation of grand jury secrecy."

Mr. HRUSKA. Mr. President, I am pleased to join my friend and distinguished colleague from Texas (Mr. TOWER) as a cosponsor of the bill which he has just introduced to proscribe violations of grand jury secrecy, and to provide penalties.

I am in complete accord with his expression of abhorrence for any unauthorized leak of grand jury matters and with his expressed need for an explicit criminal sanction in this area.

As my colleague has noted, this type of activity is punishable under current law as contempt of court. Perhaps this procedure which limits punishment to 6 months incarceration is adequate to meet day-to-day problems in this area. However, in those situations where there are aggravating circumstances, I believe that the Department of Justice should have prosecutorial discretion to proceed on the basis of criminal contempt as is authorized by the subject bill.

Substantial efforts to subvert the grand jury process, in my mind, amount to an obstruction of justice which is punishable as a felony under current law—chapter 73 title 18, United States Code. Therefore, it seems entirely appropriate to me as a matter of parallelism to authorize prosecution for such an offense. By this process a defendant would be guaranteed his constitutional rights to a trial by jury.

I applaud the initiative of Senator TOWER in this respect and express my hope that the Committee on the Judiciary will give this matter its prompt attention.

By Mr. McINTYRE:

S. 2341. A bill to amend the Economic Stabilization Act of 1970 by providing for a moratorium on further control of the marketing of petroleum products by petroleum producers and refiners. Referred to the Committee on Banking, Housing and Urban Affairs.

PETROLEUM MARKETING MORATORIUM ACT OF 1973

Mr. McINTYRE. Mr. President, the legislation I am introducing today would amend the Economic Stabilization Act of 1970 by providing a moratorium on further control of the marketing of petroleum products by large integrated petroleum producers or refiners.

The Petroleum Marketing Moratorium Act of 1973 would make it unlawful for any person directly or indirectly engaged in the production, refining, or transportation of petroleum products whose annual gross sales total over $1 billion to acquire, either directly or indirectly, any retail gasoline outlet for the marketing of petroleum products which were not acquired by such person as of May 10, 1973.

Violations of the act will be punished by fines not to exceed $100,000 or by imprisonment not to exceed 10 years.

In addition to this enforcement provision, the Attorney General is authorized to commence appropriate civil action to enjoin any violation of this act.

The act also directs the Federal Trade Commission within one year of passage to prepare a plan for divestiture of the retail marketing of gasoline from all other branches of the petroleum industry, namely, production, refining, and transportation.

There is a great need for this legislation. During the past few years we have witnessed a significant number of vertical mergers and marketing realinements within the oil industry. This activity results in a lessening of competition that is injurious to both the consumer and the small business wholesaler and retailer in the marketing segment of the oil industry. By allowing such regional concentration, price competition is thereby reduced and the consumer has fewer sources of supply accompanied by higher prices. Such concentration also provides the dominant companies with the economic leverage in the region to exert various pressures on smaller marketers. These pressures are evidenced in various ways, such as, price rigidity, forced marketing practices which include various give-away programs and the requirement that dealers must carry certain product lines, and other anticompetitive activities. To the small businessman engaged in the marketing of petroleum products, this type of economic power erodes his ability to make independent determinations as to how he will run his own business. Too often, the so-called independent small business jobber and dealer, both branded and unbranded, are subjected to coercive restrictions and requirements which deny him the ability to make his own determinations on how he wishes to conduct his business.

In various regions of the country, we find that one company dominates a given marketing territory and thereby achieves a position of superiority and potential monopolization.

Mr. President, at this point, I request unanimous consent that Appendix I outlining extensive marketing realinement of several major oil companies to which I refer be printed in the RECORD.

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

APPENDIX I

Marketing changes

Gulf Oil: On October 1972, announced a $250 million writeoff of "marginal and unprofitable" operations. Included in the announcement was its plan to sell or close 3,500 service stations in the upper Mid-west and Northwest.

Phillips Petroleum Co.: In June 1972 announced plans to withdraw its service station and home heating oil operations in the Northeast; 1,400 service stations are involved.

Arco: Announced plans to withdraw from retail marketing operations in the South, Southwest, Rocky Mountain and Plains states.

Sohio/BP: Sold some 1,150 service stations to American Petrofina, which included all of its marketing operations in Florida and Georgia as well as selected marketing operations in North and South Carolina and parts of Louisiana, Alabama, and Oklahoma.

Sun Oil Co.: In February 1973 announced that it was withdrawing from marketing operations in eight Midwestern States. Over 300 service stations were involved. The States are Illinois, Nebraska, Kansas, the Dakotas, Wisconsin, Minnesota, and Tennessee.

Mobil Oil Co.: Intends to close 575 service stations in 1973.

Exxon: Pulled out of Indiana, Illinois, Wisconsin, and Michigan.

Standard (Ind.): Pulled out of Western states with the exception of Washington and Oregon.

Mr. McINTYRE. Mr. President, several recent studies and reports on the petroleum industry indicate that the marketing segment at this point in time represents the most competitive component of the petroleum industry, but I am convinced that if action is not taken immediately to prevent the dominant companies from further encroachment into marketing that Congress will have missed an opportunity to assure both the consumer and the small business marketer the benefits of competition.

The Federal Trade Commission acknowledged this when it said in its preliminary staff report on its investigation of the pctroleum industry:

Gasoline marketing is the most competitive area of the petroleum industry and has the largest numbers of independent companies.

But the report went on to say that:

Because the major oil companies control the lion's share of domestic crude oil and refinery capacity under conditions of excess demand, they have been able to direct the flow of gasoline to their own service stations first, thus denying to the independent mar-

keter access to a substantial portion of the gasoline supply . . .

The data clearly indicate that the eight largest firms have dealt nominally with independent marketers. Several have testified in investigative hearings that they will not sell to the independents, regardless of price.

It is precisely because of the fact that marketing is the most competitive sector of the oil industry that we should strive to keep it so. This is exactly the issue to which the moratoruim bill addresses itself. By preventing the further penetration of the oil industry into the marketing segment, we will at least give Congress the opportunity to act on the fuel crisis without being backed to the wall.

The moratorium will reduce the present trend toward further concentration in the retail sector of the industry caused by price wars, acquisitions, secondary brands, and other marketing strategies resulting from the oligopolistic position of the dominant companies. We have witnessed in recent days with the announcement of second quarter profit earnings the meaning of competition and its relationship to profits. Exxon, for instance, the world's largest oil company, reported a 54 percent profit rise compared to the same quarter last year. Gulf Oil reported an astonishing 82 percent second quarter increase. Shell jumped 64 percent and the list goes on.

Mr. President, at this point in the RECORD I ask unanimous consent that appendix II be printed showing second quarter profits, as recently released by several oil companies.

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

APPENDIX II.—SECOND QUARTER PROFITS FOR 1973

Company	Net profit (millions)	Percent change from 1972
1. Exxon	$510	+54
2. Gulf Oil	195	+82
3. Shell	89.5	+64
4. Indiana Standard	121.3	+37
5. California Standard	181.7	+70
6. Atlantic Richfield	68.4	+50
7. Continental Oil	51.7	+24

Mr. MCINTYRE. It is interesting to observe that this profit increase occurred during Phase III which did have mandatory price controls on the largest 23 oil companies. Clearly, this dramatic profit increase, even with economic controls, demonstrates that the economic power of the majors can supersede such minimal Government restrictions. The Consumer Price Index has already risen 8 percent since the start of this year. While at the same time, in the gasoline market, prices have risen on the average of 18.8 percent since January.

I request unanimous consent that at this point in the RECORD several tables showing gross sales by the 20 largest companies along with comparisons of market shares in the various segments of the industry be printed in the RECORD.

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

APPENDIX III

Company	Sales ($000)[1]
Exxon	20,309,753
Mobil Oil	9,166,332
Texaco	8,692,991
Gulf Oil	6,243,000
Standard Oil of California	5,829,487
Standard Oil of Indiana	4,503,372
Shell Oil	4,075,898
Continental Oil	3,414,984
Atlantic Richfield	3,320,793
Tenneco	3,275,411
Phillips Petroleum	2,512,742
Occidental Petroleum	2,487,247
Union Oil of California	2,098,175
Sun Oil	1,917,977
Cities Service	1,862,100
Ashland Oil	1,780,003
Standard Oil of Ohio	1,446,636
Getty Oil	1,405,298
Amerada Hess	1,333,532
Marathon Oil	1,277,613

[1] For year ending December 1972.

Source: Fortune 500 Largest Industrials, May 1973.

COMPANY SHARE OF DOMESTIC CRUDE OIL AND GASOLINE REFINING CAPACITY, 1970

Rank in crude oil capacity	Company	Percent: Share of crude oil capacity	Percent: Share of gasoline capacity
1	Standard (N.J.)	8.59	9.22
2	Standard (Ind.)	8.22	7.94
3	Texaco	8.13	9.19
4	Shell	7.99	7.69
5	Standard (Calif.)	7.66	6.72
6	Mobil	6.28	6.30
7	Gulf	5.78	6.47
8	Aero	5.42	6.25
9	Sun	3.60	4.54
10	Union	3.51	3.24
11	Standard (Ohio)	3.47	3.09
12	Phillips	3.14	4.24
13	Ashland	2.51	2.11
14	Continental	2.36	2.03
15	Cities Service	2.22	2.26
16	Getty	1.64	1.76
17	Marathon	1.12	1.92
18	Coastal States	1.06	.73
19	Amerada Hess	.98	.79
20	Champlin	.97	.63
	Top 4	32.93	34.04
	Top 8	58.07	58.78
	Top 20	86.15	[1] 87.38

[1] The top 20 firms in gasoline capacity included Clark Oil (1.21 percent), Tenneco (1.35 percent), and American Petrofina (0.85 percent), in lieu of 18–20 above.

Note: Data obtained from "Mineral Industry Surveys," Bureau of Mines, "Crude Oil Capacity," Jan. 1, 1971.

COMPANY GASOLINE MARKET SHARES, 1970

Rank	Company	Market share[1] (percent)
1	Texaco	8.13
2	Shell	7.87
3	Standard (New Jersey)	7.42
4	Standard (Indiana)	7.30
5	Gulf	7.12
6	Mobil	6.60
7	ARCO	5.55
8	Standard (California)	5.02
9	Sun	4.15
10	Phillips	3.97
11	Union	3.29
12	Continental	2.35
13	Cities Service	1.96
14	Marathon	1.73
15	Standard (Ohio)	1.46
16	BP	1.41
17	Ashland	1.27
18	Tenneco	0.93
19	Kerr-McGee	0.77
20	Murphy	0.75
	Top 4	30.72
	Top 8	55.01
	Top 20	79.05

[1] Based on gallonage sales.

Note: Market shares obtained from National Petroleum News, "Factbook Issue," mid-May 1971, p. 127.

PURCHASES OF INDEPENDENT MARKETERS

	Gasoline purchases from 8 largest majors as a percent of total purchases	Gasoline purchases from other majors as a percent of total purchases
1967	1.5	51.0
1968	.5	48.2
1969	.7	43.6
1970	1.0	44.9
1971	1.6	42.7

A COMPARISON OF COMPANY RANKING IN CRUDE PRODUCTION, CRUDE REFINING CAPACITY, AND GASOLINE SALES[1]

Company	Rank in crude production	Rank in crude oil refining capacity	Rank in gasoline sales
Standard (New Jersey)	1	1	3
Texaco	2	3	1
Gulf	3	7	5
Shell	4	4	2
Standard (California)	5	5	8
ARCO	6	8	7
Standard (Indiana)	7	2	4
Mobil	8	6	6
Getty	9	16	[2]
Union	10	10	11
Sun	11	9	9
Continental	12	14	12
Marathon	13	17	14
Phillips	14	12	10
Cities Service	15	15	13
Amerada Hess	16	19	[2]
Tenneco	17	[2]	18
Skelly	18	[2]	[2]
Superior	19	[2]	[2]
Louisiana Land and Exploration	20	[2]	[2]
Standard (Ohio)	[2]	11	15
Ashland	[2]	13	17
BP	[2]	[2]	16
Kerr-McGee	[2]	[2]	19
Murphy	[2]	[2]	20

[1] Based on the rankings of tables 4 and 7. Rank in production is for 1969. Rank for capacity and gasoline sales is for 1970.
[2] Not ranked within the top 20 firms.

APPENDIX

OIL COMPANY EARNINGS BEAT SHORTAGE, FREEZE

[Note: There was product shortage and a price freeze during the 2d quarter. Yet, in the face of such adversity those amazing major oil companies managed to record astronomical profits. Gulf reported profits up 82 percent over the same period last year. Murphy was up 743 percent. A portion of the gains are due to poor showings in 1972, the companies said. Getty reported the only 2d quarter loss, an 18 percent drop. Except for Getty, oil company stocks have been soaring in recent days as the earnings reports are made public. Here are the ones available so far:]

	Net income 2d quarter (millions)	Percent gain	Net income 1st half (millions)	Percent gain
American Petrofina	$6.298	62.7	$11.033	78.5
Ashland	22.300	39.0	60.800	[1] 31.0
Atlantic Richfield	68.4	50		
Citgo	30.500	27.0	64.900	21.0
Clark	8.413	872.0	13.259	748.0
Continental	51.7	24		
Exxon	510.000	54.0	1.020	48.0
Getty	23.272	−18.0	56.364	9.0
Gulf	195.000	82.0	360.000	46.3
Marathon	27.557	65.6	51.722	57.7
Mobil	184.000	40.0	340.000	25.1
Murphy	9.191	743.0	15.643	193.0
Phillips	46.372	25.0	89.820	23.5
Shell	89.5	64		
Sohio	25.700	60.0	48.500	51.0
Standard of California	181.7	70	334.500	33.0
Standard of Indiana	121.3	37	242.500	29.0
Sun	49.000	42.4	98.000	42.2
Texaco	267.5	44.5		

[1] 3d fiscal quarter.

Sources: The Washington Post, U.S. Oil Week, July 30, 1973, the Oil Daily, July 30, 1973, the Wall Street Journal.

Mr. McINTYRE. Obviously, these companies have substantial economic power to influence the marketplace and do control to a great degree the fate of the marketing segment. It is incumbent upon Congress to act where we can have the greatest influence. By acting against these 20 majors who have, as the Federal Trade Commission has alleged, an oligopolistic grasp in the market we can achieve a more competitive market.

On the other hand, we must be careful when we try to restructure the market, even to the limited extent envisioned in this legislation, so that the disruption to the marketplace does not cause hardship on the consumer or the economy. Therefore, the legislation only seeks to divest the top 20 oil companies of their marketing operations which were acquired after May 10, 1973. This date also marks the start of the voluntary fuel allocation program.

Mr. President, the purpose of this legislation is clear and that is to increase competition. The moratorium only affects 20 companies, each of which had total sales last year of over $1 billion. Only by so limiting further vertical integration into the marketing segment of the industry can we assure a meaningful level of competition. What we are saying in this legislation is that there is plenty of room for everybody to compete but that certain reasonable limitations should be imposed in order to maintain a large viable marketing operation. The marketing segment of the petroleum industry has traditionally been comprised almost solely of small business. Hundreds of thousands of small companies engage in the transport, wholesale, and retail functions at the marketing level. We must assure that this situation continues.

This legislation may be characterized by some as "special interest" but, if it is, it is special-interest legislation for the consumer, for the small business marketer, and for the economic vitality of the marketing segment itself.

During the last few months, we have experienced in varying degrees short supplies of heating oil, diesel fuel, and gasoline, and there is a general consensus that this problem of shortages will become even more critical during the next few years. We must assure that shortages are not allowed to become a vehicle for the removal of competition in the marketing of petroleum products.

In closing, let me emphasize that this moratorium bill will only provide temporary relief until a more comprehensive solution can be formulated such as is contemplated in the Petroleum Marketing Divorcement Act of 1973 which I introduced on June 27 of this year.

Mr. President, I request unanimous consent that the Petroleum Marketing Moratorium Act of 1973 be printed in the RECORD at this point.

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

S. 2341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to the policy of Congress to assist in stabilizing the economy, reducing inflation, and protecting the purchase power of the dollar by making more competitive the marketing of petroleum products.

SEC. 221. As used in this Act—

(a) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization common-law trusts, or any organized group, whether or not incorporated.

(b) The term "production" means the development of oil lands within the United States and the production of crude petroleum and natural gas thereon, the storage of crude petroleum and natural gas thereon.

(c) The term "transportation" means the transportation of petroleum products by means of pipelines, railroads, or tankers.

(d) The term "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into finished or semifinished products. It shall include the initial sale with transfer of ownership of refined petroleum products to customers at the refinery.

(e) The term "marketing" means the sale and distribution of refined petroleum products, other than the initial sale with transfer of ownership to customers at the refinery.

(f) The term "control" means actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership of capital stock interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements where the result is used to affect or influence persons engaged in the marketing of petroleum products.

(g) The term "outlet" means real property used primarily as a place for the wholesale and retail sales of petroleum products.

(h) The term "operate" means engaging in the business of selling at wholesale and retail petroleum products, or motor vehicle parts, equipment, accessories, or supplies either directly, or indirectly through any agent who receives any commission, compensation, or payment because of the sale of any product of such producer or refiner.

SEC. 222. It shall be unlawful for any person directly or indirectly engaged in the production, refining or transportation of petroleum products, whose aggregate gross sales exceeded $1,000,000,000 during last year or any preceding year to acquire, operate, or control either directly or indirectly any wholesale or retail outlet for the marketing of petroleum products which were not acquired, operated, or controlled by such person as of May 10, 1973.

SEC. 223. Any person knowingly violating the provisions of this Act shall upon conviction be punished by a fine of not to exceed $100,000 or by imprisonment not exceeding ten years, or both, in the discretion of the court. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.

SEC. 224. It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates section 222. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

SEC. 225. Any person or association injured as a result of the violation of section 222 may bring a suit or action to enforce compliance with or enjoin any violation of section 222 and for any damages suffered as a result of the violation thereof. Any such action shall be brought in the U.S. district court in any district wherein the defendant is found or is an inhabitant or transacts business. Process in any such cases may be served in any other district.

SEC. 226. The Federal Trade Commission is hereby directed to prepare a plan for the divestiture of "persons" engaged in the production or refining of petroleum products from the marketing of petroleum products and file such plan with the Congress of the United States within a year of the effective date hereof.

SEC. 227. This Act does not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date.

SEC. 228. If a part of this Act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more applications, the part remains in effect in all valid applications that are severable from the invalid applications.

SEC. 229. This Act shall be known as the "Petroleum Marketing Moratorium Act of 1973".

By Mr. MONTOYA:

S. 2342. A bill to amend title II of the Social Security Act to increase to $3,000 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, today I am introducing an amendment to title II of the Social Security Act to increase to $3,000 the annual amount which individuals may earn without suffering deductions from benefits.

The plight of the aged in this country is a subject which is often bemoaned but which is seldom the focus of any decisive action. We have shown little compassion for the poverty-stricken elderly, and we have ignored their needs or pushed them aside too often in the past.

Twenty million Americans are over the age of 65. Twenty-five percent—almost 5 million—of that number live below the poverty level. They live on small pensions, on social security, on savings. Most of them live alone, or with other elderly persons.

Two things are important to note about the aged in 1973. The first is that spiraling inflation has hurt them more than it has other groups in the Nation. The second is that while many of them want to work and have valuable experience to offer, social security regulations keep them from helping themselves, as they struggle to keep afloat.

A low fixed income is no match for the rising costs of food, health care, and housing. Medical care costs have risen astronomically in the last few years and medicare and medicaid have not provided the cushion which would allow senior citizens to have the preventive medical help or the complete health coverage they should have. Property taxes have increased by more than one-third, and housing costs have gone up from 8 to 10 percent. The cost of food has spiraled in the last few months, with inflation rates up to 30 percent on some basic foods.

Even with recent social security increased benefits, the average elderly couple does not have an income that meets

the $5,200 level the Bureau of Labor Statistics lists as adequate to maintain health and enable a couple to be self-sufficient. Thus a large percentage of our senior citizens are forced to live in desperate financial insecurity and face continuing inflationary pressures.

Many of these elderly citizens are capable and wish to work to add to their incomes. The bill I am introducing today will increase the amount that an individual may earn without suffering a reduction in his social security benefits. That level was set as $2,400 to become effective in January of 1974. I am urging that we raise that level to $3,000. This will close the inflation gap and will allow the working elderly to provide the badly needed supplement to their income without sacrifice.

If we maintain the allowable earned income at an unreasonably low level, we make it disadvantageous for the elderly to work, and ask them to sacrifice not only needed income but the value of their working time.

Our senior citizens are a valuable resource for the labor market and they wish to remain useful and productive citizens. It is foolish to waste their talents and it is cruel to ask them to live lives of dependence in poverty when they want and need the dignity and self-respect which comes with helping oneself.

I urge my colleagues to support this amendment to restore a measure of fairness to our social security regulations.

By Mr. BEALL:

S. 2347. A bill to amend the Internal Revenue Code of 1954 to encourage the preservation and rehabilitation of historic buildings and structures and the rehabilitation of other property, and for other purposes. Referred to the Committee on Finance.

HISTORICAL STRUCTURES TAX ACT 1973

Mr. BEALL. Mr. President, from time to time the Congress has sought to achieve desirable social, economic, or environmental objectives through the use of tax incentives. Many years ago, it was decided that individual homeownership was a desirable goal, and the Congress enacted provisions in the Federal income tax law that allow for the deduction of interest paid on a mortgage. This tax benefit is used by many millions of Americans, and it has significantly contributed to homeownership in this Nation. Tax benefits are also granted to people for charitable contributions to hospitals, educational activities, and so forth. If there were no such tax breaks, Congress would probably have to raise additional money and deliver the services that are presently provided by these charitable organizations. Thus, Congress stimulates the development of social services via the private sector of our economy rather than taking upon itself the responsibility for directly delivering the desired services. In another area, the tax benefits for child care are designed to encourage the development of day care centers, enrich the environment of the children involved, enable both parents to work, if need be, and expand employment through the increased demands for babysitters, domestic personel, and so forth. Thus, a whole host of benefits are derived from the imaginative use of our Federal tax structure.

Mr. President, I am sending to the desk a proposal that would harness the constructive aspects of our Federal tax system so as to preserve historically significant buildings, encourage the rehabilitation rather than the demolition of older buildings in our urban centers, and increase the development of additional open spaces for public use. The Historic Structures Tax Act of 1973 is a modified version of legislation that has received the strong support of the President and the Secretary of the Treasury. Secretary Shultz, in a letter to the President of the Senate dated February 19, 1973, stated that—

> The bill would . . . encourage greater rehabilitation, rather than demolition, of older buildings in our urban areas. The legislation is similarly designed to make restoration of historic structures more appealing to private investors. Finally, the bill modified certain restrictions on the deductibility of charitable gifts of partial interest in land to be used for conservation purposes.

Although I have modified the legislation originally transmitted to the Senate by Secretary Shultz, I believe that I have preserved three of the major substantive initiatives contained in the draft bill, and I am confident that the legislation I am sending to the desk today is completely compatible with the program of the President and will receive the administration's enthusiastic support.

Earlier this year, the Association of Historical Societies of Maryland held their annual meeting in Baltimore and discussed, among other things, legislation such as the measure I have introduced today. Mr. John H. Jefferies, president of the Association of Historical Societies of Maryland, advised me that legislation providing for a "Federal income tax credit for the authentic restoration expenses" of various historical buildings designated by the Secretary of the Interior, would be most beneficial. I share, with the members of the Association of Historical Societies of Maryland, the profound belief that knowledge of and respect for our history is vital to the maintenance of our sense of national unity. We must always remember that we are in fact a nation of immigrants. We live together within the confines of a common territorial region, share a common language, and enjoy the fruits of a dynamic and highly integrated national economic system.

But, I believe that it is our common historical experiences that make us Americans. The message of American history is the message of resiliency. In 197 years, our Nation has demonstrated the ability to withstand an 8 year long struggle for independence, create a representative republic in the midst of a world dominated by monarchical states, endure a foreign invasion, a civil war, the Great Depression, two world wars, the riggors of the cold war, and the burdens of world leadership.

As we aproach our Bicentennial celebration, we should pause to reflect upon the dramatic changes which have taken place since the Founding Fathers led 13 tiny British colonies through a successful war of colonial secession. In just under two centuries we have evolved from a small nation into one that spans the North American continent, from a small agricultural economy to an industrial giant unmatched in history, and from a weak nation protected by its geographical remoteness into the world's most powerful Nation charged with responsibility for the defense of freedom throughout the world.

I believe that the measure I am sending to the desk today coincides with our national objectives as expressed by the President as well as the Congress. We can strengthen our sense of national unity and purpose, preserve our history, reinvigorate our urban communities, and make additional open spaces available for the use of our people by constructively utilizing our Federal tax system. This bill is not punitive in nature, but seeks to encourage through the constructive use of our tax system the long-range and highly desirable social goals which we, as a Congress, have set for our Nation.

Mr. President, I ask unanimous consent that the text of a section-by-section analysis of this legislation along with excerpts taken from an environmental impact statement prepared by the Department of the Treasury be printed in the RECORD at the conclusion of my remarks.

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

THE PROPOSED HISTORICAL STRUCTURES TAX ACT OF 1973—SECTION-BY-SECTION ANALYSIS

TITLE I—SHORT TITLE

Title I labels the Act as the Historical Structures Tax Act of 1973 and specifies that all amendments contained in the Act are amendments to the Internal Revenue Code.

TITLE II—PRESERVATION AND REHABILITATION OF HISTORIC STRUCTURES

Title II contains provisions intended to encourage preservation of historic buildings and structures certified by the Secretary of the Interior as registered or qualified for registration on the National Registry. In addition, the Bill limits depreciation to the straight-line method in the case of buildings constructed on sites which were formerly occupied by demolished historic structures.

Section 201

Section 201 adds a new section 189 to the Code, permitting a 5 year write-off of rehabilitation expenditures incurred with respect to historic structures which are used in the taxpayer's trade or business or held for the production of income provided that property acquired in connection with such expenditure is otherwise eligible for the depreciation allowance.

On the disposition of a certified historic structure, gain would be treated as ordinary income to the extent that the special write-off provided under this section exceeded the depreciation deduction which would have otherwise been allowable (without regard to this provision). This section would apply with respect to all expenditures made after February 15, 1973.

Section 202

Section 202 would add a new section to the Code providing that no deduction would be allowed for amounts expended in the demolition of a registered historic structure, or for the undepreciated cost of such a structure. Both items would have to be allocated to the basis of the land. The section would apply to all demolitions occurring after the date of enactment.

TITLE III—REHABILITATION OF OTHER PROPERTY

Section 301

Section 301 would add a new subsection (o) to the general depreciation rules of section 167. Under this new provision, if a taxpayer substantially rehabilitated depreciable property, he would be permitted to elect to compute depreciation with respect to his pre-existing basis in the building as though the entire structure was first placed in service by him. This will permit a taxpayer who purchases a used building and rehabilitates it to utilize so-called accelerated methods of depreciation, a privilege which is not now accorded taxpayers under the law.

In order to qualify for this special treatment, the amounts added to capital account during a 24 month period must be at least $5,000 in amount and must be greater than the undepreciated cost of the property, determined at the beginning of the 24 month period. The provision is effective with respect to such expenditures incurred after June 30, 1973.

TITLE IV—CHARITABLE TRANSFERS FOR CONSERVATION PURPOSES

Title IV provides several amendments to the charitable contribution provisions in section 170 of the Code, the effect of which is to permit a charitable contribution deduction for certain types of transfers which are not presently allowed under the law. Specifically, section 401(a) provides that a charitable deduction will not be denied on the transfer of a partial interest in property, where the interest is either an easement of 15 or more years duration granted exclusively for conservation purposes, or is a remainer interest in real property which is granted exclusively for conservation purposes. "Conservation purposes" mean the preservation of open land areas for public outdoor recreation or education, or scenic enjoyment; the preservation of historically important land areas or structures; or the protection of natural environmental systems.

These amendments would apply with respect to contributions made after February 15, 1973.

TAKEN FROM THE ENVIRONMENTAL IMPACT STATEMENT

(Prepared by the Department of the Treasury)

Rehabilitation.—These changes would seek to minimize the difference in tax treatment between demolition and rehabilitation of buildings. At the present time, the destruction of older structures and their replacement with new buildings or with parking lots and related low-density facilities are given tax benefits unavailable to the owner who wishes to substantially rehabilitate the original structure. The resulting loss of architectural variety, especially in the downtown areas of cities, and the continued deterioration of older buildings until a decision to demolish is made, have resulted in degradation of the urban environment. In order to counter this trend, the proposal would provide accelerated depreciation rates now available for new buildings to the undepreciated cost of old buildings which are substantially rehabilitated.

Historic Preservation.—Several changes are proposed to encourage the preservation of historically significant buildings. With the high rate of building demolition and replacement in the United States, it has been estimated that more than 25 percent of the buildings recorded by the Historic American Buildings Survey since 1933 have been destroyed. Present economic incentives do not favor the retention and restoration of these buildings, particularly those in private ownership. Maintenance costs are high and restoration expenses often exceed potential future returns for buildings held for commercial purposes.

The new proposals would seek to readjust these incentives so as to favor retention and restoration. They would allow a five-year writeoff of rehabilitation expenditures on depreciable property, would require capitalization of the costs of demolition and the undepreciated cost of the demolished building, and would limit depreciation on new structures placed on the site of a demolished or substantially altered Registered structure to the straight-line method.

Charitable Transfers.—The preservation of natural areas, scenic landscapes, unique ecosystems and other environmentally important lands is appreciably aided by the willingness of private landowners to dedicate their property to conservation purposes. Whether the gift is of the entire property or of rights over it that protect it from abuse, there are non-profit organizations which are empowered to receive such donations and to protect the areas from environmental degradation. Additionally, local and state governments are increasingly more involved in these activities. However, some provisions of the 1969 Tax Reform Act have had the unfortunate result of discouraging these important conservation undertakings. In dealing with a broad range of tax abuses in the area of charitable deductions, the reforms inadvertently swept in many transactions that would have these beneficial environmental impacts.

The changes now being proposed would rectify the treatment given for the charitable donation of land or rights in land for environmental purposes. Specifically, they would allow deductions for all donated conservation-related easements, even those granted for less than perpetuity. They would allow the deduction of remainder interests when donated for a wide range of conservation purposes.

ENVIRONMENTAL IMPACT OF THE PROPOSED CHANGES

The rehabilitation proposals are specifically aimed at preserving a variety in the size and architecture of urban structures by offering to the investor an attractive alternative to the demolition of older buildings. Center city commercial areas have been particularly affected by a tendency to convert land usage to large multi-story structures or to parking lots and other low density uses often related to motor vehicle accommodation. The resultant loss in the character and charm of our cities is a permanent concesison to economic realities. While the 1969 reforms provided special amortization for low and moderate income rental housing, these proposals would apply regardless of income level, although the tax incentives for low and moderate income units would continue to receive most favored treatment. Recent changes in other aspects of depreciation deductions allowable make it difficult to predict the pace of change as a result of these proposed provisions.

The proposed changes in the tax law are in no way intended to replace local and state governmental decisions related to the proper planning and regulation of land use. Nor will they have much effect absent a strong and creative effort by those levels of government to deal with the problems of urban blight. Nevertheless, over the long term the effect of moving toward more equal tax treatment of demolition and rehabilitation should result in greater variety and character in the urban environment. More older structures should be retained and renovated. Downtown areas should provide a broader range in architecture as the ages of buildings will be more varied. Smaller older structures should be saved and used where before they might have been converted to parking lots. Residential areas with a high number of rental units should show greater numbers of rehabilitated structures. Fewer structures should be abandoned and left to decay.

The historic preservation provisions are intended to provide to the taxpayers strong incentives to save those buildings and neighborhoods of such historical importance as to warrant a place on the National Register. It is estimated that as a result of these provisions increased expenditures will be made to restore and rehabilitate such structures, added efforts will be made to preserve them, and they will become desired structures that will be used and kept in good condition.

While these tax benefits may cause increased pressure for commercial use of such structures as offices and so forth, many of the buildings are now located in commercial areas, are unsuited for residential use, and are often objects of the demolition crews. Additionally, other proposals are being made outside the tax area that will provide benefits for owner-occupied historical buildings. Finally, provision of special tax treatment for Registered buildings will provide added interest in the possibility of registration and may result in a significant expansion in future years in the number of structures on the National Register.

The changes in the tax provisions governing the deduction of charitable donations of land and interests in land should increase the attractiveness of this alternative for many taxpayers. Along with related changes being considered in the valuation methods used by the Internal Revenue Service in some of these cases, these proposals should make the donation of land for conservation purposes one of the most advantageous of gifts. If past actions are indicators, it is expected that many of these donations will be of attractive large estates near urban areas, which would provide scenic and open space opportunities beyond the capabilities of most local governmental budgets. Additionally, the variety of possible uses for such lands—recreation, natural preserves, study areas, research areas, and scenic beauty to name a few—will allow for a varied balance of use and protection. Different conservation groups and public bodies will decide how best to use their own areas, hopefully providing a variety of outdoor experiences for the public.

IRREVERSIBLE AND IRRETRIEVABLE COMMITMENTS OF RESOURCES

While the proposals require no commitment of present resources by the Government, they will cause a small revenue loss.

By Mr. MOSS:

S. 2350. A bill to amend the National Aeronautics and Space Act of 1958 to provide for the coordinated application of technology to civilian needs in the area of Earth resources survey systems, to establish within the National Aeronautics and Space Administration an Office of Earth Resources Survey Systems, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

EARTH RESOURCES SURVEY SYSTEMS ACT OF 1973

Mr. MOSS. Mr. President, all of us in the Senate have come to realize that new technology and the changes it brings are facts of life in our society. Up to this point, technology has often been portrayed as a villian in the deterioration of our natural environment. But those who have paused to study the situation see that properly applied technology can be the most effective safeguard of our Earth's resources.

The key issue confronting us today is learning how to harness and direct technology to meet our most pressing national needs. And I can think of few needs as urgent as the efficient management and conservation of the Earth's resources—land, water, minerals, crops, and other fragile bounties. The Earth

Resources Survey System Act which I am introducing today represents an attempt to capitalize fully and effectively on the technology of Earth resources satellites already demonstrated so dramatically by the National Aeronautics and Space Administration.

This bill would require NASA to establish an Office of Earth Resources Survey Systems with the primary responsibility for turning remote sensing technology into an operational reality. To do so, the Office would survey the needs of all involved agencies with statutory missions in Earth resources. With such consultation, the Office would design and develop systems and, most importantly, regularly operate the space-based segments.

Despite repeated urging by the Congress in recent years, the Administration has failed to evolve the institutional arrangements needed to bring the benefits of remote sensing technology to a stage of operational usefulness for Earth resources management. Yet, the technology has moved ahead, as witnessed by the results from NASA's ERTS-1 satellite, launched a year ago. And the need for coordinated and careful management of our Earth's resources has also intensified. The gap between promise and performance is widening. The time to move toward operational Earth resources satellite systems is now.

During hearings this year before the Committee on Aeronautical and Space Sciences, Dr. Fletcher, the Administrator of NASA, gave an impressive presentation on the prospects for NASA technology meeting future needs in education, communications, navigation, meteorology, disaster relief, health care and energy, as well as in Earth resources management.

The simple but critical issue facing us today is this: Must we only speculate on these benefits coming to pass through without direct and positive action? Or, can we bring them about by formally integrating the talents of NASA with the programs of other Federal agencies?

In Earth resources, the tremendous potential benefits make me believe that we must try to do the latter. Of all the areas in NASA's program, none has received more unanimous and enthusiastic support. In fact, the Congress has already acted this year to push forward more rapidly on Earth resources satellite technology. I have received pleas from State and local officials to capitalize rapidly on the tremendously valuable experience from the first ERTS satellite.

This bill may well not outline the optimum way to arrange our Federal institutions in order to channel NASA's technology to the needs of Earth resources management. Nor does the bill represent a model for matching technology to public needs in other areas. Nevertheless, we are compelled to move now to find the best way and this bill will serve as a starting point.

Mr. President, I hope to collect the opinions of all those concerned with this bill during the weeks ahead so that the best thinking may be brought to bear. I request unanimous consent that the bill be printed in the RECORD for the attention of my colleagues.

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

S. 2350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I—SHORT TITLE; DECLARATION OF POLICY; AND FINDINGS

SEC. 101. This act may be cited as the "Earth Resources Survey Systems Act of 1973."

POLICY

SEC. 102. The Congress hereby declares that it is the policy of the United States that the products, services, tools and knowledge offered by advanced technology shall be directly and expeditiously applied to meet public needs for information on the quality and quantity of the resources of the Earth.

FINDINGS

SEC. 103. The Congress finds that—

(a) Investment in National Aeronautics and Space Administration programs has led to significant contributions in applying new technology to meet a broad spectrum of public needs, including such areas as housing, health care, education, transportation, pollution control and public safety. It is in the public interest to insure that in appropriate areas this proven potential is consolidated, preserved and extended in the most efficient manner.

(b) A critical factor in applying technology is the institutional arrangement used to coordinate National Aeronautics and Space Administration programs with those of other Federal agencies with statutory operating responsibilities.

(c) Earth resources management is one of the most pressing areas of public need. A key to effective management of these resources is more efficient and effective means to acquire and interpret information on the quality and quantity of such resources. New technological solutions have already been developed and demonstrated by the National Aeronautics and Space Administration in cooperation with other agencies of the United States. More effective utilization of new technology to meet these needs is both desirable and feasible.

TITLE II—AMENDMENT TO THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

SEC. 201. The National Aeronautics and Space Act of 1958 is amended by adding the following new Title IV:

"TITLE IV

"EARTH RESOURCES SURVEY SYSTEMS OFFICE

"SEC. 401. The Administrator shall establish, within the Administration, the Office of Earth Resources Survey Systems, hereinafter referred to as 'the office.'

"SEC. 402. The office shall, on behalf of the Administration, be responsible for—

"(a) Consultation with all interested agencies of the United States, and other appropriate entities, including state and local governments, to ascertain the needs for information on the quality and quantity of earth resources.

"(b) On its own, or at the request of other agencies of the United States, planning, research, design and development of earth resources satellite systems.

"(c) The planning, research, designed, development, and operation of the space segment of earth resources satellite systems of the United States.

"SEC. 403. As used in this Title—

"(a) 'earth resources satellite system' means a combination of one or more earth orbital satellites and associated ground equipment for satellite command, control, data reception, and data analysis and interpretation, designed to provide information as to the quality and quantity of earth resources. It does not include systems which have as their primary purposes acquisition of meterological information, or systems established primarily for purposes of national defense.

"(b) 'space segment' means that portion of an earth resources satellite system which includes the satellites and associated ground equipment for command and control of the satellites. It includes the transportation system for satellite launch, recovery, repair and refurbishment."

TITLE III—AUTHORIZATION

SEC. 301. There is hereby authorized to be appropriated to the National Aeronautics and Space Administration for use by the Office of Earth Resources Survey Systems for "Research and Development", $50,000,000.

By Mr. HATHAWAY:

S. 2351. A bill to prohibit sex discrimination by education institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine; and

S. 2352. A bill to amend the Education Amendments of 1972 to make the prohibition against sex discrimination apply to educational institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine. Referred, by unanimous consent, jointly to the Committees on Armed Services and Commerce.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two bills, S. 2351 and S. 2352, introduced by Senator HATHAWAY today be referred jointly to the Committee on Armed Services and the Committee on Commerce.

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

By Mr. HUMPHREY (for himself, Mr. MCGEE, Mr. KENNEDY, Mr. BROOKE, and Mr. JAVITS):

S. 2354. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

AFRICAN DEVELOPMENT BANK

Mr. HUMPHREY. Mr. President, I am introducing on behalf of myself, my colleague on the African Affairs Subcommittee, Senator MCGEE, and Senator KENNEDY, Senator BROOKE, and Senator JAVITS, a bill to authorize U.S. participation in the African Development Fund of the African Development Bank. This bill authorizes a grant of $15 million to be given over a 3-year period.

Administration inaction compels the introduction of this legislation. Since 1967 the U.S. Government has expressed enthusiastic support of this Fund and has been promising contribuions to it "subject to the approval of Congress." In the Secretary of State's report on U.S. foreign policy, 1972, it was stated that—

The administration will consult with the Congress on the question of U.S. participation in the Fund.

Yet, no such request has come from the administration. It is crucial that we meet our commitment to the African states as soon as possible. Congress must act to fulfill the promises which have been made "subject to its approval."

Mr. President, I ask unanimous consent that the bill to authorize U.S. participation in the African Development Fund be printed at this point in the RECORD.

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

S. 2354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. This Act may be cited as the "African Development Fund Act."

SEC. 2. The President is hereby authorized to accept participation for the United States in the African Development Fund (hereinafter referred to as the "Fund") provided for by the Agreement establishing the Fund (hereinafter referred to as the "Agreement") deposited in the Archives of the United Nations.

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund and a Director and an Alternate Director of the Fund.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor or Alternate Governor. The Director and his Alternate who shall receive compensation from the United Staes may, in the discretion of the President, receive such compensation, allowances, and other benefits not exceeding those authorized for a Chief of Mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended.

SEC. 4. (a) The policies and operations of the United States representatives of the Fund shall be coordinated with other United States policies in such a manner as the President shall direct.

(b) An annual report with respect to United States participation in the Fund shall be submitted to the Congress by such agency or officer as the President shall designate.

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States—

(a) agree to an increase in the subscription of the United States to the Fund;

(b) vote for or agree to any amendment of the Agreement which increases the obligations of the United States, or which would change the purpose or functions of the Fund; or

(c) make a loan or provide other financing to the Fund, except that funds for technical assistance may be provided to the Fund by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

SEC. 6. (a) There is hereby authorized to be appropriated without fiscal year limitation as the United States subscription, $15,000,000, to be paid by the Secretary of the Treasury to the Fund in three annual installments of $5,000,000 each.

(b) Any repayment or distribution of moneys from the Fund to the United States shall be covered into the Treasury as a miscellaneous receipt.

SEC. 7. Any Federal Reserve Bank which is requested to do so by the President shall act as a depository for the Fund, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SEC. 8. For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Fund in accordance with the Agreement, the Fund shall be deemed to be an inhabitant of the Federal judicial district in which its principal office or agency appointed for the purpose of accepting service or notice of service is located, and any such action to which the Fund shall be party shall be deemed to arise under the laws of the United States, and the district courts of the United States (including the courts enumerated in title 28, section 460, United States Code) shall have original jurisdiction of any such action. When the Fund is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

SEC. 9. The Agreement, and particularly articles 41 through 50, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the acceptance of participation by the United States in, and the entry into force of, the Fund. The President, at the time of deposit of the instrument of acceptance of participation of the United States in the Fund, shall also deposit a declaration that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Fund to its citizens or nationals and may deposit a declaration providing for reservations on other matters set forth in article 58.

SEC. 10(A). The President shall instruct the United States Director of the African Development Fund to vote against any loan or other utilization of funds of the Fund for the benefit of any country when the government of such country or any government agency or subdivision within such country—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has taken steps to repudiate or nullify existing contracts or agreements with any United States citizen or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(3) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action, or, in the event of a referral to the Foreign Claims Settlement Commission of the United States within such period as provided herein, not more than twenty days after the report of the Commission is received) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including speedy compensation for such property in convertible foreign exchange, equivalent to the full value thereof, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be; and such suspension shall continue until the President is satisfied that appropriate steps are being taken, and the provisions of the section shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States and such certification shall be reported immediately to Congress.

Mr. HUMPHREY. Mr. President, this is a truly international effort, in which the United States would be a cooperator, a follower, not the major donor. We are the only one of the 16 nations that participated in negotiations to establish the fund which has not yet met its pledge to contribute and become a member.

The leadership for constitution of the fund has come primarily from Canada and the Scandinavian countries. Our $15 million contribution would amount to 14 percent of the total subscriptions to date and would merely match that of Canada, a country facing unemployment and balance-of-payments problems similar to our own. Most important, the African States themselves, in addition to providing all the funds for the Arican Development Bank themselves, have pledged $6 million to this special fund.

I believe that, at a time when we are seeking greater international cooperation in solving the world's economic and political problems, the United States must give all the support it can to such genuinely international efforts as the African Development Fund.

It is also extremely important in our relations with the African States that we contribute to this fund. The African Development Bank has the full support of all the independent African States. Unlike the other regional development banks, it is funded solely by the African States themselves. As AFDB President Labidi has said:

> The Bank is a unique attempt to translate the concept of African cooperation into concrete joint action in the spheres of finance and development.

The African governments have given generously of their most scarce resources to make the Bank work. They have raised $156 million of convertible currency for Bank operations and have staffed the Bank with some of their finest economists.

At a time when we are giving over a billion dollars annually to the other two regional development banks, it is difficult to understand why we will not contribute $5 million annually to the bank of the world's least developed continent. This reflects an extreme insensitivity to our relations with Africa which must not be allowed to continue.

The goals of the African Development Fund are those we have come to believe are very important in our own foreign assistance policy.

We believe that donor and recipient countries must decide together what are the most viable development projects. Control of the African Development Fund is shared equally between African and non-African participants.

We believe that more emphasis should be placed on multilateral development assistance. With 16 non-African members, no one being in a dominant position, the African Development Fund is one of the most effectively multilateral lending institutions.

We believe that regional economic integration and joint development projects should be encouraged in countries with scarce resources and small markets. This is one of the chief aims of the African Development Fund.

Finally, we believe that more emphasis must be placed on economic development in the poorest states and on projects which build a base for improving the standard of living of the poorest people.

The addition of the African Development Fund to the African Development Bank will enable it to fund such projects. So far, the Bank has had to concentrate on projects in wealthier states yielding immediate high returns in order to continue operations. The Fund, financed by grants from the outside donors, is to lend on concessional terms for development in Africa's poorest countries and for those basic infrastructure projects which are essential to economic growth but do not themselves yield high returns.

I want to emphasize the fact that the United States delay in fulfilling our promise to participate in this Fund is not the result of any reservation about its soundness or any disagreement with the other members over how it should be run. From the time it was first proposed, we have been among its most enthusiastic supporters. And from the time serious planning began, U.S. recommendations have been incorporated in the composition of the Fund.

In 1967, President Johnson offered to find a way for the United States to participate in the proposed Special Fund of the African Development Bank; and an Aide Memoire was sent by the United States government to the African Development Bank, suggesting that this be a fund of $150 million, of which the United States would contribute $60 million.

In 1971, the United States reduced its commitment to an offer to match the largest contribution to the special fund. In February of that year President Nixon expressed support of the Fund in his report to Congress:

> We are exploring a way to provide financial assistance to the African Development Bank. These—regional development—banks play a major role in helping the lower income countries to expand their trade and mutual support on a regional basis.

Every effort has been made to accommodate the United States in establishing this Fund. We have attended all preliminary planning meetings and participated in drafting the statutes of the Fund. The United States has been given a special 1-year extension of the deadline for becoming a charter member.

Mr. President, I believe it is crucial that we make our contribution to this Fund which we helped initiate, have long enthusiastically supported, and participated in planning. Our reluctance to contribute has called into question our concern for economic development in Africa and our commitment to cooperating in truly international development efforts.

I ask unanimous consent that the following documents be printed in the RECORD:

The 1968 memorandum suggesting a U.S. contribution of $60 million to the Fund;

An aide-memoire given by AFDB President Labidi to all U.S. officials he contacted during his visit to Washington last year;

Extracts from recent statements about the Bank made by President Nixon and Secretary Rogers;

CRS document showing the pledges to the African Development Bank to date;

State Department's "History of African Development Bank and African Development Fund."

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

MEMORANDUM

In a discussion at the Department of State, Washington, D.C. on October 18, 1967, Under Secretary of State Katzenbach, Under Secretary of the Treasury Barr, and Agency for International Development Administrator Gaud assured President Beheiry that the Executive Branch of the Government of the United States has a great interest in the work of regional development banks, and a strong desire that the African Development Bank be successful in its chosen tasks. The following comments were made regarding possible participation by the United States in the Bank's proposed special fund.

Since the meeting which Under Secretary Barr and the Congressional group headed by Representative Multer held with President Beheiry at the Bank's headquarters last April, rather intensive discussions have gone forward within the Government of the United States concerning the multilateral special fund to be established under the Bank's administration that was the subject of President Beheiry's Aide Memoire of November 29, 1966. President Johnson said in his Foreign Aid Message this year, ". . . we will seek an appropriate means of responding to the recent request of the African Development Bank for U.S. participation in a special fund to finance worthy projects which are beyond the means of the Bank's Ordinary Capital."

It is the understanding of the United States that President Beheiry intends to continue discussions with various potential contributors in an effort to arrive at a mutually agreeable basis for establishing a special fund. For this purpose it is necessary that there be some specific indication of the intentions of the United States in order to give some meaningful idea of magnitude to the other Governments.

Under the constitutional arrangements of the United States the proposals described in the present discussion with President Beheiry represent the position of the Executive Branch of this Government. No binding commitments involving funds can be entered into by the United States unless and until appropriate legislation is passed by the Congress. It will be necessary for the Executive Branch of the United States Government to know how the special fund will be administered and used and to have a schedule of other contributors before the Administration seeks legislation from the Congress.

Subject to these points, the Executive Branch would consider recommending to Congress participation in a multilateral special fund under the administration of the African Development Bank along the following general lines:

1. Amount of Contribution. The United States would be prepared, with Congressional approval, to make available up to $20 million per year for three years as a contribution by the United States to such a special fund. The three year period could commence as soon as an international agreement among the contributing countries and the Bank came into effect.

2. Sharing of Contributions. The United States would expect that any funds it contributed would represent not more than 40 percent of the total provided by all contributing countries, i.e., the other contributors as a group would put up 60 percent of the total special fund. Contributors shared on this basis could permit a fund totaling $150 million over three year period.

3. Form of Payment. The contribution of the United States would take the form of a letter of credit, which the Bank as administrator of the special fund could draw on for cash when needed to meet disbursements on financing operations. (Small cash advances to meet administrative expenses would be available until interest and fee income are sufficient to meet them, after which these advances would be reimbursed out of net income of the special fund.)

4. Procurement. In the light of the balance of payments situation of the United States, it will be necessary to specify that the funds of the United States finance only goods and services from the United States.

5. Use of Funds. The United States would expect the bank to make loans on congressional terms from the special fund for projects that cannot appropriately be financed from the Bank's regular capital. The United States would wish to see (a) emphasis placed on projects that support African regional development and these that contribute to agricultural development and (b) special attention given to the capital needs of the least developed countries of Africa. A limited amount of technical assistance on a grant basis could be authorized.

6. Supervision of Special Fund Activities. An Administrative Council, in which the African Development Bank would exercise not more than 50 percent of the votes and the non-member contributing countries would exercise not less than the remaining 50 percent of the votes in proportion to the size of contributions, appears to be a satisfactory device for supervising special fund operations, provided all actions are taken by a three-fourths majority vote.

As a separate matter, a contributing country should be able, in special circumstances, to request the Bank not to use its funds on a particular project, without effect on the Bank's right to proceed with the project using the funds of others.

7. Non-Regional Membership in the Bank. In connection with the creation of the special fund, the United States suggests that the question of equity membership by non-regional developed countries should be re-examined. The United States hopes that the Bank would undertake, without commitment as to ultimate outcome, to explore with interested countries during the period of contributions to the special fund the ways in which such countries might become members.

8. Staffing. The United States would also wish an undertaking from the Bank that it will, to an appropriate extent, utilize in the administration of the special fund qualified personnel from countries contributing to the fund.

It is believed that these points should provide a basis on which the African Development Bank can hold fruitful discussions with other potential contributor countries. In this connection the United States would be interested in the Bank's plans to coordinate the views of the various propective participants on how the fund should be administered. Should it prove necessary to hold an international meeting under the Bank's auspices to negotiate a satisfactory agreement covering the special fund, the United States would be prepared to participate.

AFRICAN DEVELOPMENT BANK

I. BANK FOUNDED ON PRINCIPLE OF SELF-HELP

The African Development Bank was formally established in September 1964 to contribute to the economic development and social progress of its member—individually and jointly. In other words, the Bank is a unique attempt to translate the concept of African co-operation into concrete joint action in the spheres of finance and development.

The Agreement establishing the Bank stipulates that any African country which has the status of an independent state may become a member. By 1st September 1972, the

following 36 African countries had joined the African Development Bank:

Algeria, Botswana, Burundi, Cameroon, Central African Republic, Chad, Congo, Dahomey, Egypt, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Libya, Malawi, Mali, Mauritania, Morocco, Niger, Nigeria, Rwanda, Senegal, Sierra, Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Upper Volta, Zaire, Zambia.

Discussions are in progress with other African countries which have indicated their desire to join the Bank.

The Bank's authorized capital is equivalent to US$ 254.4 million, all of which has been subscribed. Half of the subscribed capital has been called up, of which US$ 85.9 million was actually paid up as of 1 September 1972.

This self-help effort on the part of the African countries compares very favourably with the US$ 79 million of foreign exchange contributed by the Asian developing countries to the paid-up capital of the Asian Development Bank and US$ 119 million of foreign exchange contributed by the Latin American countries to the paid-up capital of the Inter-American Development Bank.

Considering the fact that nearly half of African Development Bank's member countries are classified among the world's 25 hard-core least developed countries, the relative sacrifices they made in the form of foreign exchange subscriptions to the paid-up capital of their Bank are much greater than the sacrifices made by the much more developed Asian and Latin American countries in subscribing to the foreign exchange part of the paid-up capital of their respective regional banks.

Moreover, events during the past few months have shown that African countries are prepared to make further sacrifices in order to augment the Bank's capital. Apart from the considerable improvement in respect of the payment of subscription, the Governors attending the Bank's last Eighth Annual Meeting expressed their willingness to reinforce the financial structure of the Bank by meeting their obligations and by contributing to the creation of new resources.

In 1960, when the idea of an African Bank was first mooted, the political climate was very different from what it is today. Most of the countries of Africa had only just gained their independence and were caught up in the enthusiasm aroused by their new-found political freedom.

The establishment of an African Bank was an act of faith, a movement sponsored by Africans to show that they were capable of fending for themselves, as it were, and of doing something on their own account. At the time, perhaps, they may have thought that external aid would be more readily forthcoming and that the Bank would at once become an effective instrument for the social and economic betterment of the continent.

However, with the passage of time, the African Development Bank found itself confronting a number of difficulties that are specific to our continent: the fact that aid to Africa is widely scattered and frequently has political strings, the marked imbalances between the different regions, the chronic lack of skilled manpower resources, and the splitting-up of the continent into a host of factionalized, unviable markets.

Moreover there were doubts in some people's minds as to the role to be played by regional development banks considering the scope of IBRD's activities in the developing world.

Since then, the situation has changed. It is increasingly acknowledged that the regional banks have an extremely important role to play in promoting the development of their regions because they have deep-rooted attachments to the areas in which they operate. It is also increasingly acknowledged that the regional banks have to play a more active part in setting up machinery for the effective and rational distribution of resources and greater co-ordination of aid in the interest of all concerned.

II. BANK'S CHARTER RECOGNIZES NEED FOR EXTERNAL AID AND RESOURCES

From the inception of the Bank, it was clear in the minds of the sponsors of the project that self-help in itself did not preclude the need for mobilizing external assistance. They were aware that the ordinary capital resources subscribed by the Bank's member states would not suffice to meet their development requirements, and that they would have to be supplemented by external resources. In fact, one of the Articles of the Agreement Establishing the African Development Bank states that in order to implement its purpose, one of the functions of the Bank shall be "to mobilize and increase in Africa, and outside Africa, resources for the financing of such investment projects and programmes."

ADB's efforts to acquire such resources—at both the public and the private levels—are now beginning to bear fruit.

For example, the Bank has sponsored the setting up of an international finance corporation for investment and development in Africa, known as SIFIDA (International Finance Company for Development of Africa) within which it is associated with over a hundred banks and private companies from the United States, Canada, Japan, and Europe. The influence of this company should be gauged not only by the volume of its resources but its ability to mobilize funds from the international private sector for investment in viable projects in Africa. Thus it should be able to create a new climate and pave the way for the rapid growth of a genuinely African private sector. It will also assist in the provision of know-how and management expertise and business experience for African countries.

The Bank's efforts to obtain assistance from the public sector have enabled it to come to an agreement with the major capital-exporting countries on the establishment of a special fund, the African Development Fund, to provide African countries with loans on extremely soft terms that are tailored to African requirements. The establishment of the African Development Fund, which will enable the Bank to make a really significant contribution to the development of our member countries, shows that ADB, like the other regional banks, is acknowledged to have an increasingly important role to play in the mobilization, co-ordination and utilization of international aid.

III. THE BANK HAS REACHED THE "TAKE OFF" STAGE

During the initial years of its existence, the Bank had to battle aaginst a number of difficulties, among which was the limited size and nature of its operational capital. As a result of the constraints, the initial volume of the Bank's operational activities was limited.

However, as a result of a number of measures taken to rationalize the organization and the operational procedures instituted to augment its efficiency, strengthen the technical assistance from both multilateral and bilateral sources, intensify recruitment and training of its staff, the Bank has appreciably enhanced the tempo of its operational activities during the past two years.

Whereas the Bank authorized loans and investments totalling U.S.$ 25,560,000 during the period July 1966 (the date when operations began) and December 1970, its volume of loans and investment in 1971 alone amounted to US$ 25 million. This was in line with the target set in the Bank's programme of action which aimed at maintaining a volume of loans and investment in its member countries, totalling US$ 25 million in 1971, the same amount for 1972 and US$ 30 million in 1973. In view of the projects totalling U.S.$ 15.56 million already approved by the Board of Directors and those now under active consideration, the target for 1972 will be fully achieved or even exceeded.

With the approval of those projects, the total number of projects approved by the Board of Directors since the Bank commenced operations rose to 36 and involved a total commitment of US$ 62.6 million for national projects in 20 member countries as well as four multinational projects.

The enhanced tempo of the Bank's operational activities and the achievement of the operational targets mentioned above have demonstrated the capacity of the Bank to fulfill its mandate if given the necessary resources. They also show that the African Development Bank has now undoubtedly reached the "take off" stage in its development.

The African Development Bank, however, does not only see its role as simply that of a finance institution. It is furthermore a promotional organization working for the development of its member countries and searching for realistic solutions that are best suited to their problems. Being itself the outcome of its members' determination to give tangible shape to the principle of African economic co-operation, the Bank is eager to encourage and support any concrete action that is designed to strengthen regional and sub-regional co-operation in Africa. Therefore, beyond its financing activities already mentioned, the Bank has undertaken studies or is undertaking a number of studies in connection with the promotion of regional co-operation between Ghana and the Entente Council States, Tourism in fourteen West African countries, insurance and re-insurance in Africa, etc. It is expected that these studies will produce more bankable projects in the next few years.

IV. BANK'S NEED FOR SOFT FINANCE REMAINS

The loans and investments of the Bank mentioned above have been on conventional terms. This, indeed, is a serious handicap since the finance of many of the essential institution-building and foundation-laying activities in the Bank's member countries could not be pursued by the Bank because they cannot sustain conventional debt financing. The financing of such projects and programmes which, in the short run at least, are not directly productive but are indispensable for economic and social progress, can best be made on more flexible terms and conditions than those so far applied to the loans and investments out of the ordinary resources of the Bank. But this presupposes the availability of soft resources—a facility which the other regional development banks have had at their disposal since their inception. Hence the efforts of the Bank to establish a similar facility in the form of the African Development Fund.

The main purpose of the Fund is to enable the African Development Bank to lend on soft terms and move into fields from which require concessional finance.

V. THE AFRICAN DEVELOPMENT FUND AS SOFT-LOAN WINDOW OF THE ADB

Conscious of the need and importance of soft resources for the achievement of its purposes, the African Development Bank approached the developed countries as far back as November 1966 with a proposal for the establishment of the African Development Fund, which should be to the ADB what IDA is to the World Bank.

During the intervening period, the Bank had detailed exchange of views with the prospective participants in the Fund. But the first major break-through in the project came in 1971, when the Bank and the prospective participants were able to reach an agreement on the principles which should govern the establishment of the Fund. Chief among these were that:

(1) the Fund is designed to help the Bank fulfill its fundamental assignment, that of

contributing to the economic and social development of Africa, by furnishing resources suited to the financing of projects in certain priority sectors;

(ii) the Fund should be genuinely multinational;

(iii) non-regional participants in the Fund shall participate in exercising control over the utilization of the Fund's resources and take part in the decision-making process designed to achieve its objective;

(iv) there shall be a close organic link between the Fund and the Bank.

Following this agreement on principles, the Bank then prepared a Draft Agreement Establishing the African Development Fund which was discussed by a Working Group composed of technical experts from the Bank and the prospective participants in the Fund which meet in Abidjan from 15th to 18th June 1971. The Board of Governors of the African Development Bank at its Seventh Annual Meeting in Kampala in August 1971 unanimously approved the principle of establishing the Fund in co-operation with the donor countries.

In a meeting held in Paris on 12 April 1972 the representatives of the Bank and the prospective participants in the Fund agreed upon the text of the draft Agreement Establishing the African Development Fund to be presented to the Board of Governors at its Eighth Annual Meeting in July 1972 for consideration and approval. A number of participants at the meeting gave first indications of the amounts their countries were prepared to subscribe to the Fund.

The text of the Draft Agreement Establishing the African Development Fund was approved by a unanimously adopted resolution of the Board of Governors. The following organization and countries who had participated actively in the foregoing negotiations and have expressed interest in the Fund concept shall be admitted as initial participants: African Development Bank, Belgium, Brazil, Canada, Denmark, Finland, Federal Republic of Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, United States of America and Yugoslavia.

VI. THE UNITED STATES AND THE NEGOTIATIONS FOR THE ESTABLISHMENT OF THE FUND

Right from the launching of the project to establish the African Development Fund, there has been a continuous and detailed exchange of views between the U.S. authorities and the Bank on the subject. These contacts which were made both bilaterally and multilaterally show that the U.S. authorities have throughout been interested in the Fund project.

The U.S. Presidential message to the Congress in 1967 made a specific mention of the ADB Special Fund, stating, "we will seek an appropriate means of responding to the recent request of the African Development Bank for U.S. participation in a Special Fund to finance worthy projects which are beyond the means of the Bank's ordinary capital". And in its memorandum to the Bank dated 18 October, 1967, the U.S. Government stated that the Executive Branch of the Government would recommend to the Congress for U.S. participation in the Fund by providing a sum of US $60 million to be paid over three years at a rate of US $20 million a year. It was stipulated that the U.S. contribution would not exceed 40 per cent of the Fund's total capital.

In his statement on the 19th March 1970 entitled "U.S. and Africa in the 70's" the Secretary of State had the following to say about the co-operation between the United States of America and the African Development Bank:

"We also look forward to joining with other non-African donors in support of the African Development Bank. This young institution, which has the financial backing of thirty-one African governments, has prospects for promoting significant Pan-African co-operation in economic progress. It has already raised 67 million dollars from its members in fully convertible currencies. It needs, however, a source of funds that could be loaned to its members on concessional terms. We are participating in discussions with other non-African donors which we hope will lead to the creation of special funds for this purpose. In the meantime, we are assisting the Bank directly in its efforts to develop and carry out urgently needed projects in its member countries".

Within the framework of the negotiations that resulted in the Draft Agreement Establishing the African Development Fund discussed above, the representatives of the U.S. have not yet been able to indicate officially to the Bank the amount the United States will be prepared to subscribe to the Fund. It is conceivable that some potential participants in the Fund are waiting for the United States to assume its natural role of leadership.

It may be useful to mention that the Board of Governors of the African Development Bank have indicated that for the Fund to be effective and have the desired impact on the development of the African continent the initial subscriptions should be in the order of US $130 million. Needless to say, a significant contribution from the United States will greatly enhance the achievement of this target. As it is envisaged that the Agreement Establishing the Fund will be signed by Plenipotentiaries of the participating countries and the Bank in November, 1972 it is therefore the hope and trust of the Bank that as soon as it is practicable, necessary steps will be taken to enable the United States to make an official commitment to participate in the founding and establishment of the African Development Fund.

PRESIDENT NIXON'S REPORT TO CONGRESS

"I have also pressed strongly for expanding American contributions to the Regional Development Banks of which we are members—and we are exploring a way to provide financial assistance to the African Development Bank. These banks play a major role in helping the lower income countries to expand their trade and mutual support on a regional basis."

SECRETARY OF STATE'S REPORT ON U.S. FOREIGN POLICY

"We are also participating in discussions which we hope will lead to the creation of a Special Fund for the African Development Bank. This facility, similar to the Special Funds of regional banks in Asia and the Americas, would enable the African Development Bank to make loans on the liberal terms needed for many projects in Africa. It would also be a channel for developed country assistance to the African Development Bank, which currently receives capital funds from African countries only."

PRESIDENT NIXON'S REPORT TO CONGRESS

"Work continues to go forward on creation of the African Development Bank's Special Fund."

SECRETARY OF STATE'S REPORT ON U.S. POLICY

"The African Development Bank approved in July the principles of the proposed African Development Fund which is intended to provide loans on soft terms. We have been providing technical assistance to the Bank and are prepared to contribute to the Development Fund when it is established. The Bank plans to study the possibility of non-African states participating in the ordinary capital of the Bank."

SECRETARY OF STATE'S REPORT ON U.S. FOREIGN POLICY

"The US and other developed nations participated in technical discussions which led to another hopeful development—the establishment of an African Development Fund in November. Although the US was not in a position to sign th eagreement then, it provides a very satisfactory basis for launching concessional lending activity by the African Development Bank. The Administration will consult with the Congress on the question of US participation in the Fund.

THE LIBRARY OF CONGRESS,
Washington, D.C.

To: The Honorable Charles C. Diggs, Jr. Attention: Tom Hooper.

From: Susan M. Mowle, Analyst in International Relations.

Via: Chief, Foreign Affairs Division.

Subject: Pledged Contributions to the African Development Fund as of June 19, 1973.

In response to your request of June 18, 1973, I have compiled a list of pledged contributions to the African Development Fund. Pledges are made in Special Drawing Rights Units of Account, which I have converted into U.S. dollars. The information was obtained through a telephone conversation with Joseph Lieberson of the AID African Division, Office of Development Services, on June 19, 1973.

Donors	Pledged SDR's (in millions)	U.S. dollar equivalents [1]
African Development Bank	5	6,000,000
Belgium	3	3,600,000
Brazil	2	2,400,000
Canada	15	18,000,000
Denmark	5	6,000,000
West Germany	7,447,630	8,937,156
Finland	2	2,400,000
Italy	10	12,000,000
Japan	15	18,000,000
Netherlands	4	4,800,000
Norway	5	6,000,000
Spain	2	2,400,000
Sweden	5	6,000,000
Switzerland	3	3,000,000
United Kingdom	5,211,420	6,253,704
Yugoslavia	2	2,400,000
Total	90,659,050	108,790,860

[1] As of May 1973, 1 SDR equals $1.20.

HISTORY OF AFRICAN DEVELOPMENT BANK AND AFRICAN DEVELOPMENT FUND

An agreement was drafted in 1963 to create the African Development Bank. It was set up without any non-African members because of concern that if the US joined them the Soviet Union would also join and they would use it as a cold war battlefield. The agreement came into effect in 1964 and in 1965 the members selected Abidjan as headquarters and chose Mamoun Beheiry of Sudan, the former Finance Minister of that country, as its President. The Bank opened its doors for business on July 1, 1966.

Originally there were 27 member countries. Today there are 40. The original capital was 250 million units of account half to be paid in over four and one-half years and half callable. By decision of the latest meeting of the Board of Governors in July 1973 the capital has been increased to 320 million units of account. A unit of account is defined in the agreements as 0.88867088 grams of fine gold which is equal to the pre-Smithsonian dollar. Units of account are now worth approximately $1.20.

From the beginning, and as early as 1966, A.I.D. offered technical assistance to the Bank for short term consultants, training and feasibility studies. This assistance was first provided in fiscal year 1968. Other Western countries have done likewise as has UNDP.

From 1966 also, the Bank began to talk of a special fund which would involve non-African members Beheiry's goal was $600–$800 million dollars for this Fund. About the same time A.I.D. offered a Development Loan to the Bank but Beheiry was not interested,

as he wanted a contribution from the US to the proposed Fund.

In his Foreign Aid message of 1967 President Johnson offered to find a way for the US to participate in the proposed Special Fund of the African Development Bank. In March of 1967 a Congressional Group from the House Banking and Currency Committee, together with Don Fraser of the House Foreign Affairs Committee, visited a number of African countries to observe IBRD projects in Africa and to meet in Abidjan with the Representatives of the African Development Bank. The group was guided by Treasury Under-Secretary Joseph Barr and accompanied by Deputy Assistant Secretary of State Samuel Z. Westerfield, Jr. The group came back from their meetings in Abidjan supportive and enthusiastic. They thought it might be possible to have legislation to participate in the proposed Fund by late 1967 or early 1968. They suggested a meeting of potential contributors. Some of the Congressmen thought the US ought also to participate in the equity capital of the Bank itself so we could have a vote. They also talked about the idea of getting a "good shepherd" to help pilot the project through the Congress, much as Eugene Black had done for the Asian Development Bank in 1965.

Due to the problems of getting other regional banks financed, however, 1967 turned out to be "an awkward year" to go forward with the proposals. Nevertheless in October 1967 Under Secretaries Barr of Treasury and Katzenbach of State, together with A.I.D. Administrator Gaud delivered an Aide Memoire to President Beheiry suggesting a Special Fund of $150 million including the idea of a U.S. contribution of $60 million spread out over a three year period which would be 40 percent of the total. They also stressed that procurement under this Fund should be tied to the contributions of its members. The memo was carefully couched in "subject to approval of Congress" terms. (Text attached) In January 1968 Vice-President Humphrey visited the Bank in Abidjan following the inauguration of President Tubman in Liberia.

Early in 1968 the Bank began consultations with other potential donors to the Fund, while pushing us for the $60 million contribution, even though it might be more than 40 percent of the total. By mid-1968 the Bank had completed these consultations and found that other donors were not in a position to put in the required $90 million to match the U.S. proposal. A number of the other donors also opposed the U.S. proposal for tied procurement. The U.S. did say that it would be willing to untie later when the U.S. balance of payments improved. Beheiry proposed a meeting of potential donors in September 1968, but we urged that it be put off until after the U.S. Presidential elections. Nevertheless an informal meeting did take place in October 1968 following the IBRD/IMF meeting in Washington. The U.S. reiterated the position it had taken in its Aide Memoire of October 1967 and said we would recommend the same terms to the next administration.

During 1969 it became clear that the $150 million objective was too high for the other donors so some of them began talking of a $50 million initial Fund of which 40 percent would be contributed by the United States. Matters remained in some disarray for the balance of 1969 and early 1970. Beheiry resigned in January, 1970 as President of the AFDB. The current President of the Bank, Abdelwahab Labidi, was Acting President until his election to a five year term by the Board of Governors in August, 1970.

Early in 1970 the Canadian and Nordic countries began a new initiative for a Special Fund for $60–$65 million. There were meetings in April of that year in Vienna and in July in Paris, the second under DAC auspices, to move ahead on this approach. The U.S. participated in all of these meetings but urged the broadest possible donor support before formalizing any statutes. There was another meeting in Paris in November 1970 which was again inconclusive. At that time the U.S. proposed that procurement be limited to the group of donor countries, a broader approach than the one we had made in 1967.

In March 1971 there was a DAC-sponsored drafting meeting in Paris with President Labidi, and this was followed by the establishment of a drafting group in Abidjan. By that spring the projected size of the Fund rose to an estimated $75 million.

At the Bank's annual meeting in Kampala in July 1971 the U.S. Observer was authorized to say that the U.S. would consider matching the largest contribution to the Special Fund.

Work on the draft statutes continued at a technical level and in April 1972 in Paris sixteen non-African countries, including the US, agreed upon a draft of statutes which were then to be submitted to the Bank's Board of Governors at its summer meeting in Algiers. The US again reiterated its willingness to match the contribution of the largest other donor, subject to Congressional action.

In July 1972 the Bank's Board of Governors unanimously approved the donors' draft statutes.

President Labidi visited the United States in September 1972 and met with a few Congressmen including Richard Hanna of California, Otto Passman of Louisiana and Charles Diggs of Michigan. During that time also the text of the statutes was prepared for signature.

A plenipotentiary conference met in Abidjan in November 1972 to sign the statutes. The United States did not sign. The text is in process of being ratified and by the time the Bank's Board of Governors met in Lusaka in July 1973 nine countries had ratified with a total of almost $65 million out of the potential $108 million from the 15 signatories. The US position is that we cannot sign until the required Congressional action is completed. We have continued to tell the Bank and the other donors since the April 1972 Paris meeting that we would carry out the necessary consultations with Congress and that it was our intention to seek authorization for US participation in the Fund in the amount of $15 million to be contributed over a three year period. We anticipated the first $5 million would not be available before fiscal year 1975. We think it is important to meet the stipulation of paragraph 1, Schedule A, of the Fund Statutes. This paragraph was drafted specifically to accommodate the United States. It permits us to sign and ratify the agreement on or before December 31, 1974 and still be considered an original participant in the Fund. All of the sixteen states which participated in drafting the statutes, except the US, have signed the agreement.

The Afrcan Development Bank has continued its lending operations and as of June 30, 1973 had made loans amounting to almost 89 million units of account. In recent years the pace of lending has accelerated, and the Bank's current financial plan calls for lending at an annual rate of 30 million units of account per year. The latest financial statements of the Bank are attached.

At current lending rates the Bank will exhaust its paid-in capital resources by the end of 1973. Consequently it has been seeking additional capital. One solution is that adopted by the Board of Governors in July, 1973 raising the total capital of the Bank to 320 million units of account. Additional shares according to this decision will be paid on a voluntary basis. Within the next year or two this source of funds is not likely to produce more than about $20 million. The Board of Governors continues to adhere to the original philosophy that the Bank should remain an all-African institution. Therefore it rejected again in 1973 a proposal to admit non-African countries as shareholders. This leaves the Bank with one main alternative which is to seek capital on concessional terms from donor countries and possibly also to seek funds in the commercial market. Canada has made a loan to the Bank of $5 million and Sweden has a loan under consideration. A.I.D. is also proposing to lend $10 million on traditional development loan terms to assist the bank in carrying out its financing program and to complement the Bank's other external borrowing. The Bank will continue to make loans at seven percent for 15–30 year maturities. In future it is expected that the new African Development Fund, which began operations officially on August 1, 1973 will be the main channel for foreign funds, since most of the members of the Bank need loans on concessional terms.

By Mr. HRUSKA:

S. 2355. A bill to amend the National Labor Relations Act to clarify judicial procedures, standards, and for other purposes. Referred to the Committee on Labor and Public Welfare.

NATIONAL LABOR RELATIONS ACT—JUDICIAL PROCEDURES AMENDMENTS OF 1973

Mr. HRUSKA. Mr. President, I introduce today a bill to amend the National Labor Relations Act in order to clarify judicial procedures and standards and for other purposes and ask that it be appropriately referred. I might note that this bill is identical to the one which I introduced on June 10, 1971, in the 92d Congress (S. 2053), and now as then the reasons for its consideration are compelling.

Our country is gravely concerned, Mr. President, with the intricate relationships between management and labor. Cognizant of this, I want to express to my colleagues on both sides of the aisle who sit on the Committee on Labor and Public Welfare that I am mindful of the difficult decisions that they must constantly make, and the conflicting considerations that they must weigh and balance as they deliberate on amendments to our labor-management relations laws.

In recent years, the Senate Subcommittee on Separation of Powers chaired by my distinguished colleague from North Carolina (Senator ERVIN) has held extensive hearings into the question of whether or not the National Labor Relations Board has exceeded its statutory authority in the discharge of functions assigned to it under the National Labor Relations Act. Based upon these hearings, the subcommittee concluded that the NLRB had all too often violated its mandate and encroached upon the prerogatives of the Congress.

The instant bill represents an attempt to remedy this situation. This proposal would: First, deal with the choice of judicial remedies by parties to labor disputes; second, restrain the National Labor Relations Board from imposing what are considered to be punitive remedies not authorized by law; third, clarify the matter of strikers' reinstatement rights where they have been guilty of flagrant misconduct; fourth, reinstate some rational standards for court review of unfair labor practice cases; and fifth, eliminate certain bizarre judge-shopping practices.

As the law stands today, one party may take his complaint to the NLRB but if satisfaction is not obtained there he may then go to the courts. Should he then dislike the way the court treats him, he may venture to an arbitrator.

Section 2 of this bill would introduce some certainty to this situation by amending section 10(a) of the NLRA, so that once a party has elected to take his case to arbitration, or to the NLRB, or to the courts—whatever the case may be—he may not thereafter seek a remedy in a different forum, regardless of his pleasure or displeasure over the results of his selection. Unless the action were dismissed on purely jurisdictional grounds, one would be required to stick to his initially chosen course of action.

Section 3 of this bill would amend section 10(c) of the NLRA to clarify the limitations upon punitive orders issued by the Board.

In a number of recent cases, the Board has expanded on the concept of requiring that an employer found guilty of unfair labor practices post a notice on the premises admitting that the conduct complained of constituted an unfair labor practice. This clarification with respect to section 10(e) would limit the Board to the issuance of orders expressly related to the purposes of the statute.

Section 4 of this bill would prevent the NLRB from ordering reinstatement of strikers who engage in abusive and violent misconduct. Unfortunately, an examination of the Board's policies in recent years reveals that it has ordered reinstatement with back pay for strikers who have undertaken an exhaustive range of the most flagrant violations of the law, including the inflicting of physical harm and damage to property, and threats of violence. This harmful precedent would be eliminated once and for all.

Acts of violence against a party alleged to have committed an unfair labor practice should not be condoned or rewarded.

Section 5 of the bill provides that, on review by courts of appeals, the NLRB's findings with respect to questions of fact shall be conclusive if they are supported by "the preponderance of evidence."

The matter of standards for court review has been an issue of great contention for over 30 years. The 1953 Wagner Act provided that, on review by courts of appeals, the findings of the NLRB would be conclusive "if supported by evidence." Thereafter, when Congress amended the NLRA in 1947, it changed the standard to substantial evidence on the record considered as a whole. This standard has also proven to be woefully inadequate. Thus, some correction is in order.

Last, section 6 of the bill would eliminate certain forum-shopping problems and lend some finality to labor law litigation. Hopefully, this will put a stop to the current opportunistic practice of searching for whichever forum a party may think is more kindly disposed to him.

Section 6 would remove certain venue options and rightly create exclusive jurisdiction over petitions for review in the district in which the unfair labor practice occurred. It would also abolish the right to review in the District of Columbia unless, of course, the unfair labor practice occurred here.

It is my opinion, Mr. President, that passage of these amendments to the National Labor Relations Act would aid in restoring propriety, orderly procedure, moderation, and logical balance—hallmarks of our judicial system. Therefore, I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of these remarks.

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

S. 2355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Labor Relations Act Judicial Procedures Amendments of 1973".

ELECTION OF REMEDIES

SEC. 2. Section 10(a) of the National Labor Relations Act (29 U.S.C. 160(a)) is amended by striking out the period at the end and inserting in lieu thereof a colon and the following: "*Provided further,* That if an employer, or a labor organization on its own behalf or on behalf of employees, or employees on their own behalf or on behalf of other employees, submit to arbitration or agree to submit to arbitration a dispute, or institute in any State or Federal court or agency an action, suit, or proceeding, or file a charge with the Board, then such party or any person on whose behalf such action has been undertaken, shall not have any right to institute or maintain a proceeding in a different forum involving the same incident or subject matter, unless a prior proceeding with respect thereto is dismissed or relief therein is denied for lack of jurisdiction: *Provided further,* That nothing herein shall deprive any party to a proceeding before an arbitrator, the Board, or the courts, from exercising any right of judicial review or appeal that he may possess under existing law."

PUNITIVE ORDERS

SEC. 3. The third sentence of section 10(c) of the National Labor Relations Act (29 U.S.C. 160(c)) is amended by—

(1) striking out the word "including" and inserting in lieu thereof the words "limited to"; and

(2) striking out the word "as" after the comma that follows the words "back pay" and inserting in lieu thereof the following: "bargaining collectively upon request with respect to the unit as to which the refusal or failure to bargain occurred, and posting notices stating that respondent will not engage again in the particular unfair labor practice which the Board has found such respondent committed, if such affirmative action".

REINSTATEMENT STANDARDS IN FLAGRANT MISCONDUCT CASES

SEC. 4. Section 10(c) of the National Labor Relation Act (29 U.S.C. 160(c)) is amended by inserting before the last sentence thereof the following: "Acts of violence or threats thereof (including harm or damage to person or property) or other conduct constituting cause within the meaning of this section shall not be condoned or excused by reason of any unfair labor practices of any other party."

COURT REVIEW STANDARDS

SEC. 5. Section 10(e) of the National Labor Relations Act (29 U.S.C. 160(e)) is amended by—

(1) striking out "substantial evidence on the record considered as a whole" where these words appear in the fourth and sixth sentences and inserting in lieu thereof in each of such sentences "the preponderance of the evidence".

ELIMINATE FORUM SHOPPING

SEC. 6. Section 10(f) of the National Labor Relations Act (29 U.S.C. 160(f)) is amended to read as follows:

"(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in the circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the aggrieved party shall file in the court the record in the proceeding, certified by the Board, as provided in section 2112 of title 28. Upon the filing of such petition, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e) of this section, and shall have the same jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying and enforcing as so modified, or setting aside in whole or in part the order of the Board; the finding of the Board with respect to questions of fact if supported by the preponderance of evidence shall in like manner be conclusive."

By Mr. WILLIAMS:

S. 2357. A bill to provide for a national educational campaign to improve safety on the highways by improving driver skill, driver attitudes, and driver knowledge of highway regulations. Referred to the Committee on Commerce.

AUTOMOBILE DRIVER EDUCATION ACT

Mr. WILLIAMS. Mr. President, every year over 60,000 Americans lose their lives and 5 million more are seriously injured on our national highway and road system. Certainly, if an epidemic of this tragic magnitude were predicted, all possible means would be employed to stop or reduce its enormous consequences. Yet every year we face the prospect of death on our highways with almost callous acceptance.

And while we are aware that the causes of almost 90 percent of these accidents are due to the driver and, therefore, could have conceivably been prevented, we have adopted, if you will permit the expression, a somewhat fatalistic attitude of resignation with regard to this daily carnage. Aside from the efforts at public education carried on by the National Safety Council and other concerned private organizations, and the rather limited activities of the National Highway Traffic Safety Administration—which had a budget in 1971 of under $43 million—only a little over what it is estimated that automobile accidents cost the United States each day—relatively little is being done to reduce this tragic waste.

The focal point of some of the more active efforts at present appears to be in the field of technological safety—the development of a stronger automobile body structure, or safety devices such as collapsible steering columns, padded windshields and airbags. And it is imperative that we devote as much effort as needed in developing this technology. But it is surprising how little attention is paid to the preventive aspects of auto safety—

the avoidance of the collision in the first place.

Mr. President, anyone who spends even an hour a day in an automobile, and most Americans are by now resigned to devoting at least that much time to this activity, can testify to the need for better driver education. Driving procedures and regulations have changed drastically over the last 10 years, due to the advent of multilane highways, and increased speed limits. While many accidents are caused by the reckless speeder or drunk driver, many others are caused by the mistakes of drivers who are simply ignorant of proper safe driving techniques. Very few of our States require retesting and many drivers are simply unaware of, or fail to appreciate the importance of the different procedures and/or courtesies required by modern driving conditions. High speed merges at freeway access points, the prevalence of traffic, circles, and the increased presence of motorcycle and motor bike traffic, are situations not often faced by drivers in the past, and now calling for differing responses.

Just how unfamiliar with the proper rules and regulations the average American driver is was illustrated graphically by a nationwide drivers test conducted by CBS in 1966; when 40 percent of those participating failed. This is a good indication of the ineptitude of many drivers and sufficient proof that we must take immediate steps to improve the level of the driving ability of all drivers.

While 50 percent of high school students are taking driver education courses, this, together with voluntary defensive driving courses and compulsory courses taken by our Armed Forces, comprises only a small percentage of the 115 million drivers in this country. Furthermore, pedestrian education could also prove effective in the reduction of 10,000 pedestrian deaths yearly.

It is clear that the present system of depending upon the licensing procedure to educate the driver is not adequate. The varying regulations from State to State result in driver education and testing which is far from uniform. In more than one State, the entire process of testing the applicant's knowledge of safety rules consists of little more than a series of multiple choice questions about stopping distances and traffic regulations.

Frequently, the applicant can memorize a sufficient percentage of the answers to these often obsolete and often irrelevant questions to pass the written examination without any true comprehension of traffic safety requirements.

I am also convinced that we cannot depend on the present approach of utilizing the occasional public service announcement to warn of the hazards of driving. I am therefore submitting today, along with Congressman JOHN MURPHY of New York, legislation providing for a national safety campaign of unprecedented intensity and scope. We propose a new positive approach of the use of our national media to reach all, and not a fraction of the drivers, on a continual basis with thoroughly researched, psychologically tested, expertly prepared presentations to teach, make aware and change the wrong attitudes inherent in the driving habits of many drivers.

Equally important will be the expected change in attitude of our children who will comprise the drivers of the future. The effect on children of the campaign against cigarettes is substantial proof of the positive impression our national media can make.

This legislation, called the Automobile Driver Education and Highway Safety Act, would place the responsibility of the campaign with the Secretary of Transportation.

This bill authorizes to be appropriated up to $85 million in fiscal 1974 and a sum not to exceed that for the two following fiscal years.

The Secretary would be mandated to carry on an education campaign designed to educate drivers, pedestrians, and others with respect to the dangers of driving and walking on highways and to improve safety by improving driver skills, attitudes, and knowledge of highway regulations.

I am hopeful that my colleagues will join with me in support of this badly needed national highway safety program. I ask unanimous consent to insert in the RECORD at this time, the full text of this bill.

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

S. 2357

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 "Automobile Driver Education and Highway Safety Act".

SEC. 2. (a) The Secretary of Transportation, acting through such officers and agencies of the Department of Transportation as he deems appropriate, shall carry on a national educational campaign designed to educate drivers, pedestrians, and others with respect to (1) the dangers incurred when driving on, crossing, or otherwise using the highways, and (2) improving safety on the highways by improving driver skills, driver attitudes, and driver knowledge of highway regulations.

(b) In carrying out his functions under subsection (a), the Secretary may engage in research, provide training, and engage in any other activity which will effectuate the purposes of this Act.

SEC. 3. There are authorized to be appropriated not to exceed $85,000,000 for the fiscal year ending June 30, 1974, and for each of the two succeeding fiscal years, for carrying out the provisions of this Act.

By Mr. TALMADGE (for himself, Mr. BENTSEN, Mr. GRAVEL, Mr. MONDALE, and Mr. PACKWOOD):

S. 2358. A bill to clarify the exempt status of joint activities of educational organizations under the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. TALMADGE. Mr. President, on behalf of myself and Senators BENTSEN, GRAVEL, MONDALE, and PACKWOOD, I introduce a bill to amend section 501 of the Internal Revenue Code.

The bill has a single purpose. It is to make clear that returns from the cooperative investment activities of colleges and schools are just as exempt from taxation as are returns from the individual investments of each college and school.

Here is the background of the problem to which this bill is addressed.

For many years, colleges and schools—particularly smaller institutions—have suffered from low returns on the investment of their endowment funds. One of the principal reasons for this is that few schools can afford to obtain first-rate professional investment advice.

To remedy this situation, a number of schools got together and formed The Common Fund, a cooperative enterprise in which they invested a portion of their endowments. The Common Fund, whose directors are officers of the participating schools, contracts with professional advisers for research, advice, and actual investment of the colleges' contributions to the Fund. In the first 2 years of its operation, the Common Fund has substantially increased the return which most of its members have typically received on their investments.

Nearly 300 colleges and schools have now invested in the fund. Institutions in more than 30 States are represented.

During the formative years of the fund, its management and administrative expenses were met by grants from the Ford Foundation. The foundation, like other contributors to education, had long sought ways of improving the investment performance of the schools it was asked to support. The Common Fund was an obvious means of doing this.

The Ford Foundation reasonably concluded that once the fund was successfully established, its management and administrative expenses should be borne by the participating members themselves. So the foundation served notice that it did not intend to continue its support after June 30 of this year.

It is here that the problem arises. The Internal Revenue Service, in ruling on the status of the Common Fund in 1970, held that the fund was indeed tax exempt, so long as virtually all of its management and administrative expenses were paid by outsiders—in other words, by persons other than the colleges and schools themselves.

The apparent rationale for this ruling is that the fund, to be tax exempt, must stand in a charitable or donative relationship to the member schools. To have such a relationship, it should provide its services to them at substantially below cost. The implication is that to require them to contribute to the management costs would terminate that relationship. The danger is that under the IRS ruling, when the schools are asked to contribute to the Common Fund's management expenses, the fund will lose its tax-exempt status.

This is, in my opinion, completely at odds with either sound tax policy or sound educational policy.

Bear in mind that returns on the individual investments of each school are tax exempt.

Bear in mind that each school could, if it had the means, contract with a professional investment adviser for counsel and actual investments of its endowment, and still be tax-exempt.

Bear in mind that the schools have created the common fund themselves, continue to control and direct its affairs,

and are ready and willing to support the fund by assessments to each school.

Yet, the IRS ruling would say that though all of this be true, when the schools get together, form a common fund, and assess a charge on one another to pay for the management of the fund, the fund is not tax-exempt.

This is an intolerable result. If it comes to pass, the common fund will no longer be an attractive investment for the schools. They will simply withdraw from it, and the quality of education they offer will suffer as they return to individual low-yield investments. The only alternative is a complete restructuring of the fund, which would involve very heavy administrative and legal costs—all of which would have to be borne by the schools themselves.

My amendment would avoid either result. It would provide tax-exemption for cooperative investment activities of schools which are themselves tax-exempt under section 501(c)(3) of the Code.

There is a clear precedent for this in the Code today. In 1968, Congress provided that where tax-exempt hospitals join in various cooperative endeavors, those endeavors are themselves tax-exempt. The hospital section lists a large number of such activities.

Several months ago, 22 of the 25 members of the House Ways and Means Committee sponsored legislation for educational institutions along the line of the hospital section. A large number of cooperative activities in which schools are joined were named in the House bill, H.R. 5989. Testimony was received on the bill by the Ways and Means Committee in the course of a hearing on tax-exempt donations.

The crowded calendar of the committee, however, made it impossible to consider and report H.R. 5989 during this session of Congress.

Since the common fund alone has an immediate need for attention, I have selected out "investment activities" from the list of tax-exempt activities included in H.R. 5989. In doing so, I do not intend to suggest that the tax-exempt status of the other cooperative activities—all of which are tax-exempt if performed separately—is in doubt. My action is solely determined by the particular urgency of the dilemma faced by the common fund.

I had anticipated that the text of this bill would be offered as an amendment to another revenue measure already passed by the House. It now appears, however, that the Senate will not have an opportunity to consider such a measure prior to the August recess. Therefore, I am introducing the bill now in the hope that the Finance Committee can approve it as an amendment to a House-passed bill shortly after the Congress reconvenes in September. My understanding is that the common fund amendment is entirely acceptable to the chairman and the members of the Ways and Means Committee, and that the administration does not object to it.

There is no question in my mind about the desirability of the legislation, and I am confident that Congress will approve it at the earliest opportunity following the recess. I am sure it would have done so prior to the recess if circumstances had permitted. I would urge the trustees of the fund to withhold any action until Congress has had a chance to act on the legislation in September.

Mr. President, I ask unanimous consent that a list of the members of the common fund as of July 1, 1973, be printed at this point in the RECORD.

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

MEMBERS OF THE COMMON FUND

(As of July 1, 1973)

Abilene Christian College, Tex.
Academy of Aeronautics, N.Y.
Adelphi University, N.Y.
Alaska, University of.
Albany Medical College, N.Y.
Albuquerque Academy, N.M.
Alderson-Broaddus College, W. Va.
American Farm School, The, Greece.
American University, The, D.C.
American University of Beirut, Lebanon.
Amherst College, Mass.
Anderson College, Ind.
Arizona, The University of.
Arkansas, University of.
Arkansas College.
Asbury Theological Seminary, Ky.
Atlantic Christian College, N.C.
Augustana College, Ill.
Aurora College, Ill.
Austin College, Tex.
Babson College, Mass.
Ball State University, Ind.
Bay Path Junior College, Mass.
Beauvoir Elementary School, D.C.
Beirut University College, Lebanon.
Benedictine College, Kan.
Bentley College, Mass.
Berea College, Ky.
Berkeley Divinity School, Conn.
Bethany College, Kan.
Bethany College, W. Va.
Bethel College, Kan.
Bishop College, Tex.
Bradford College, Mass.
Bridgeport, University of, Conn.
Bridgewater College, Va.
Browne & Nichols School, The, Mass.
Browning School, The, N.Y.
Brunswick School, Conn.
Bucknell University, Pa.
Buena Vista College, Iowa.
California, University of.
California Institute of Technology.
California State College, San Bernardino.
California State University, Humboldt.
California State University, Los Angeles.
California State University, San Francisco.
California State University, San Jose.
Calvin College, Mich.
Campion High School, Wis.
Canisius College, N.Y.
Capital University, Ohio.
Carnegie-Mellon University, Pa.
Carroll College, Wis.
Carson-Newman College, Tenn.
Casady School, Okla.
Case Western Reserve University, Ohio.
Cedar Crest College, Pa.
Central Methodist College, Mo.
Chapman College, Cal.
Chatham College, Pa.
Chestnut Hill Academy, Pa.
Christian Brothers Academy, N.J.
Christian Brothers College, Tenn.
Cincinnati Country Day School, Ohio.
Claremont Men's College, Cal.
Claremont University Center, Cal.
Clarkson College of Technology, N.Y.
Cogswell Polytechnical College, Cal.
Coker College, S.C.
Collegiate School, N.Y.
Columbia University, N.Y.
Concordia College, Minn.
Dakota Wesleyan University, S.D.
Dartmouth College, N.H.
Dayton, University of, Ohio.
Deep Springs College, Cal.
DePaul University, Ill.
Dickinson College, Pa.
Drew University, N.J.
Duquesne University, Pa.
Earlham College, Ind.
Eckerd College, Fla.
Elizabeth Seton College, N.Y.
Elmhurst College, Ill.
Elon College, N.C.
Emerson College, Mass.
Emma Willard School, N.Y.
Episcopal Academy, The, Pa.
Eureka College, Ill.
Fordham University, N.Y.
Fountain Valley School, Colo.
Franklin and Marshall College, Pa.
Germantown Friends School, Pa.
Gettysburg College, Pa.
Gonzaga University, Wash.
Graduate School, U.S. Department of Agriculture, D.C.
Guilford College, N.C.
Hamline University, Minn.
Hampton Institute, Va.
Hanover College, Ind.
Haverford College, Pa.
Hendrix College, Ark.
High Point College, N.C.
Hiwassee College, Tenn.
Hofstra University, N.Y.
Holderness School for Boys, N.H.
Hollins College, Va.
Holy Cross Abbey, Colo.
Holy Names, The College of, Cal.
Hood College, Md.
House in the Pines School, Vt.
Howard University, D.C.
Idaho, The College of.
Idaho, University of.
Illinois Institute of Technology,
Illinois Wesleyan University.
Incarnate Word College, Tex.
Indiana Institute of Technology.
Indiana University.
Iona College, N.Y.
Jamestown College, N.D.
Jesuit College Preparatory School, Tex.
John Brown University, Ark.
Johns Hopkins University, The, Md.
Kalamazoo College, Mich.
Keuka College, N.Y.
King's College, Pa.
Kirksville College of Osteopathic Medicine, Mo.
Laguna Blanca School, Cal.
Lambuth College, Tenn.
Laurel School, Ohio.
La Verne College, Cal.
Lawrence University, Wis.
Lawrenceville School, The, N.J.
Le Moyne College, N.Y.
Lincoln University, Pa.
Loyola University of Los Angeles, Cal.
Luther College, Iowa.
Macalester College, Minn.
Madonna College, Mich.
Malone College, Ohio
Manchester College, Ind.
Marquette University High School, Wis.
Marygrove College, Mich.
Maryville College, Tenn.
Marywood College, Pa.
Mercer University, Ga.
Mercy College, N.Y.
Methodist Theological School, Ohio
Michigan, The University of
Michigan State University
Michigan Technological University
Middlebury College, Vt.
Millikin University, Ill.
Mills College, Cal.
Millsaps College, Miss.
Mississippi, The University of
Montclair Academy, N.J.
Moorestown Friends School, N.J
Mount Assumption, N.Y.
Mount Holyoke College, Mass.

Mount St. Joseph College, R.I.
Mount St. Mary's College, Cal.
Museum Art School, Ore.
Nasson College, Me.
National Cathedral School for Girls, D.C.
New Mexico, The University of
New Rochelle, College of N.Y.
New York University Institute of Fine Arts
North Carolina Law School, The University of
North Country School, N.Y.
North Cross School, Va.
Northwestern College, Iowa
Notre Dame, University of, Ind.
Oberlin College, Ohio
Occidental College, Cal.
Ohio University
Ohio Wesleyan University
Oklahoma Christian College
Oregon State University
Otterbein College, Ohio
Pacific Lutheran University, Wash.
Pacific Oaks, Cal.
Paper Chemistry, The Institute of, Wis.
Park Tudor School, Ind.
Pennsylvania, University of.
Pennsylvania College of Optometry.
Philadelphia College of Textiles and Science, Pa.
Phillips Exeter Academy, The, N.H.
Pittsburgh, University of, Pa.
Primary Day School, The, Md.
Princeton University, N.J.
Purnell School, N.J.
Randolph-Macon Woman's College, Va.
Reed College, Ore.
Regis High School, N.Y.
Renbrook School, Conn.
Rhode Island, University of.
Rhode Island College.
Roanoke College, Va.
Rollins College, Fla.
Roosevelt University, Ill.
Rutgers, The State University, N.J.
Rye Country Day School, N.Y.
Sacramento State University, Cal.
Saginaw Valley College, Mich.
St. Albans School for Boys, D.C
Saint Augustine's College, N.C.
Saint Benedict, College of, Minn.
Saint David's School, N.Y.
St. Francis Xavier Parochial School, N.Y.
St. John's School, Tex.
St. John's University, N.Y.
St. Johnsbury Academy, Vt.
Saint Joseph College, Conn.
Saint Joseph's College, Pa.
St. Joseph's Collegiate Institute, N.Y.
St. Lawrence University, N.Y.
Saint Mary College, Kan.
St. Norbert College, Wis.
Saint Rose, The College of, N.Y.
St. Thomas, College of, Minn.
Salem College, W. Va.
Samford University, Ala.
San Diego State University, Cal.
Scarritt College for Christian Workers, Tenn.
Scripps College, Cal.
Sidwell Friends School, The, D.C.
Simpson College, Iowa.
Skidmore College, N.Y.
Smith College, Mass.
South Carolina, University of.
Springfield College, Mass.
Stanford University, Cal.
Stephens College, Mo.
Stetson University, Fla.
Stevens Institute of Technology, N.J.
Stony Brook School, The, N.Y.
Sweet Briar College, Va.
Taylor University, Ind.
Texas, The University of.
Texas, Lutheran College.
Thayer Academy, Mass.
Transylvania University, Ky.
Trinity University, Tex.
Tuskegee Institute, Ala.
Union College, N.Y.
University School, Ohio.
University School of Milwaukee, Wis.
Upstate Medical Center-SUNY, N.Y.
Ursinus College, Pa.
Vermont, The University of.
Villa Maria College, Pa.
Walsh College, Ohio.
Warren Wilson College, N.C.
Wayne State University, Mich.
Wesleyan University, Conn.
Westbrook College, Me.
Western New England College, Mass.
Westmar College, Iowa.
Westmont College, Cal.
Westridge School, The, Cal.
Wheeling College, W. Va.
Whitman College, Wash.
Whittier College, Cal.
Willamette University, Ore.
Williams College, Mass.
Wilson College, Pa.
Wisconsin, The University of.
Wooster, The College of, Ohio.
Worcester Junior College, Mass.
Worcester Polytechnic Institute, Mass.
Xavier High School, N.Y.
Xavier University, Ohio.
Yale University, Conn.
Yankton College, S.D.

By Mr. HARTKE (for himself, Mr. ABOUREZK, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BENTSEN, Mr. BIBLE, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. ROBERT C. BYRD, Mr. CANNON, Mr. CASE, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. COOK, Mr. CRANSTON, Mr. CURTIS, Mr. DOMENICI, Mr. DOMINICK, Mr. EAGLETON, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GRAVEL, Mr. GRIFFIN, Mr. HANSEN, Mr. HART, Mr. HATFIELD, Mr. HOLLINGS, Mr. HRUSKA, Mr. HUGHES, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. McGEE, Mr. McGOVERN, Mr. McINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. NELSON, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STAFFORD, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S. 2359. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder. Referred to the Committee on Finance.

Mr. HARTKE. Mr. President, since becoming a Member of the U.S. Senate, I have introduced many bills to serve many purposes and to solve many problems, but the bills of which I am proudest are those which would help blind people in their valiant struggle to achieve a normal, self-reliant life.

Mr. President, I have endeavored to give a voice to the hopes and aspirations of our blind fellow Americans—to the difficulties, discriminations, and disadvantages experienced by blind men and women as they strive to live and work without sight in a world of sight. I intend to continue my efforts in behalf of all sightless Americans so long as I remain in the Senate, for I believe that no other separate group of our people have tried to do more to help themselves, and no other group has accomplished more through their own efforts to achieve restoration to regular, self-supporting living than have the blind of this Nation.

Mr. President, because blind Americans have tried so determinedly to help themselves, I believe they have more than earned the right to assistance from the Government. Therefore, I am introducing today a bill to liberalize the provisions of the Federal disability insurance law for blind persons.

On five separate occasions, Mr. President, this bill has been approved by the Senate during the past dozen years. As an indication of the support which this disability for the blind bill has received in this Chamber, no less than 71 of my colleagues joined me in sponsoring the bill in the 92d Congress.

My bill would make it possible for a blind person who has worked for a year and a half in social security-covered work to qualify and draw disability benefit payments so long as he remains blind and regardless of his earnings. The present law requires that a blind person have worked in covered employment in 20 of the last 40 quarters. That eligibility requirement fails to take into account the fact that a blind person finds it difficult to secure work of any kind, however employable he may be on the basis of talents and training.

My bill gives legal recognition to another hard fact confronting the blind—they must always function without sight in a society structured for sight, and they must work in an economy organized by sighted people for sighted people. As a result, the blind person will need varying degrees of sight to assist him no matter what he does or how able he may be, and the only sure way to get this help is to hire it. The blind person must thus have disability insurance payments to serve as a continuing source of funds to hire sighted assistance.

It is my hope, Mr. President, that this 93d Congress will be known as the most important of all Congresses for blind Americans. It can achieve that distinction if we enact the disability insurance for the blind bill which I introduce today so that, at long last, blind people can be liberated and elevated to a more equal relationship with their sighted fellows.

Mr. President, I ask unanimous consent that the text of my bill, together with a fact sheet about the bill be printed in the RECORD at this point.

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

S. 2359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 214(a) of the Social Security Act is amended by adding "or" after the semicolon at the end of paragraph (3), and by inserting after paragraph (3) the following new paragraph:

"(4) in the case of an individual who has died and who was entitled to a benefit under section 223 for the month before the month in which he died, 6 quarters of coverage;".

(b) Section 215(b)(1) of such Act is amended by striking out "shall be the quotient" and inserting in lieu thereof "shall (except as provided in paragraph (5)) be the quotient".

(c) Section 215(b) of such Act is further amended by adding at the end thereof the following new paragraph:

"(5) In the case of an individual who is blind (within the meaning of 'blindness' as defined in section 216(i)(1)), such individual's average monthly wage shall be the quotient obtained by dividing (A) the total of his wages paid in, and self-employment income credited to, all of the calendar quarters which are quarters of coverage (as defined in section 213) and which fall within the period after 1950 and prior to the year specified in clause (i) or clause (ii) of paragraph (2)(C), by (B) the number of months in such quarters; except that any such individual who is fully insured (without regard to section 214(a)(4)) shall have his average monthly wage computed under this subsection without regard to this paragraph if such computation results in a larger primary insurance amount."

(d) Section 216(i)(3) of such Act is amended to read as follows:

"(3) The requirements referred to in clauses (i) and (ii) of paragraph (2)(C) are satisfied by an individual with respect to any quarter only if—

"(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 and filed application for benefits under section 202(a) on the first day of such quarter, and (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with such quarter, or (ii) if such quarter ends before he attains (or would attain) age 31, not less than one-half (and not less than 6) of the quarters during the period ending with such quarter and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage; or

"(B) he is blind (within the meaning of 'blindness' as defined in paragraph (1) of this subsection) and has not less than 6 quarters of coverage in the period which ends with such quarter.

For purposes of clauses (i) and (ii) of subparagraph (A) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a prior period of disability unless such quarter was a quarter of coverage."

(e) The first sentence of section 222(b)(1) of such Act is amended by inserting "(other than such an individual whose disability is blindness as defined in section 216(i)(1))" after "an individual entitled to disability insurance benefits".

(f) Section 223(a)(1) of such Act is amended—

(1) by striking out the comma at the end of subparagraph (B) and inserting in lieu thereof "or is blind (within the meaning of 'blindness' as defined in section 216(i)(1)),";

(2) by striking out "the month in which he attains age 65" and inserting in lieu thereof "in the case of any individual other than an individual whose disability is blindness (as defined in section 216(i)(1)), the month in which he attains age 65"; and

(3) by striking out the second sentence.

(g) Section 223(c)(1) of such Act is amended to read as follows:

"(1) An individual shall be insured for disability insurance benefits in any month if—

"(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 and filed application for benefits under section 202(a) on the first day of such month, and (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with the quarter in which such month occurred, or (ii) if such month ends before the quarter in which he attains (or would attain) age 31, not less than one-half (and not less than 6) of the quarters during the period ending with the quarter in which such month occurred and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage, or

"(B) he is blind (within the meaning of 'blindness' as defined in section 216(i)(1)) and has not less than 6 quarters of coverage in the period which ends with the quarter in which such month occurs.

For purposes of clauses (i) and (ii) of subparagraph (A) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a period of disability unless such quarter was a quarter of coverage."

(h) Section 223(d)(1)(B) of such Act is amended to read as follows:

"(B) blindness (as defined in section 216(i)(1))."

(i) the second sentence of section 223(d)(4) of such Act is amended by inserting "(other than an individual whose disability is blindness, as defined in section 216(i)(1))" immediately after "individual".

SEC. 2. In the case of an insured individual who is under a disability as defined in section 223(d)(1)(B) of the Social Security Act, who is entitled to monthly insurance benefits under section 202(a) or 223 of such Act for a month after the month in which this Act is enacted, and who applies for a recomputation of his disability insurance benefit or for a disability insurance benefit (if he is entitled under such section 202(a)) in or after the month this Act is enacted, the Secretary shall notwithstanding the provisions of section 215(f)(1) of such Act, make a recomputation of such benefit if such recomputation results in a higher primary insurance amount.

SEC. 3. The amendments made by this Act shall apply only with respect to monthly benefits under title II of the Social Security Act for and after the second month following the month in which this Act is enacted.

FACT SHEET: IMPROVED DISABILITY INSURANCE FOR THE BLIND

A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder.

HISTORY

Offered in the 88th Congress by Senator Hubert Humphrey as a floor amendment to H.R. 11865 (Social Security Bill); adopted by voice vote without a dissenting vote; lost when Social Security conference ended in deadlock.

Offered in 89th Congress by Senator Vance Hartke, as S. 1787; 41 cosponsors; adopted as floor amendment to H.R. 6675 by 78 to 11 roll call votes; not approved by Social Seceurity conference.

Offered in the 91st Congress by Senator Vance Hartke, as S. 2518; 68 co-sponsors including nine of the 17 member Committee on Finance; adopted by Committee on Finance as amendment to H.R. 17550; sponsored in the House of Representatives by Congressman James A. Burke; as H.R. 3782 (identical to S. 2518), and, slightly modified, as H.R. 14673; 160 co-sponsors to the Burke bill including eleven of the 25-member Committee on Ways and Means; offered in the Committee on Ways and Means Social Security Executive Session by Congressman Burke; Committee adopted proposal of Disability Insurance for the Blind Bill removing recency of quarters earned in Social Security-covered work requirement making 30,000 otherwise ineligible blind persons eligible for disability benefits; no further action since House-Senate Conference on Social Security matters was not held.

Offered in the 92nd Congress in the Senate by Senator Vance Hartke, as S. 1335; 71 cosponsors including 10 of the 16-member Committee on Finance; adopted by the Committee on Finance as amendment to H.R. 1; sponsored in the House of Representatives by Congressman James A. Burke, as H.R. 1240 (identical to S. 1335); offered by Congressman Burke in Committee on Ways and Means Executive Session on H.R. 1; Committee adopted provision similar to Committee action taken in the 91st Congress; House-Senate Conference on Social Security matters approved change in Disability Insurance for the Blind as adopted by the Committee on Ways and Means.

PROVISIONS

Allows qualification for disability benefits to the person who is blind according to the generally accepted definition of blindness (20/200, etc.) and who has worked six quarters in Social Security-covered work, any time earned, rather than 20 of the last 40 quarters as required of those with other disabilities; continuation of benefits irrespective of earnings so long as blindness lasts, rather than cutting off benefits if the blind person earns as little as $140.00 in a month as provided in existing regulations.

WHAT CHANGES WOULD DO

The Disability Insurance for the Blind bill would transform the Disability Insurance Program providing only subsistence income to long-time employed but presently unemployable blind persons into a system providing short-term employed blind persons with insurance income to off-set the economic consequences of blindness—diminished earning power, greatly diminished employment opportunities, greatly increased costs of living and working, blind, in a sight-directed economy and society.

WHY CHANGES ARE NEEDED

To many blind persons, able to work, although blind, but unable to secure work because they are blind—or unable to secure work of long and steady duration because they are blind—to these people the requirement of employment for a year and a half in Social Security-covered work, instead of the five of the last ten years requirement in existing law, is much more realistic and reasonable under the special and adverse circumstances facing blind persons.

It is much more realistic, when considering the misinformed or uninformed attitudes, the adverse and prejudicial practices which confront blind people when they seek work, when they are qualified by talent and training for work, when they are skilled and able to operate successfully with blindness, yet, are not hired because they are believed to be incompetent and incapable.

Making disability insurance payments available when a blind person has worked six quarters in Social Security-covered work is much more reasonable than the five years' requirement, for it would make such payments more readily available to more persons when the disaster of blindness occurs, when the need for the security provided by regularly received disability insurance payments is greatest in a workman's life.

This bill recognizes that a person who tries to function, sightless, in our sight-structured world, functions at a financial disadvantage.

For whatever a blind man would do, whatever employment or activity he would pursue, he has the need for sight to assist him.

Sighted family members and friends may be helpful, when the inclination moves them to be helpful, but the blind vending stand operator, the blind lawyer or teacher, the

blind piano tuner, even the blind housewife soon discovers that sight which is hired is more reliably available than sight which is given from kindness.

So the blind person who would function self-dependently, the blind person who would earn a living, who would live self-responsibly, must not only pay the usual daily living costs which his sighted fellows pay, but he must also pay the extra, the burdening expenses of blindness—the expenses incurred in hiring sight.

By allowing a blind person to draw disability insurance payments so long as he continues blind and irrespective of his earnings, this bill would provide to such blind person, a regular source of funds to pay for sight, and it would thus help to reduce the economic disadvantages and inequalities of blindness in his life.

By Mr. PROXMIRE:

S. 2360. A bill to amend the Fair Credit Reporting Act. Referred to the Committee on Banking, Housing and Urban Affairs.

FAIR CREDIT REPORTING

Mr. PROXMIRE. Mr. President, I introduce legislation calling for stricter regulation of credit reporting agencies. My bill would close some of the gaps in the Fair Credit Reporting Act which went into effect in April of 1971.

The purposes of the Fair Credit Reporting Act are to enable consumers to correct inaccurate and misleading credit reports, to preserve the confidentiality of credit report information, and to protect the individual's right to privacy. As the author of the act, I believe it has provided consumers with important new protections in the credit reporting area. However, we now have had over 2 years of experience under the act and during this time certain deficiencies have been revealed.

My bill is intended to remedy these deficiencies. It is based on the recommendations of the Federal Trade Commission which administers the Fair Credit Reporting Act as well as others who have studied the act. As the chairman of the Consumer Credit Subcommittee of the Senate Banking Committee, I am planning to hold prompt hearings on the legislation after the August recess.

Under my bill, the Fair Credit Reporting Act would be strengthened in the following ways:

First. Consumers are entitled to inspect their credit files and obtain a written copy of all the information in their file. Current law requires that the information need only be orally disclosed by the credit reporting agency and does not entitle a consumer to actually see or inspect his file.

Second. All the information in a consumer's credit file must be disclosed including the sources of information on investigative reports and medical information. Reporting agencies have the option of disclosing medical information to the consumer or to a physician of his choice. The current law does not require a reporting agency to divulge medical information or the source of investigative information.

Third. Consumers are entitled to receive a copy of their credit report through the mail. Current law does not require mail disclosures.

Fourth. Consumers who are turned down for credit, insurance or employment, are entitled to free disclosure of the contents of their credit file by long distance telephone without paying a toll charge. Present law permits credit reporting agencies to charge the consumer for all long distance calls.

Fifth. Those who order investigative reports on a person's habits must first obtain written permission from the person being investigated after clearly disclosing the complete details and scope of the proposed investigation. These requirements also apply to investigative employment reports whether or not the person has applied for employment. Current law does not require the consumer's written permission and requires only that the consumer be given a general description of the investigation. The current law also waives any disclosure of investigative employment reports on persons who have not applied for employment.

Sixth. All investigative reports must be in writing and must be retained in the consumer's file for 1 year so as to permit the FTC to determine whether the reporting agency is complying with the law. The current law permits reporting agencies to make oral investigative reports and to destroy copies of written reports as soon as they are made.

Seventh. Anyone who takes adverse action against a consumer on the basis of information in a credit report must give the consumer a copy of the credit report and disclose in writing the specific reason for the adverse action, the specific information in the credit report considered to be adverse, the name, address, and phone number of the credit reporting agency, and the consumer's legal right to inspect and correct his credit file. Those requirements apply to any adverse action taken on the basis of a credit report including the denial of credit, insurance, employment, an apartment rental, license, fidelity bond, or other benefit. The current law applies only to credit insurance or employment and requires only that the consumer be told a credit report was involved and that he be given the name and address of the reporting agency.

Eighth. Anyone who denies a person credit, insurance or employment on the basis of information obtained from a third party other than a credit reporting agency must disclose in writing the reason for the adverse action and the nature of the third party information. The present law applies only to creditors and requires that the nature of the third party information be disclosed only if requested by the consumer.

Ninth. The term "credit reporting agency" is expanded to cover Government agencies making credit, insurance, or employment reports such as the Civil Service Commission. Under this expanded definition, a person would have the same rights with the Civil Service Commission that he has with a credit reporting agency including the right to inspect his file and correct inaccurate information. The FTC has interpreted the present law to exclude Government agencies from the definition of a credit reporting agency.

Tenth. The Federal Trade Commission is given the power to write rules and regulations to carry out the purposes of the Fair Credit Reporting Act. The FTC has interpreted the present law to preclude it from writing rules and regulations.

Eleventh. The FTC is specifically authorized to gain access to information in a credit reporting agency's files to determine whether the information being disclosed to consumers is consistent with the information in the file. FTC's authority to utilize this method of enforcing compliance has been legally challenged.

Twelfth. The civil liability provisions of the Fair Credit Reporting Act are strengthened by providing for a minimum liability of $100 in the case of negligent violations and $1,000 in case of willful violations. These sums would be in addition to any actual damages. The present law does not provide for minimum liability with the result that there have been no awards since the law went into effect in April of 1971.

The immunity from certain civil actions is repealed with respect to those who make or use credit reports or furnish information for credit reports. The present law prevents such common law civil actions based on information disclosed pursuant to the Fair Credit Reporting Act unless the violation involved the furnishing of false information with malicious intent to injure the consumer.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD at the end of my remarks.

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

S. 2360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

§ 1. SHORT TITLE.

This Act may be cited as the "Fair Credit Reporting Act Amendments of 1973".

§ 2. COVERAGE OF ACT.

Section 603(f) of the Fair Credit Reporting Act is amended—

(1) by striking out "fees, dues, or" and inserting in lieu thereof "compensation,";

(2) by striking out "regularly" and inserting in lieu thereof "or otherwise,"; and

(3) by adding at the end thereof the following new sentence, "As used in the preceding sentence, 'furnishing consumer reports to third parties' includes the furnishing of such reports to other governments or to other subdivisions or agencies of the same government.".

§ 3. AUTHORIZATION FOR DISCLOSURE OF INVESTIGATIVE CONSUMER REPORTS.

Section 606 of the Fair Credit Reporting Act is amended to read as follows:

"§ 606. DISCLOSURE OF INVESTIGATIVE CONSUMER REPORTS.

"A person may not procure or cause to be prepared an investigative consumer report on any consumer unless that consumer has given a specific date, and separately signed affirmative written indication of his authorization of such an investigative consumer report after receiving clear and conspicuous written disclosure to him of the methods and scope of the investigation. Such disclosure shall include—

"(1) a list of all questions to be asked in the investigation and the likely sources to be asked in the investigation and the likely

sources to be contacted in the investigation; and

"(2) a blank copy of any standard questionnaire or other similar form to be used in the investigation.".

§ 4. EXTENT OF DISCLOSURE.

Section 609 of the Fair Credit Reporting Act is amended—

(1) by striking out "The nature and substance of all" in subsection (a)(1) and inserting in lieu thereof "All";

(2) by inserting before the period at the end of subsection (a)(1) a comma and the following: "except that the consumer shall be advised of the existence of any medical information withheld, and of his right to have such information furnished to a licensed physician of his choice";

(3) by striking out the semicolon and all that follows it in subsection (a)(2) and inserting in lieu thereof "(including the sources of medical information)."; and

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

"(c) Upon the request of the consumer to whom medical information withheld pursuant to subsection (a)(1) relates, the consumer reporting agency shall furnish such information to a licensed physician designated by the consumer. Nothing in this Act shall be construed to prevent, or to authorize any consumer reporting agency to prevent, such a physician from subsequently disclosing such information to the consumer to whom it relates.".

§ 5. CONDITIONS OF DISCLOSURE.

(a) Section 610(b) of the Fair Credit Reporting Act is amended as follows:

(1) In clause (1), strike out "; or" and insert in lieu thereof a comma and the following: "and in any such case, the consumer shall be permitted a personal, visual inspection of his file;".

(2) In clause (2), strike out all after "telephone disclosure" and insert in lieu thereof "without charge to the consumer, except as provided in section 612;".

(3) After clause (2), add the following:

"(3) by mail, if he has made a written request, with proper identification, for mail disclosure; and

"(4) by providing a copy of his file, if he has made a written request, with proper identification, at a charge not to exceed ten cents per page.".

(b) Subsection (c) of such section is amended by adding at the end thereof the following new sentence: "Information furnished by mail must be accompanied by an explanation if provided in code or trade terminology.".

(c) Subsection (e) of such section is repealed.

§ 6. FORM AND RETENTION OF INVESTIGATIVE CONSUMER REPORTS.

Section 614 of the Fair Credit Reporting Act is amended—

(1) by inserting "(a)" before "Whenever"; and

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

"(b) Each investigative consumer report shall be in writing, shall identify the sources of all information contained therein, and shall be retained in the file of the consumer to whom it relates for a period of one year following its completion.".

§ 7. REQUIREMENTS ON USERS OF CONSUMER REPORTS.

Section 615 of the Fair Credit Reporting Act is amended to read as follows:

"§ 615. REQUIREMENTS ON USERS OF CONSUMER REPORTS.

"(a) Whenever any adverse action is taken either wholly or partly because of information contained in a consumer report from a consumer reporting agency, the user of the consumer report shall—

"(1) disclose in writing to the consumer against whom such adverse action has been taken (A) the reason for taking such adverse action, including reference to the particular item or items of information contained in the consumer report upon which such adverse action has been wholly or partly based; (B) the name, street address, and telephone number of the consumer reporting agency making the report; and (C) a statement of the fact that the consumer is entitled (i) to receive a copy of his file from the consumer reporting agency at nominal charge, or (ii) to inspect his file at the consumer reporting agency free of charge if visited within 30 days of receipt of the user's notification; and

"(2) furnish a copy of the consumer report if the consumer report was written, or furnish a copy of a summary if the consumer report was oral.

"(b) Whenever credit or insurance for personal, family, or household purposes, or employment involving a consumer is denied or the charge for such credit or insurance is increased either wholly or partly because of information obtained from a person other than a consumer reporting agency bearing upon the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, the user of such information shall disclose in writing to the consumer at the time such action is taken the reason for such adverse action, and the nature of the information.".

§ 8. CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE.

Section 616 of the Fair Credit Reporting Act is amended—

(1) by inserting "and knowingly" after "willfully"; and

(2) by inserting before the semicolon in clause (2) a comma and the following: "but not less than $1,000".

§ 9. CIVIL LIABILITY FOR NEGLIGENT NONCOMPLIANCE.

Section 617 of the Fair Credit Reporting Act is amended—

(1) by inserting ", in an individual action," after "that consumer";

(2) by redesignating clause (2) as clause (3);

(3) by inserting before such redesignated clause the following:

"(2) such amount of special damages as the court may allow, but not less than $100 for each item of erroneous information reported; and"; and

(4) by adding at the end thereof the following flush sentence:

"A consumer reporting agency or user of information is not liable in an action under this section if it shows by a preponderance of the evidence that, at the time of the violation, the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of reasonable procedures to assure compliance and avoidance of error.".

§ 10. RULEMAKING AUTHORITY.

Section 621 of the Fair Credit Reporting Act is amended—

(1) by striking out "(a)" and inserting in lieu thereof "(2)"; and

(2) by inserting immediately after the section caption the following:

"(a)(1) The Commission shall prescribe regulations to carry out the purposes of this title. Such regulations may contain such classifications, differentiations, and other provisions, and may provide for such adjustments and exceptions as in the judgment of the Commission are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith. Any reference to any requirement imposed under this title or any provision thereof includes reference to the regulations of the Commission under this title or the provision thereof in question.".

§ 11. DISCLOSURE OF REPORTS FOR ENFORCEMENT PURPOSES.

(a) Section 604 of the Fair Credit Reporting Act is amended by striking out "A" and inserting in lieu thereof "Except as provided in section 621 (a), a".

(b) Section 608 of such Act is amended by inserting after "604" a comma and the following: "and except as provided in section 621 (a)".

(c) The third sentence of section 621 (a)(2) of such Act is amended by inserting after "documents" a comma and the following: "the examination and production of consumer reports and consumer reporting agency files".

By Mr. DOLE:

S. 2361. A bill to authorize the President to enter into agreements establishing totalization arrangements between the social security system established by title II of the Social Security Act and the social security systems of other countries. Referred to the Committee on Finance.

COORDINATION OF SOCIAL SECURITY SYSTEMS

Mr. DOLE. Mr. President, today, I am introducing a bill to coordinate the social security system of this country with similar programs of other nations. This bill would fill a need to provide Americans working abroad with uninterrupted protection and eligibility for benefits under our law. It would also enable many of those who immigrate to America to be given recognition under our system for contributions made to the systems of their native countries. And it would also eliminate the problem of employers and employees being required to make contributions to the social security systems of two nations and the problem of nations supplying duplicated benefits to those individuals.

These totalization agreements are not unique in international relations. Several European nations have them, and their principle was endorsed by the European Common Market in its earliest days. Under a 1951 treaty with Italy, the United States has negotiated a totalization agreement between the two countries; however, the agreement cannot be put into effect until legislative authority is granted.

This bill would grant the required authority, and it would make possible the conclusion of similar agreements with other nations.

With the growing importance of trade and the exchange of ideas, products, and personnel across national borders, I believe we should take every reasonable step to encourage and facilitate the processes involved. Coordination of different countries' social security systems is one step which can help.

It would involve no great expense and would provide a significant measure of fairness and equity for the workers who would be covered by it. It would not make our social security system responsible for paying benefits earned in other countries; however, it would enable workers to maintain continuity in their coverage between the two different national systems.

Congress would have authority to reject any totalization agreement, so there would still be ample opportunity to

supervise these agreements' impacts on our system.

I would hope this legislation could be approved without undue delay. It should provide real benefits to the individual workers it covers, and it will be further indication of our country's intention to match our acts with our words in seeking closer cooperation on matters of mutual interest with our trading partners around the world.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD at the conclusion of my marks, along with a letter of transmittal and explanation from the Secretary of Health, Education, and Welfare; a discussion of the present law, this proposal, its cost and other details; a description of a model totalization agreement; and a discussion of several hypothetical cases demonstrating the effect of totalization agreement.

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

S. 2361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Social Security Act is amended by adding at the end thereof the following new section:

"INTERNATIONAL AGREEMENTS

"Purpose of Agreement

"SEC. 232. (a) The President is authorized to enter into agreements establishing totalization arrangements between the social security system established by this title and the social security system of any foreign country, for the purposes of establishing entitlement to and the amount of old-age, survivors, disability, or derivative benefits based on a combination of an individual's periods of coverage under the social security system established under this title and the social security system of such foreign country.

"Delegation of Authority to Secretary of Health, Education, and Welfare

"(b)(1) The President is authorized to delegate any of his functions under this section to the Secretary of Health, Education, and Welfare.

"(2) Pursuant to any such delegation, the Secretary of Health, Education, and Welfare shall consult with the Secretary of the Treasury and the Secretary of State prior to entering into any such agreement.

"Definitions

"(c) For the purposes of this section—

"(1) the term 'social security system' of a foreign country means a social insurance or pension system which is of general application in the country and under which periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, death or disability.

"(2) the term 'period of coverage' means a period of payment of contributions or a period of earnings based on wages for employment or on self-employment income, or any similar period recognized as equivalent thereto under this title or under the social security system of a country which is a party to an agreement entered into under this section.

"Crediting Periods of Coverage; Tax Exemptions; Conditions of Payment of Benefits

"(d)(1) Any agreement establishing a totalization arrangement pursuant to this section shall provide:

"(A) that, in the case of an individual who has at least six quarters of coverage as defined in section 213 of this Act and periods of coverage under the social security system of a foreign country which is a party to such agreement, periods of coverage of such individual under such social security system of such foreign country may, at the option of such individual or of the survivors of such individual, be combined with periods of coverage under this title and otherwise considered for the purposes of establishing entitlement to and the amount of old-age, survivors, and disability insurance benefits under this title;

"(B)(i) that employment or self-employment, or any service which is recognized as equivalent to employment or self-employment under this title and the social security system of such foreign country which is a party to such agreement, shall, on or after the effective date of such agreement, result in a period of coverage under the system established under this title or under the system established under the laws of such foreign country, but not under both;

"(ii) the methods and conditions for determining under which system such employment, self-employment or other service shall result in a period of coverage;

"(C) that where an individual's periods of coverage are combined, the benefit amount payable under this title shall be based on the proportion of such individual's periods of coverage which were completed under this title; and

"(D) that an individual who is entitled to cash benefits under this title pursuant to such agreement shall, notwithstanding the provisions of section 202(t), receive such benefits while he legally resides in the foreign country which is a party to such agreement.

"(2) To the extent that any such agreement provides that any period of coverage under this title shall not be such a period of coverage because it is a period of coverage under the laws of a foreign country which is a party to such agreement, no employment or self-employment taxes shall be imposed with respect to such period of coverage under the laws of the United States.

"(3) Any such agreement may provide that the benefit paid by the United States to an individual who legally resides in the United States shall be increased to an amount which, when added to the benefit paid by such foreign country, will be equal to the benefit amount which would be payable to an entitled individual based on the first figure in (or deemed to be in) column IV of the table in section 215(a).

"(4) Section 226 shall not apply in the case of any individual to whom it would not be applicable but for this section or any agreement or regulation under this section.

"(5) Any such agreement may contain such other provisions, not inconsistent with this section, as the President deems appropriate.

"Regulations

"(e) The Secretary of Health, Education, and Welfare shall make rules and regulations and establish procedures which are reasonable and necessary to implement and administer any agreement which has been entered into in accordance with this section.

"Reports to Congress; Effective Date of Agreements

"(f)(1) Any agreement to establish a totalization arrangement entered into pursuant to this section shall be transmitted by the President to the Congress.

"(2) Such an agreement shall become effective on any date provided in the agreement following 90 calendar days of continuous session of the Congress after the date on which the agreement is transmitted in accordance with paragraph (1). The continuity of a session is broken (for purposes of this paragraph) only by an adjournment of the Congress sine die. The days on which either House of the Congress is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 90-day period."

Relief from Taxes

SEC. 102. (a) Section 1401 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"(c) During any period in which there is in effect an agreement entered into pursuant to section 232 of the Social Security Act with any foreign country, the self-employment income of an individual shall be exempt from the taxes imposed by this section to the extent that such self-employment income is subject under such agreement to taxes or contributions for similar purposes under the social security system of such foreign country."

(b) Sections 3101 and 3111 of such Code are each amended by adding at the end thereof the following new subsection:

"(c) During any period in which there is in effect an agreement entered into pursuant to section 232 of the Social Security Act with any foreign country, wages received by or paid to an individual shall be exempt from the taxes imposed by this section to the extent that such wages are subject under such agreement to taxes or contributions for similar purposes under the social security system of such foreign country."

(c) Notwithstanding any other provision of law, taxes paid by any individual to any foreign country with respect to any period of employment or self-employment which is covered under the social security system of such foreign country in accordance with the terms of an agreement entered into pursuant to section 232 of the Social Security Act, shall not, under the laws of the United States, be deductible by, or creditable against the income tax of, any such individual.

DESCRIPTION OF MODEL TOTALIZATION AGREEMENT

Under a totalization agreement between countries A and B, each country, at the option of a social security claimant, considers the worker's total earnings record—i.e., his covered work in both country A and country B—in determining insured status and benefit amounts. Thus, covered work in either country could count toward meeting the insured-status requirements of the other. In computing a totalized benefit, a participating country would first compute the benefit that would have been payable under its laws if the total earnings record had been covered by its social security program. The totalized benefit would be a fraction of the benefit amount computed on the basis of total credits; the fraction would be equal to the ratio which the worker's covered employment completed under the social security system of the country paying the benefits bears to the total employment covered under the systems of both countries. The draft legislation provides that the United States will totalize benefits at the option of the worker (or his survivors); totalization of benefits by the other country party to the agreement is not provided for under the draft legislation but it is expected that it would be provided under the terms of the agreement.

For example, if a worker had 10 years of covered work under the U.S. system and 30 years of work covered under the system of another country which is party to the agreement, the U.S. totalized benefit would be a benefit computed under U.S. laws using the 40 years of earnings, reduced by three-fourths. The other country would compute a benefit under its own laws using the 40 years of earnings and then would reduce this benefit amount by one-fourth to arrive at the totalized benefit payable under its social security system.

Benefits could be totalized in any case in which a worker has at least 6 quarters of coverage under the U.S. system and also has covered work under the system of another country which is party to the agreement. If an individual is entitled to benefits under the laws of a participating country without totalization, he may elect to receive either the totalized benefit amount or the benefit amount payable without totalization. Presumably, in such cases he would choose the larger of the two benefits. (Studies have indicated that if a claimant is eligible for benefits in the United States under present law, he would virtually never gain an advantage under the U.S. system by electing totalization.)

Under the agreement, each country would be required to treat the nationals of the other country as they would their own nationals for social security purposes. Also, all benefits would be paid to citizens of either country living in either country without restriction or reduction based on residence.

A totalization agreement would permit each country, to the greatest extent feasible, to apply its own laws in paying benefits under the agreement. Thus, each system would apply its own laws with regard to such determinations as insured status, eligibility for dependents and survivors benefits, deductions, suspensions, and terminations of benefits.

The two countries would exchange information on social security credits and covered earnings and provide other administrative assistance, but they would make their determinations and computations independently of each other and pay benefits directly to the beneficiaries. There would be no need for an interchange of funds or balancing of accounts between the two countries; each country would bear the cost of the benefits it pays plus its own administrative expenses.

ELIMINATION OF DUAL COVERAGE

A totalization agreement would also include provisions designed to eliminate dual coverage, i.e., coverage in both countries for the same services. The agreement would not change the basic coverage provisions of either country; it would simply exempt from coverage under the social security system of one country certain services covered under the system of the other country. The exemptions would generally be based on such considerations as the nationality of the worker and the country in which the work is performed so that, to the extent feasible, the services would be exempted from coverage under the laws of the country that has less direct connection with the worker. For example, a U.S. citizen working for a time in the branch office of a U.S. employer in another country which is party to an agreement could be exempted from coverage under the other country's social security system, remaining covered only under the system of the United States to whose economy he is attached.

Following are some illustrative cases showing the effect of a totalization agreement:

ILLUSTRATIVE CASES SHOWING THE EFFECT OF A TOTALIZATION AGREEMENT [1]

Case A

A, an American citizen, works for an American employer in the United States. A's employer also does business in country C. During his career A is assigned to a branch office of his employer in C for 10 years and continues to be covered under the U.S. social security system. Under present law he and his employer must also pay the social security contributions of country C for those 10 years, but since C requires at least 15 years' coverage to be insured for retirement benefits, A is not entitled to any social security benefits from C.

Under a totalization agreement, dual coverage between the United States and C would be eliminated. For purposes of this example it is assumed that the totalization agreement provides that the work is covered only under the U.S. system, the country of which the worker is a citizen. A's social security retirement benefits would be based on his lifetime of work including his 10 years of work in country C.

Case B

B worked in the United States for 20 years, went to country C and worked for 5 years, and then became disabled. Under present law he is eligible for a U.S. disability benefit but he is not eligible for disability benefits in country C because he does not meet the requirement of 15 years of covered work.

Under a totalization agreement B could receive either the U.S. social security disability benefit computed under present law or the U.S. totalized benefit which would be 20/25 of the benefit computed under U.S. law based on combined earnings. He would also receive a totalized benefit from country C of 5/25 of the benefit computed under C's law based on combined earnings.

Case C

X is a citizen of country C who immigrated to the United States at the end of 1964 and later because an American citizen. His employment in C from 1951 through 1964 was covered under C's social security system but X is not insured in C because C's system requires 15 years of coverage to be insured. X attains age 65 in 1971 after only 4 years of work covered under the U.S. system. Under present law, X cannot qualify for retirement benefits under either country's system.

Under totalization, X would qualify for benefits under both systems, would receive a U.S. totalized benefit of 4/18 of the benefit computed according to U.S. law based on combined earnings, and a totalized benefit from C of 14/18 of the benefit computed under C's law based on combined earnings. If the total of the two totalized benefits does not at least equal the U.S. minimum benefit, since the worker resides in the United States, the United States would, if the agreement so provided, pay the worker an additional amount so that his total benefits will equal an amount based on the U.S. minimum benefit payment provided in the benefit table in title II.

JUNE 13, 1973.

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

DEAR MR. PRESIDENT: I am transmitting with this letter draft legislation to amend the social security program. Also enclosed are a description of the proposed legislation and a description of the kind of agreements that could be entered into under it.

The proposed legislation would provide general authority for the President (or the Secretary of Health, Education, and Welfare, as his delegate) to enter into bilateral agreements (generally known as totalization agreements) with interested countries to provide for limited coordination between the U.S. social security system and that of the other country. The Congress would have an opportunity to consider and reject each proposed agreement negotiated.

A totalization agreement is designed to benefit both workers and employers. The agreement could prevent the impairment of social security protection which results when a person works during his lifetime under the social security systems of two countries but is not eligible for benefits on the basis of his work in one of the two countries when he retires, becomes disabled, or dies. The agreement could also prevent undesirable dual coverage and dual employer and employee contributions with respect to the same work under the social security system of two cooperating countries, such as frequently occurs when Americans work in foreign countries for American employers.

An American-Italian totalization agreement has been negotiated under the authority of article VII of the Supplementary Agreement to the Treaty of Friendship, Commerce, and Navigation of September 26, 1951, between Italy and the United States. The initialing of this totalization agreement on May 23 by representatives of the United States and Italy signifies only that both governments agree to accept the text of the agreement for purposes of seeking formal approval of their respective legislatures. In the case of the United States, the proposed enclosed general enabling legislation, of course, would also be needed, in addition to approval of the agreement itself.

We urge that early and favorable consideration be given to enactment of this bill, and we would appreciate your forwarding the proposed legislation to the appropriate committee.

The Office of Management and Budget advises that there is no objection to the presentation of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

———— ————,
Secretary.

PROPOSAL TO PROVIDE LEGISLATIVE AUTHORITY FOR THE PRESIDENT TO ENTER INTO TOTALIZATION AGREEMENTS ON SOCIAL SECURITY WITH OTHER COUNTRIES

PRESENT LAW

There is no provision in the Social Security Act permitting an officer or agency of the United States to enter into bilateral agreements to coordinate the U.S. social security system with the social insurance systems of other countries. However, the 1951 Supplementary Agreement to the Treaty of Friendship, Commerce, and Navigation between the United States and Italy, which entered into force in 1961, declares the adherence of the two countries to a policy of preventing gaps in social insurance protection for their respective nationals by permitting periods of coverage accumulated at different times in the two countries to be taken into account in determining pension rights in either country. In ratifying the supplementary agreement, the United States specified that legislation would be required to implement the social insurance agreement.

The absence of cooperative social insurance agreements between the United States and other countries results in two significant problems. First, there are gaps in protection for people whose working careers are divided between work covered under the U.S. system and work covered under the system of another country. For example, U.S. citizens working abroad under the social security system of a foreign country will lose disability protection under the U.S. system in 5 years or less and may not have worked long enough under the system of the foreign country to acquire disability protection. Also, persons who immigrate to the United States and become permanent residents or citizens may not qualify for protection based on contributions they made under the social insurance programs of their native countries.

The second problem that arises due to a lack of cooperation with the social security systems of other countries concerns dual coverage, i.e., coverage of the same work under two social security systems. In this situation, both the employer and the employee may pay contributions to two social insurance systems, but in many instances the worker would not be insured for benefits under one of the systems and would get no

[1] For purposes of these examples the provisions of the social security system of the other country party to the totalization agreement (country C) are modeled on typical social security provisions in other countries.

advantage from the social security contributions which have been paid to that system. Also, employers of course find it objectionable to make employer contributions to two national systems with respect to the same employment.

PROPOSAL

It is proposed that the President (or the Secretary of Health, Education, and Welfare, as his delegate) be provided with general authority to enter into totalization agreements on social security with other countries.

Under a totalization agreement, each country could, at the option of an individual, determine eligibility and benefit amounts under its system on the basis of the individual's employment in both of the participating countries. Each participating country would determine its benefit amount by first applying its benefit formula to the individual's total earnings record and then paying a proportion of this amount equal to the proportion which the employment covered under its social security program bears to the total covered work performed in both countries. There would be no actual transfers of earnings credits between the two countries and no transfers of funds. Each participating country would finance the additional benefits it would pay.

The proposed legislation includes provisions designed to eliminate the dual coverage of employment (or self-employment) under the social security systems of the United States and any other country with which a totalization agreement is concluded. To this end, the Secretary of Health, Education, and Welfare would be authorized, when an agreement becomes operative, to exclude certain employment from coverage under the U.S. system.

Under the proposed legislation, each totalization agreement would be presented to the Congress and could be turned down by action of either House within a specified time period.

COST

The proposed legislation would have no cost until such time as an agreement is approved and becomes operative. The cost for the U.S. social security program in respect to a particular agreement would, of course, depend upon the number of persons having employment in each of the two countries and on the terms of the agreement. The cost for the U.S. social security program would mainly be the cost of paying benefits to individuals who would not be eligible based on U.S. earnings credits alone and would generally be quite small. Assuming that Italy is the only country with which the United States could have a totalization agreement in full operation by fiscal 1975, the cost to the trust funds would be about $900,000 in fiscal 1975.

While the effect on balance of payments would not be significant, there are grounds for expecting that benefits payable under such agreements would result in a net flow of funds into the United States because (1) some countries (such as West Germany) reduce benefits payable to their citizens and citizens of other countries living outside the country, and this would be eliminated under a totalization agreement; (2) the insured-status requirements of some other countries (such as France, West Germany, and Italy) are stricter than those of the United States so that there would be more people in the United States who would qualify for benefit payments from such foreign countries as a result of totalization than there would be people living in those foreign countries who would qualify for benefit payments from the United States as a result of totalization; and (3) more U.S. residents are likely to receive benefits under a totalization agreement than residents of other countries party to such agreement because, in general, more immigrants remain in the United States than return to their native countries, and the majority of U.S. citizens who work abroad eventually return to the United States. (It is estimated that the U.S. balance of payments would be improved by about $800,000 in fiscal 1975, assuming that Italy is the only country with which the United States could have a totalization agreement in operation at that time.)

DISCUSSION

Totalization is a well-established means of providing limited coordination between the social security systems of various countries. Totalization arrangements have been established by a number of countries in Europe as well as by some other countries. The principle of totalization was endorsed by the International Labor Organization in 1935 and adopted by the European Common Market in 1957.

A number of countries have approached the United States about the possibility of concluding social security agreements. Among them are Italy, France, Japan, Canada, and West Germany. The Social Security Administration, in cooperation with the Department of State, has had technical discussions with all these countries. Discussions with West Germany are going on at the present time. The discussions between the United States and Italy have been given special attention because of the existing treaty provision. On May 23 representatives of Italy and the United States initialed a draft totalization agreement, thus signifying that both governments agree to accept the text of the agreement in seeking the approval of their respective legislatures.

An advantage of the totalization approach over other approaches, such as an exchange of credits, is that it is designed to allow each cooperating country to carry out its responsibilities virtually independently of the other party to an agreement. The countries would exchange information on covered earnings and earnings credits and provide other administrative assistance, but otherwise each country would make its determinations and computations independently and pay any resulting benefits directly. There would be no need for an interchange of funds or balancing of accounts.

Totalization would ameliorate both of the major problems which arise from the lack of coordination between the social insurance systems of different countries by filling major gaps in protection of those who work under the U.S. social security system and the system of another country party to the agreement and by eliminating duel coverage of the same work.

By Mr. DOMENICI (for Mr. MONTOYA) (for himself, Mr. DOMENICI, Mr. DOMINICK, and Mr. HASKELL):

S. 2362. A bill granting the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact. Referred to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I support the legislation which is being introduced today to grant the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact.

In 1970 the States of New Mexico and Colorado jointly acquired the section of the D. & R.G.W., narrow gage railroad between Chama, N. Mex., and Antonio, Colo. This section is now being operated by a concessionaire as a tourist facility under the name Cumbres and Toltec Scenic Railway.

Representatives of the States of New Mexico and Colorado have negotiated an interstate compact for the acquisition and operation of the railroad. In 1972 the State of New Mexico Legislature by Chapter 19, Laws of 1927, authorized the Governor of New Mexico to enter the compact, and the Colorado Legislature approved a bill to authorize the Governor of Colorado to enter the compact.

This compact is necessary to provide an unquestionable legal basis for the joint action of States, in acquiring and operating the facility, and the Congress must give its consent.

After review of the operation of the Cumbres and Toltec Scenic Railroad, it is apparent that there are long range benefits to the area. The railroad draws a consistent number of families and touring groups to view the beauty of the area and to experience travel on one of the few narrow gage railroads in the country.

Mr. President, I ask unanimous consent to have copies of the State agreements printed in the RECORD at this point.

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

NEW MEXICO SENATE BILL 42

Chapter 19—An act relating to railroads; providing for the adoption of the Cumbres and Toltec Scenic Railroad Compact; and repealing the compact previously adopted

Be it enacted by the Legislature of the State of New Mexico:

Section 1. Execution of Compact.—The legislature hereby approves and the governor is authorized to enter into a compact on behalf of this state with the State of Colorado in the form substantially as follows:

"CUMBRES AND TOLTEC SCENIC RAILROAD COMPACT

The state of New Mexico and the state of Colorado, desiring to provide for the joint acquisition, ownership and control of an interstate narrow gauge scenic railroad, known as the Cumbres and Toltec scenic railroad, within Rio Arriba county in New Mexico and Archuleta and Conejos counties in Colorado, to promote the public welfare by encouraging and facilitating recreation and by preserving, as a living museum for future generations, a mode of transportation that helped in the development and promotion of the territories and states, and to remove all causes of present and future controversy between them with respect thereto, and being moved by considerations of interstate comity, have agreed upon the following articles:

Article I

The states of New Mexico and Colorado agree jointly to acquire, own and make provision for the operation of the Cumbres and Toltec scenic railroad.

Article II

The State of New Mexico and Colorado hereby ratify and affirm the agreement of July 1, 1970, entered between the railroad authorities of the states.

Article III

The states of New Mexico and Colorado agree to make such amendments to the July 1, 1970 agreement and such other contracts, leases, franchises, concessions or other agreements as may hereafter appear to both states to be necessary and proper for the control, operation or disposition of the said railroad.

Article IV

The states of New Mexico and Colorado agree to the consideration of the enactment of such laws or constitutional amendments exempting the said railroad or its operations

from various laws of both states as both states shall hereafter mutually find necessary and proper.

Article V

Nothing contained herein shall be construed so as to limit, abridge or affect the jurisdiction or authority, if any, of the interstate commerce commission over the said railroad, or the applicability, if any, of the tax laws of the United States to the said railroad or its operations."

Section 2. When Compact Effective.—The compact approved by this act shall not become effective unless and until the same shall have been approved by the legislature of the state of Colorado and consented to by the Congress of the United States.

Section 3. Repeal.—Sections 69–12–1 through 69–12–3 NMSA 1953 (being Laws 1971, Chapter 250, Sections 1 through 3) are repealed.

COLORADO HOUSE BILL 1117

Providing for the adoption of the Cumbres and Toltec Scenic Railroad Compact

Be it enacted by the General Assembly of the State of Colorado:

Section 1. Chapter 74, Colorado Revised Statutes 1963, as amended, is amended by the addition of a new article to read:

Article 19

Cumbres and Toltec Scenic Railroad Compact

74–19–1. *Execution of compact.* The general assembly hereby approves and the governor is authorized to enter into a compact on behalf of this state with the state of New Mexico in the form substantially as follows:

"CUMBRES AND TOLTEC SCENIC RAILROAD COMPACT

The state of New Mexico and the state of Colorado, desiring to provide for the joint acquisition, ownership and control of an interstate narrow gauge scenic railroad, known as the Cumbres and Toltec scenic railroad, within Rio Arriba county in New Mexico and Archuleta and Conejos counties in Colorado, to promote the public welfare by encouraging and facilitating recreation and by preserving, as a living museum for future generations, a mode of transportation that helped in the development and promotion of the territories and states, and to remove all causes of present and future controversy between them with respect thereto, and being moved by considerations of interstate comity, have agreed upon the following articles:

Article I

The states of New Mexico and Colorado agree jointly to acquire, own and make provision for the operation of the Cumbres and Toltec scenic railroad.

Article II

The states of New Mexico and Colorado hereby ratify and affirm the agreement of July 1, 1970, entered between the railroad authorities of the states.

Article III

The states of New Mexico and Colorado agree to make such amendments to the July 1, 1970, agreement and such other contracts, leases, franchises, concessions or other agreements as may hereafter appear to both states to be necessary and proper for the control, operation or disposition of the said railroad.

Article IV

The states of New Mexico and Colorado agree to the consideration of the enactment of such laws or constitutional amendments exempting the said railroad or its operations from various laws of both states as both states shall hereafter mutually find necessary and proper.

Article V

Nothing contained herein shall be construed so as to limit, abridge or affect the jurisdiction or authority, if any, of the interstate commerce commission over the said railroad, or the applicability, if any, of the tax laws of the United States to the said railroad or its operations."

74–19–2. When compact effective. The compact approved by this article shall not become effective unless and until the same shall have been consented to by the Congress of the United States.

Section 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Mr. MONTOYA. Mr. President, I am pleased to join with my colleague from New Mexico, Senator DOMENICI and with the distinguished Senators from Colorado, Senator DOMINICK and Senator HASKELL, in introducing a bill providing for the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact between the States of New Mexico and Colorado.

In the 3 years that this railroad has been in operation, it has grown in popularity as a tourist attraction. Moreover, its operation has preserved the last remnant of the Denver and Rio Grande Western Railroad which once spun a web of narrow gage railroad tracks throughout Colorado and northern New Mexico.

I salute this joint effort by New Mexico and Colorado to preserve this railroad and hope that Congress will give speedy approval to the interstate compact which the two States have negotiated.

Mr. HASKELL. Mr. President, today it gives me great pleasure to join with the distinguished Members of the Senate from New Mexico and the senior Senator from Colorado in cosponsoring a measure which would grant the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact.

This measure represents a significant step in preserving an important part of our history. The subject of this measure, the historic railroad route over the Cumbres Pass between New Mexico and Colorado, served as a gateway for the passage of people and commerce between Santa Fe, Denver, and Silverton by way of Antonito and Chama in the late 1800's. Known as the Chile line, this route was constructed by the Denver and Rio Grande Railroad between 1878 and 1880. The majority of the work was performed by Chinese and Canadian laborers. This route travels the formidable heights of the San Juans and reaches an altitude of 10,015 feet above sea level. Along the line and over its narrow gage rails passed the ore mined in the mountains of Colorado and the chili grown in New Mexico, both famous throughout the Southwest.

With the passage of time, the opening of new routes to the South and West, and the decrease in commerce in that region of Colorado, the route came into disuse. The Denver and Rio Grande Railroad in 1967 petitioned the ICC for permission to abandon it. That would have been the end of this interesting piece of memorabilia were it not for the vision of some of our citizens who saw this route as an opportunity to stimulate the economy of the depressed areas of the San Luis Valley and northern New Mexico as well as to preserve an important part of our pioneer history.

Through the efforts and urging of these far-sighted citizens the States of Colorado and New Mexico purchased a portion of the route for the establishment of a scenic tour over the narrow gauge rails from Chama, N. Mex., to Antonito and back.

Beyond the historical aspects, this project has served as an important stimulus to the development of commerce and jobs in the poor areas of the San Luis Valley and northern New Mexico. The attractiveness of this scenic route and the ease of access to it has resulted in a phenomenal increase in tourism interest in the area. New restaurants, curio shops displaying the handiwork of the local residents, and other related businesses have been established, providing badly needed jobs and income for the area. Movie makers found an irresistible combination in the beauty of the mountains and the presence of the anachronistic railroad. Burt Lancaster, Robert Mitchum, and Dean Martin are among those who appeared in movies filmed in this area.

The bill which we introduce today gives the Congress an opportunity to say to the people of Colorado and New Mexico that they have performed well in solving local problems with local ingenuity and resources. The legislatures of both States have approved this project and have invested over $500,000 in it. I join with my colleagues in urging the favorable consideration of this bill.

Mr. DOMINICK. Mr. President, I am pleased to join my distinguished colleagues from Colorado and New Mexico in requesting that the Congress approve the Cumbres and Toltec Scenic Railroad Compact.

The passage of this bill is important for several reasons. It will provide a recreational facility for the citizens of Colorado and New Mexico, and for the many tourists who visit these States every year. At the same time the bill will preserve an important aspect of our national heritage. It will serve as a reminder of the great railroad era of the nineteenth century.

Finally, passage of the bill will advance the continuing cooperation between the States of Colorado and New Mexico. As the world becomes more populated and our resources become more scarce, cooperation is more and more important. We need cooperation at all levels—between individuals, between local organizations, between communities, between States, and on the grandest scale, between nations. The Cumbres and Toltec Scenic Railroad Compact will permit further cooperation between two of our Nation's States, and that cooperation will in turn foster cooperation at every level of government. I sincerely hope the Congress will grant its consent to the Compact so that cooperation may continue and grow.

By Mr. CRANSTON (for himself, Mr. HARTKE, and Mr. RANDOLPH):

S. 2363. A bill to amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members

of the armed forces. Referred to the Committee on Veterans' Affairs.

DISABLED VETERANS AUTOMOBILE AND ADAPTIVE DEVICE ASSISTANCE

Mr. CRANSTON. Mr. President, I am introducing today S. 2363 on behalf of myself, Senator HARTKE, and Senator RANDOLPH, a bill which would amend the provisions of chapter 39 of title 38, United States Code, entitled "Automobile and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces."

Mr. President, as chairman of the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare in the 91st Congress, I authored the amendments to this chapter—Public Law 91–666—which directed the Veterans' Administration to provide the adaptive equipment necessary to operate a motor vehicle or other conveyance for those veterans eligible for the automobile assistance grant.

Mr. President, the purpose of the bill we are introducing today is to clarify some aspects of chapter 39 and to expand eligibility to certain other seriously service-connected disabled veterans not previously eligible, and to assure that the adaptive equipment provided will include all those devices necessary to assure the safe and healthful operation of the vehicle by the eligible veteran.

Since Public Law 91–666 was enacted on January 11, 1971, there have been at various times great difficulties in its implementation. I have written to the Veterans' Administration on two occasions urging the development of safety and quality standards for automobile adaptive equipment, as well as the establishment of an intra-agency committee to determine policies, and a means of alerting servicemen of their potential eligibility under chapter 39.

The VA's replies have generally not been all I would have liked, but I was extremely gratified that Mr. Donald E. Johnson, Administrator of Veterans' Affairs, in his October 28, 1971 reply to my first letter did establish an intra-agency committee along the lines I had suggested. I will insert this correspondence at the conclusion of my remarks.

Our bill today attempts to correct many of the difficulties which have been well documented in these exchanges with the VA, and in the cases individual veterans have brought to my attention.

Mr. President, S. 2363 would make several important changes in the provisions of chapter 39.

First, it would remove the inequitable limitation now governing the eligibility of Vietnam era veterans for chapter 39 assistance. Presently, unlike World War II and Korean conflict veterans, Vietnam era veterans must meet more stringent line-of-duty criteria: That is, in order to be eligible they must have been injured in the line of duty and during the direct performance of duty. Yet, severely disabled World War II or Korean conflict veterans are eligible for automobile grant assistance and, as a result of Public Law 91–666, for the provision of adaptive equipment, if they satisfy the line-of-duty criterion alone.

This basic inequity would have been removed had the Senate passed bill (H.R. 370) been enacted in the 91st Congress. The administration has now proposed legislation to achieve this purpose.

Second, the bill would provide that all those who served after January 31, 1955—the end of the Korean conflict era—and before August 4, 1964—the beginning of the Vietnam era—would also be eligible for the automobile asistance grant and the provision of adaptive equipment. This change would conform to the same philosophy underlying the adoption last year of Public Law 92–328 which provided, effective July 1, 1973, for the equalization of so-called "peacetime" veterans with those who served in "wartime" for the purposes of disability compensation and underlying S. 59, now on the President's desk for signature, which would among other changes, remove these distinctions for purposes of eligibility for VA hospital care and medical services. I believe the historical dates chosen for so-called "war" periods tend to be arbitrary and that it is inequitable to return a "peacetime" distinction for purposes of chapter 39 when it has been removed for purposes of VA disability compensation and health care.

Third, the amendment provides for an increase in the basic automobile grant allowance from $2,800 to $3,300. This allowance is awarded on a one-time basis to those veterans eligible under the chapter. This increase is designed to match the rise in the cost of automobiles since passage of the last increase in Public Law 91–666 in 1970. In fact, the Senate originally passed a $3,000 figure that year which was lowered to the present $2,800 level in compromise with the House version of H.R. 370.

This $500 increase should itself have no inflationary impact; rather, its purpose is to offset the 16.9-percent inflation which has eroded the purchasing power of the present $2,800 amount since January 1970.

Further justification for the $500 increase proposed in the bill is provided by the following analysis. The Senate, in its 1970 amendment—H.R. 370—to chapter 39, originally approved an increase in the automobile allowance to $3,000. That figure was justified by data regarding the average-sized American automobile cost. Figures recently provided by the Chevrolet Division of General Motors show that the list price of a standard two-door model automobile with the necessary power steering, power brakes, automatic transmission, and air-conditioning has increased by about 8.7 percent in these 3 years. Thus, the 10 percent by which the increase in this amendment exceeds the 1970 Senate-passed figure will allow somewhat for the anticipated rise in new car prices for the 1974 models due on the market very shortly.

The bill also provides that out of the amount of the automobile grant the VA is authorized to pay State, local, and Federal taxes. This codifies a VA General Counsel's opinion holding that such payments are proper.

Fourth, Mr. President, the bill defines for the first time in law the term "adaptive equipment" under the chapter and lists several items as included in that term.

From the very beginning of the implementation of the amendment to chapter 39 in the 1970 law, there has been considerable confusion and arbitrary application of the term "adaptive equipment." For example, what a veteran would receive under this provision from one VA regional office, a similarly eligible and disabled veteran would not necessarily receive from another. One specific example of unevenhanded application of the law is the allowance of air-conditioning as one such item of adaptive equipment. VA regulations have not been at all definitive on this question—despite the statutory charge on the Administrator to prescribe minimum standards of safety and quality for adaptive equipment and to provide such equipment "under regulations which he shall prescribe"—and some veterans have received air-conditioning as allowable adaptation under chapter 39 while others similarly situated have been refused. Clearly, such arbitrary rulings cannot be tolerated, especially when we are dealing with a piece of equipment which is necessary to the health and safety of some disabled individuals. Eligible quadriplegic veterans, for example, have certain outside temperature limitations which, if exceeded, may cause dizziness, dehydration, or hypertension. These limits can be as low as 90° F. Certainly, it is necessary to assure that these types of conditions do not occur during the operation of a motor vehicle.

Fifth, the bill requires the VA Administrator to assure, either by direct provision or by contract, that driver training is available at every VA hospital, and, where appropriate, at VA regional offices and other medical facilities, to those disabled individuals eligible for the assistance provided by this chapter. It does not limit such training to those individuals eligible for assistance under the chapter; and includes express authority for the Administrator to provide for such training for those who are not eligible for chapter 39 assistance but who may need such training as a part of their total rehabilitation in a VA hospital.

The bill also authorizes the Administrator to pay for liability insurance for eligible veterans during the period he is enrolled in such training.

On that point, Mr. President, I would like to add that I have received indications that many disabled veterans have enormous difficulty in obtaining automobile insurance. If they are able to purchase insurance, it is only through "assigned risk" pools and at very high rates. There is contradictory evidence concerning the justification for this practice. The question has been studied in various States and the results in those studies do not yield a conclusion that disabled drivers are necessarily a higher risk group. In fact, some results indicate that the very contrary is true.

The hearings that will be held on this bill this fall, Mr. President, will seek to clarify this question and may very well result in our amending the bill to make provision for appropriate insurance sub-

sidies or, at the very least, a joint VA Department of Transportation study and report on all of the aspects of this question. I am hopeful that we will be able to reach an effective conclusion and resolution with respect to this matter in the bill we report from committee.

Mr. President, I ask unanimous consent that the full text of the bill we are submitting and my correspondence with the VA on implementation of Public Law 91–666 be printed in the RECORD at this point, in that order.

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

S. 2363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1901(1) of title 38, United States Code, is amended by striking out all of that part of clause (A) preceding subclause (i) and inserting in lieu thereof the following:

"(A) any eligible veteran entitled to compensation under chapter 11 of this title for any of the disabilities described in subclause (i), (ii), or (iii) below, if the disability is the result of an injury incurred or disease contracted in or aggravated by active military, naval, or air service performed during World War II, the Korean conflict, or after January 31, 1955:".

(b) Section 1901 of title 38 is further amended by adding at the end thereof a new paragraph as follows:

"(3) The term 'adaptive equipment' includes, but is not limited to, power steering, power brakes, power window lifts, power seats, and special equipment necessary to assist the eligible person into and out of the automobile or other conveyance. Such term also includes (A) air conditioning equipment when such equipment is necessary to the health and safety of the veteran and to the safety of others, regardless of whether the automobile or other conveyance is to be operated by the eligible person or is to be operated for him by another person; and (B) any modification of the roof of the automobile or other conveyance if needed by the eligible person because of his physical condition."

SEC. 2. Subsection (a) of section 1902 of such title 38 is amended (1) by inserting "including all state, local, and other taxes," after "conveyance" the second time it appears; and (2) striking out "$2,800," and inserting in lieu thereof "$3,300,".

SEC. 3. (a) Section 1903 of title 38 is amended by adding at the end thereof a new subsection as follows:

"(e) (1) The Administrator shall provide, directly or by contract, for the conduct of special driver training courses at every hospital and, where appropriate, at regional offices and other medical facilities, of the Veterans' Administration to instruct each eligible person to operate the type of automobile or other conveyance he wishes to obtain with assistance under this chapter, and may make such courses available to any veteran determined by the Administrator to need the special training provided in them even though such veteran is not eligible for the assistance provided under this chapter.

"(2) The Administrator is authorized to obtain insurance on automobiles and other conveyances used in conducting the special driver training courses provided under this subsection and to obtain, at Government expense, personal liability and property damage insurance for all persons taking such courses without regard to whether such persons are taking the course on an in-patient or out-patient basis."

(b) The catch line of section 1903 of such title is amended by adding at the end thereof a semicolon and the following: "special training courses".

(c) The table of sections at the beginning of chapter 39 of such title is amended by striking out "1903. Limitations on assistance." and inserting in lieu thereof the following:

"1903. Limitations on Assistance; Special Training Courses."

SEPTEMBER 10, 1971.

Hon. DONALD E. JOHNSON,
Administrator of Veterans' Affairs,
Veterans Administration,
Washington, D.C.

DEAR MR. ADMINISTRATOR: I am writing with respect to implementation of Public Law 91–666, the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970 which, as Chairman of the Subcommittee on Veterans Affairs, I managed through the Senate last winter.

As you will recall, as a result of an amendment which I introduced in committee, that act amended 38 U.S.C. § 1902 to require in subsection (b) thereof that in addition to an automobile allowance you provide each person eligible for benefits under chapter 39 with the "adaptive equipment deemed necessary to ensure that the eligible person will be able to operate the automobile or other conveyance in a matter consistent with his own safety and the safety of others and so as to satisfy the applicable standards of licensure as established by the State of his residency or other licensing authority." In addition, the same Senate amendment directed in subsection (c) of § 1902 that you shall "repair, replace or reinstall all adaptive equipment deemed necessary for the operation of an automobile or other conveyance acquired" under chapter 39 and shall "provide, repair, replace or reinstall such adaptive equipment for any automobile or other conveyance which an eligible person may subsequently have acquired."

Finally, the committee amendment added a subsection (d) in § 1903 directing that you prescribe minimum standards of safety and quality for all adaptive equipment provided under chapter 39. As to standards of safety and quality for adaptive equipment, I note with disappointment the statement in Transmittal Sheet 466 (signed by the Deputy Administrator by your direction) that issuance of "standards of safety [and] . . . of standards of quality must . . . await accumulation of experience." I fully understand the desire to accumulate experience with this program, but I believe the clear direction and intention of section 1903(d) is that you are to prescribe centrally the adaptive equipment to be provided under chapter 39. This requirement was designed to be a new and additional protection for the eligible veteran or serviceman acting as a consumer. I strongly urge you to direct that such safety and quality standards be developed forthwith. If necessary for DM&S to have new personnel toward that end, the Senate committee report anticipated that possibility in stating (page 7): "The Administrator would, under the provisions of the committee substitute, establish safety and quality standards for adaptive equipment. Such safety and quality standards are already established for prosthetic devices provided by the Administrator as part of medical treatment under chapter 17, section 612(d) of title 38 United States Code. It is believed that the same capability within the Veterans' Administration Department of Medicine and Surgery can be effectively employed, with the addition of a few personnel positions, which the committee recommends, to carry out a similar quality control program for the automobile adaptive devices which the Administrator would provide under the revised chapter 39 contained in the committee substitute."

It was the intention of the Senate, and so far as I am aware, the House, that these new authorities with respect to the provision, replacement, repair, installation, and reinstallation of adaptive equipment were to ensure that the full expenses of all vehicular adaptive devices necessary for the health and safety of the disabled veteran were provided directly by the Veterans Administration utilizing quality control standards. Consistent with the legislative intent, it is quite reasonable to expect that as to the most seriously disabled paraplegic or quadriplegic veteran the cost of providing necessary adaptive devices and related items might actually exceed the $2,800 maximum automobile allowance provided under section 1902(a).

I have discussed this new program with various individuals knowledgeable about the affairs of severely disabled veterans as well as those who have had considerable experience with converting conveyances to provide for self-transportation by even the most severely disabled veterans. It seems to me that there inevitably will arise some significant questions with regard to the implementation of the above provisions enacted in P.L. 91–666 and that consideration of these matters by the Veterans Administration might become somewhat protracted since so many different offices and divisions are involved. Such questions would very likely be entailed in Central Office consideration of applications (of VA Form 10–2641) for approval of special equipment not included in Exhibit A of Circular 10–71–115 costing in excess of $500.

Specifically, it seems to me that the following VA divisions, services and offices all have an interest, expertise, and function with respect to the effective operation of this new program:

Physical Medicine and Rehabilitation Service, Department of Medicine and Surgery (DM&S).

Prosthetic and Sensory Aids Service, DM&S.

Spinal Cord Injury Service, DM&S.

Engineering Service, DM&S.

Assistant Chief Medical Director for Professional Services, DM&S.

Chief Medical Director, DM&S.

Department of Veterans Benefits.

General Counsel.

In view of the above, I respectfully urge that you establish an intraagency committee reporting directly to you or the Deputy Administrator to establish policies with respect to the implementation of the new adaptive devices provisions and to ensure their effective implementation in order that the severely disabled veterans who are the beneficiaries of chapter 39 will be more fully, quickly, and compassionately served and will be afforded thereby the maximum self-mobility under chapter 39.

I would also like to bring to your attention the need to advise all potentially eligible servicemen of their possible eligibility for assistance under this chapter. You will recall that at the time of the bill's enactment by Congress, the Senate—very reluctantly—agreed to accept the restrictive House eligibility standard—limiting eligibility for automobiles and adaptive devices only to those veterans of the Vietnam era who had incurred the injury in line of duty—which was not made applicable to Vietnam era servicemen, on the understanding that the Administrator of Veterans Affairs would do everything possible to ensure that every serviceman who might possibly be eligible for assistance under this revised chapter 39 be fully advised of his possible eligibility and be urged to file an application for assistance prior to his separation or retirement.

I would greatly appreciate learning what efforts have been made by the V.A. and the Department of Defense to organize a system of alerting such servicemen of their potential eligibility and assisting them in filing an application prior to their discharge.

In general (and except as noted above), the procedures adopted by the Veterans Administration (VAR Transmittal Sheet 466 (April 16, 1971) and DM&S Circular No. 10–17–115 (June 4, 1971)) in implementing the provisions of P.L. 91–666 seem to adhere to the intent described in the legislative history. I am very gratified with the response shown by the Veterans Administration and wish to express my appreciation for the cooperation, alacrity and dedication displayed by the V.A. in acting upon this measure.

Thank you very much for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman,
Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., October 28, 1971.

HON. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have your letter of September 10, regarding implementation of the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970.

It was recognized at the outset that the implementation of the law could not be treated routinely. Safety and quality standards for the adaptive equipment, unlike those already developed in the Veterans Administration for other types of prosthetic devices, involve not only the safety of handicapped drivers, but also the safety of others on the highways. The Department of Medicine and Surgery, through its Prosthetics and Sensory Aids Service, has, therefore, entered upon a special program of study and development of adaptive equipment conducted principally at our Prosthetics Center in New York City. Additional technical personnel have been assigned to the Center for this purpose, and necessary funds have been allocated.

Our Washington people and those in the Prosthetics Center have consulted with agencies outside the Veterans Administration working in related fields. These have included the Traffic Engineering Safety Department of the American Automobile Association, and the Institute for Rehabilitation Medicine at New York University Medical Center (whose resources are pooled with those of the Center for Safety at New York University). Such cooperation has been welcomed, mutually, and promises to benefit all drivers with handicaps like those of the veterans and servicemen.

In June of this year, Veterans Administration representatives attended a seminar on Driver-Training for the Physically Handicapped conducted by the New York University Medical Center Institute for Rehabilitation Medicine. The seminar emphasized the limitations of commercially available adaptive equipment; lack of scientific evaluation of the hardware; absence of specifications, standards, or national coordination at the private, state or federal level; and noninvolvement of the medical community in adaptive equipment prescription and checkout. Participation of the Veterans Administration was hailed by faculty and attendees at the seminar as a milestone in the overall handicapped driver program.

In summary, our engineering people feel that too little is known about adaptive equipment for automobiles to rush into the development of quality standards without full investigation of the available market. Upon completion of our evaluation of existing equipment, we will set appropriate standards of safety and quality and develop valid specifications to attain them. In the interim, should details of progress be desired, may I suggest that members of your staff contact Dr. Robert E. Stewart, Director, Prosthetic and Sensory Aids Service.

Your suggestion for an intra-agency committee to ensure effective implementation of the adaptive devices provisions of the law appeals to me. I am asking the Chief Medical Director to give me his recommendations for membership, functions, and responsibilities, of such a committee to be chaired by him, or his designee.

Veterans Administration Contact Representatives visit all military hospitals in the United States to provide benefit counseling and personalized individual assistance to disabled servicemen. In the military hospital program, these representatives, working with the military personnel, identify patients being admitted early in their period of hospitalization; an interview is scheduled, and, all appropriate applications are completed. This program has been in operation since late 1966. With the passage of the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970, a directive was issued to our representatives at military hospitals to review their records of patients to insure that each disabled serviceman who had potential eligibility had filed the appropriate application and that the application was forwarded to our regional office for development.

I sincerely hope that the foregoing information will allay any misgivings you may have had about our administration of the letter and spirit of the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970.

Sincerely,

DONALD E. JOHNSON,
Administrator.

VETERANS' ADMINISTRATION,
Washington, D.C., February 10, 1972.

HON. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to reply to your letter of January 19 which was addressed to Dr. Robert E. Stewart, Director, Prosthetic and Sensory Aids Service, regarding the implementation of Public Law 91–666, the Disabled Veterans' and Servicemen's Act.

As mentioned in the Administrator's letter to you on October 28, 1971, we took immediate steps to carry out the responsibility assigned to the Department of Medicine and Surgery. Execution of the program to develop minimum standards of safety and quality for all adaptive equipment was delegated to the Director, VA Prosthetics Center, New York, N.Y.

On May 10, 1971, plans for a comprehensive program were submitted. The program was to be conducted by their Bioengineering Research Service and organized in three overlapping phases, evaluation, optimization and specifications development. This sequence of projects was proposed to obtain the advantage of surveying and evaluating all commercially available aids for handicapped drivers and, later, the possible development of improvements. After this, the formulation of an official set of standards and specifications will be undertaken.

Concurrent with theses steps, the Director, Prosthetic and Sensory Aids Service, Veterans Administration Central Office, Washington, D.C., wrote to all 28 known manufacturers of adaptive equipment asking for literature price lists and other material which describes their products. Also requested was information as to whether the equipment had been evaluated by a laboratory, testing company or other source. They were queried regarding special arrangements with driving schools, automobile dealers, installers and other sources which could be helpful to handicapped drivers. General comment and advice was also solicited. The source for the mailing included a list assembled by the American Automobile Association and the Paraplegia News and Accent on Living advertisers.

Twenty-one responses were received; eleven, however, were in the form of descriptive brochures only. Of the ten letters, one company advised that they had tested their Rest-A-Foot accelerator themselves and the Gresham Driving Aids, Inc., advised that their hand controls were evaluated by the Oldsmobile Division Testing Laboratory many years ago.

With this substantiation of the absence of comprehensive industry-wide engineering quality evaluations, the VA Prosthetic Center recruited two technicians and purchased, as the start in obtaining all marketed driving aids, 30 different items from three of the larger suppliers. Each of these devices is currently being subjected to an engineering analysis of design, materials and construction. An Aetna Driver Simulator, with computer, has just been delivered and when it has been installed and calibrated each item of adaptive equipment will be attached and tested by various handicapped drivers. The technicians will then evaluate the functional utility and the physical requirements imposed on the disabled part of the body, as well as the whole person, under controlled conditions. To road test this equipment, arrangements have been made with the members of the New York Chapter of the Paralyzed Veterans Association, who are now using driving aids, to install the equipment in their personal automobiles.

The schedule calls for completion of the engineering analysis of the items on hand by the end of February 1972. As other manfacturers' products are purchased they will be included in the analysis with a final target date of April 1973. Concurrently, the road testing will be conducted with completion programmed for the end of June, 1972. Those devices which exhibit sound engineering principles, demonstrate no safety hazards in all of the tests and which are reasonably efficient and durable will be used as models for the establishment of standards and specifications.

The Bioengineering Research Service of the VA Prosthetics Center has conducted similar programs for the past 20 years with components used in artificial limbs, braces, wheelchairs and medical equipment, but the field of automotive adaptive equipment constitutes a new experience. The staff, therefore, has made plans to take advantage of the expertise of the industry in the establishment of these standards and specifications. As few of the manufacturers are familiar with the work of the Bioengineering Research Service, the Director, Prosthetic and Sensory Aids Service, plans to convene a conference of all interested persons. This may possibly be held in conjunction with the National Convention of the Paralyzed Veterans Association in July ysince so many companies exhibit their products at that meeting. By that time the experience and information developed will enable the staff of the VA Prosthetics Center to deal with engineering and functional problems which have been identified and hopefully, in cooperation with the manufacturers, to develop sound standards of safety and quality and specifications. The target date, based on the above timetable, is December of 1972.

No steps have been taken as yet to develop new designs since our engineers are convinced that only by objective technical analysis of the available devices can they furnish effective direction for the development of improvements. Deficiencies must be identified before improvement can be effected.

Thank you for your interest.

Sincerely yours,

M. J. MUSSER, M.D.,
Chief Medical Director.

JANUARY 19, 1972.

Dr. ROBERT E. STEWART,
Director, Prosthetic and Sensory Aids Service, Veterans' Administration, Washington, D.C.

DEAR DR. STEWART: I am quite interested in the Veterans Administration implementation of Public Law 91-666, the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970, and particularly in the new subsection (d) in Section 1903 of title 38 added by that law which directs the Veterans Administration to prescribe minimum standards of safety and quality for all adaptive equipment provided under chapter 39.

Mr. Johnson, Administrator of Veterans Affairs, advised me of your responsibility for undertaking this task and of your activities in the evaluation of existing adaptive equipment for handicapped individuals and for the evaluation of new equipment as it is developed.

I would appreciate a report on your activities so far, including the types of equipment tested, the methods of testing, and the extent to which safety is ensured under varying conditions of hazard. I would also be interested in any steps you have taken to develop equipment as a result of the rather discouraging conclusions reached at the June seminar on Driver Training for the Physically Handicapped conducted by the New York University Medical Center Institute for Rehabilitation Medicine.

I am enclosing for your information letters I have received from Mr. Michael Burns, Executive Director of the Paralyzed Veterans of America, and from Mr. Sanford Arkin, President of the Institute for Mobility Aids, Inc., commenting on the Veterans Administration report on the implementation of the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970. Both these gentlemen offer very constructive suggestions on the administration of programs under this Act, and I would greatly appreciate your response to the point they raise.

Many thanks for your cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman,
Subcommittee on Health and Hospitals.

By Mr. CRANSTON (for himself, Mr. BEALL, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. JAVITS, Mr. MONDALE, Mr. PELL, and Mr. TUNNEY):

S. 2364. A bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973—COMPROMISE VERSION

Mr. CRANSTON. Mr. President, I send to the desk a bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes.

Mr. President, the text of this bill arises from the text of S. 1148 as passed by the Senate on July 18, 1973, and H.R. 7265 as reported from the Committee on Education and Labor in the House of Representatives on July 26, 1973. The text in the bill is a compromise worked out between the two Houses and the administration.

I am delighted to be introducing legislation comparable to S. 1148 as a compromise version we have worked out between the two bodies and with the administration. I am able to assure the distinguished majority leader and the Members of this body that this is a good measure and that it has the support of the administration, as communicated to me yesterday by Presidential Assistant Melvin Laird.

In accordance with prior arrangements between the House and Senate sponsors under this compromise, I will not speak at this time to describe the provisions of the compromise.

Instead, Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a joint explanatory statement on the compromise, which statement has been agreed to between the two committees.

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

JOINT EXPLANATORY STATEMENT REGARDING HOUSE/SENATE COMPROMISE ON S. 1148/H.R. 7265 EMBODIED IN S. 2364

1. With respect to section 104(b) regarding periods of service of VISTA volunteers enrolled under part A of title I, the Committees in both Houses wish to make clear that the language in the Senate bill "including or excluding periods of time devoted to training as the Director may determine", although not included in the compromise, is considered to be implicit therein and in section 113(a) which cross references section 104(b) as to the periods of service for UYA part B volunteers. Also, with respect to this subsection, the Committees wish to stress, and the agency concurs, that it is imperative that VISTA volunteer applicants be advised, at the time they receive invitations to training, of the length of service for which they are being invited. This will constitute a change in Agency procedures. It is necessary because of the varying periods of service authorized for VISTA volunteers under the subsection in the compromise.

2. With respect to the language in section 105(a)(1) in the compromise permitting the Director, as an exception, to provide stipends to VISTA volunteers under part A of title I for extended periods of service not totalling one year in individual cases, the Committees intend that such extended periods of service not be less than ten months (including or excluding training as the Director may determine).

3. With respect to section 112 in the compromise permitting payment of stipends to University Year for ACTION (UYA) volunteers serving under part B of title I in accordance with the provisions of section 105 in part A, the discussion in item 2 above also applies with respect to their "extended periods of service not totalling one year".

4. With respect to section 114(c) in the compromise regarding the payment of living allowances and the provision of other support and allowances as the Director may determine to short-term or part-time volunteers in special service-learning programs, the Committees have deliberately excluded the authority to pay stipends to any such volunteers. It is further intended by the Committees that the periods of service for volunteers in special service-learning programs under section 114 in the compromise may be of such length as the Director may determine without regard to any provisions of part A or B, and that the discussion in items 2 and 3 above with respect to payment of stipends, in individual cases, to VISTA and UYA volunteers serving extended periods of service has no application to section 114 volunteers whatsoever.

5. With respect to title III—National Volunteer Programs To Assist Small Businesses and Promote Volunteer Service by Persons With Business Experience—which represents technical improvements in the provisions of the Senate bill and the House amendment, the Committees wish to stress the following: (a) that the "assignment of volunteers" under such title refers to a work situation which has been explained to and accepted by the volunteer in question; (b) that the compromise in section 302(b) expressly requires the agreement of the Small Business Administration (SBA) Administrator to the terms and conditions of service prescribed by the ACTION Agency Director for SCORE/ACE volunteers with respect to their provision of assistance to persons or enterprises seeking to obtain, or receiving, financial or management counselling assistance from the SBA (which assistance is performed under the SBA's direction); (c) that the authority in section 302(c)(1) in the compromise, to reimburse title III volunteers for necessary out-of-pocket expenses (which shall include, as under the Senate bill, parking and mileage in the event of appropriate uses of automobiles, meals, telephone calls, and the cost of necessary temporary secretarial services not available from either the ACTION Agency or the SBA) incident to their provision of services and the payment to them of travel expenses (including per diem in lieu of subsistence) while providing such services, includes the payment of such travel expenses for any necessary travel in connection with the performance of any such services, and that this authority is available without regard to the number of miles of such travel by such volunteers, in contrast to the limited authority in section 8(b)(1) of the Small Business Act which imposes a 50-mile minimum on the exercise of the SBA Administrator's travel-expenses payment authority; (d) that it is the intention and understanding of the Committees that SCORE/ACE and other title III volunteers, while carrying out official activities pursuant to such title, are covered under the Federal Employees' Compensation Act (subchapter I of chapter 81 of title 5, U.S.C.) for work-related injuries, as individuals providing services to the U.S. Government without compensation such as if they were on invitational travel orders, and further, that this same coverage logically extends to volunteers serving under title II—National Older American Volunteer Programs—while they are carrying out official activities pursuant to such title; (e) that a very appropriate application of the expertise of SCORE/ACE and other title III volunteers beyond the counselling of SBA clients would be for such volunteers, either separately or working in conjunction with title II (especially in the new Senior Companions program) and title I volunteers, to provide financial and investment counselling to senior citizens and others living on fixed incomes in order to enable them to make the maximum use of their limited resources.

The Committees also expect that the Agencies will consult with appropriate SCORE/ACE volunteers in carrying out the provisions of title III.

6. With respect to section 404(f) in the compromise regarding the assignment or delegation of substantial responsibility for carrying out ACTION Agency domestic programs under the Act, the Committees do not intend the reference to clause (2) of section 402 in any way to authorize the delegation of authorities which may be otherwise prohibited to experts or consultants employed by the Agency under such clause. Further, the Committee stress that the substitution of the word "programs" for the word "functions" in the first sentence of subsection (f) and the deletion of the last sentence of the subsection, as contained in the Senate bill is intended to simplify and clarify the sub-

section and to carry out the same purpose intended by such language in the Senate bill—namely, that the provisions of the subsection have no application to persons carrying out administrative functions in support of other than program-related activities in the Agency, that is, no application to persons in the category characterized by the Agency as "Agency-wide support" (generally those persons who are carrying out staff and volunteer recruitment, selection, personnel, budget and finance, legislative, legal, and public information activities in support of both the domestic and international operations of the Agency).

7. With respect to section 405(a) in the compromise regarding the membership on the National Voluntary Service Advisory Council, the language "individuals interested in serving and benefited by programs" carried out by the Agency includes former Peace Corps, VISTA, and other former, volunteers under Agency programs, and also the persons served by such programs. Further, it is the expectation of the Committees that a full 25-member Council will be appointed and that in addition to appropriate representation on the Council of such international and domestic program beneficiaries, the Council will include at least one former Peace Corps volunteer and one former volunteer from each of the major domestic programs authorized under this Act.

8. With respect to section 419 in the compromise regarding the status of title II and title III volunteers with respect to eligibility for certain benefits, the Committees note that the inclusion of this section in the compromise in the form included in the Senate bill makes unnecessary the inclusion of subsections (d) in both section 201 and 211, as included in the House amendment—these subsections are identical to subsections (d) of both section 601 and 611 of the Older Americans Act of 1965, as added by P.L. 93–29, included in title VI which would be repealed by section 604 of this Act—and that the subsections were thus not included in the compromise.

9. With respect to section 417(a) in the compromise regarding nondiscrimination in programs carried out under the Act, the reference to disability was not included in the compromise because of the difficulty of defining that term with precision and because it was believed to be inappropriate to legislate a distinction between physical and mental handicap or disability. The Committees expect and understand that there will be no discrimination based on physical or mental handicap in ACTION Agency programs when all eligibility and program criteria are met. Moreover, the Committees note that the subject of discrimination based upon physical or mental handicap in connection with Federal contracts or subcontracts and with Federal grants is fully dealt with in both House and Senate (S. 1875) versions of H.R. 8070, the proposed Rehabilitation Act of 1973, now pending in House/Senate conference.

10. With respect to the language of the compromise in section 501 regarding authorizations of appropriations for title I provisions, it is the understanding of the Committees in both Houses that the $29.6 million earmarked for poverty and poverty-related programs in subsection (a) will be expended in full and that the programs for which it will be expended will be full-time volunteer programs. The Committees also understand the Administration's view that these authorization provisions should not be considered as a precedent for other legislation.

Further, with respect to the language in subsection (b) requiring that if amounts are appropriated in excess of $37.6 million under title I, a "commensurate" increase be made in the sums made available for part A of title I, the Committees adopt as the meaning of the word "commensurate" as that term is used therein, the definition in *Webster's New International Dictionary Second Edition, Unabridged (1955)*, on page 537 as follows: "1. equal in measure or extent; also proportionate; corresponding;".

11. With respect to section 504 in the compromise regarding authorizations of appropriations for the administration of the Act, the Committees note that the two administratrative expenses limitations contained in subsections (a) and (b) of this section in the Senate bill were not included in the compromise in order to permit the General Accounting Office to complete its study, requested by the Senate Foreign Relations Committee and the Senate Special Subcommittee on Human Resources, regarding appropriate methods of allocating costs for Agency-wide support activities as between international and domestic program appropriations items. This treatment in the compromise is in line with actions of the Congress in deleting from H.R. 5293, the Peace Corps FY 1974 authorization Act (now P.L. 93–49), certain similiar restrictive provisions regarding administrative expenses and personnel appointments. It is the intention of the Committees, after having received and reviewed this report of the General Accounting Office and after taking into consideration any comments thereon submitted by the Agency, to work together with the Foreign Relations and Foreign Affairs Committees in the respective bodies to develop and enact legislation providing for one administrative expenses funding mechanism (management fund) to support the Agency-wide administrative "support" functions. Moreover, the Committees urge that the General Accounting Office complete its report at the earliest possible date in order that this troublesome matter can be expeditiously resolved in the best interests of the programs administered by the Agency. The Committees further note that the Agency's operations under the figures included in the President's FY 1974 budget request will satisfy both of the administrative expenses limitations included in the Senate bill, and that they expect Agency-wide administrative support costs thereafter to continue to be less than 10 per cent of the total amount appropriated for domestic programs.

12. Section 423 of the Senate bill regarding audit by the Comptroller General, was not included in the compromise since the ACTION Agency has advised that its and its contractees and grantees record-keeping and book-keeping requirements and regulations currently comply with the section and with the General Accounting Office's requirements, and that the Agency will cooperate, and require such cooperation of its grantees and contractees, with the GAO in any GAO audit procedures.

Mr. CRANSTON. I do wish, however, Mr. President, to make note of and express my deep gratitude for the great efforts to work out the differences in this bill on the other side by the House principal sponsors, by the distinguished chairman of the Equal Opportunities Subcommittee of the Education and Labor Committee, Mr. HAWKINS, by the ranking minority member, Mr. STEIGER of Wisconsin, and by the bill's distinguished sponsor, Mrs. MINK. We are also truly indebted to the great chairman of the Education and Labor Committee, Mr. PERKINS, and its ranking minority member (Mr. QUIE) for their indispensable assistance on this legislation on the House side. It has been a great privilege to work with them all.

They were most ably assisted by Bill Beckham and Patsy Fleming for Mr. HAWKINS and the subcommittee majority, by Marty LaVor for the minority, by Dean Hewitt for Mr. STEIGER of Wisconsin, and by Don Baker and Bill Cable for the chairman. They have provided the finest type of staff assistance to achieve this compromise and facilitate its passage.

On our side, Mr. President, I must again pay tribute to the truly bipartisan efforts and contributions of the ranking minority member of the Special Subcommittee on Human Resources, the Senator from Maryland (Mr. BEALL) and his very hard-working legislative assistant David Rust, as well as John Scales for the minority. Senator BEALL has been a great ally and partner throughout this venture. I also want to thank the chairman of the full Labor and Public Welfare Committee and principal majority sponsor of this bill and S. 1148 (Mr. WILLIAMS) for his special assistance, and the ranking minority member of the committee (Mr. JAVITS). In addition, I want to express my appreciation for the support of other sponsors of the bill—the Senator from West Virginia (Mr. RANDOLPH), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PELL), and my colleague from California (Mr. TUNNEY). They and their staff have also been of great help.

For myself, I want again to thank for a job very well done Fran Butler and Jon Steinberg of the subcommittee who have been at work on this legislation for well over a year.

Finally, Mr. President, this has been a tripartite effort: Senate, House, and administration. The willingness of the administration to work with us to accommodate our differences on this measure has been a great example of the bipartisan and really nonpartisan nature of the volunteer programs under the ACTION Agency. That is the way these programs and that Agency should function. Thus, I want to pay tribute to Michael Balzano, Director of the ACTION Agency, Mel Laird at the White House, Paul O'Neill at OMB, and particularly to Eric Silberstein, the Agency's congressional liaison, for his very effective representation of the interests and position of the Agency and the administration and his knowledge of the legislative process.

Mr. President, it is a very hopeful sign that this bill has been worked out without the need for a Presidential veto first. I wish we could do that more often. If the administration will only talk with us about the bills we are developing, I feel confident we can accomplish the kind of cooperation that has characterized our work on this bill. After vetoes, we have recently been able to work out acceptable compromises on a number of bills with which I have been closely involved: On S. 50, Older Americans Comprehensive Services Amendments of 1973—Public Law 93–29—on S. 59, the Veterans Health Care Expansion Act of 1973, a bill I authored which was signed by the President yesterday, on S. 49, the Veterans Cemeteries Act of 1973—Public Law 93–43—and on S. 1875, the Rehabilitation Act of 1973, the Senate-passed vo-

cational rehabilitation bill now pending in conference. Senate and House leaders also successfully negotiated with the administration the August 15 Cambodia and Indochina bombing cutoff date.

In other areas, an accord has apparently been reached on the highway trust fund bill; the President signed two compromise health bills in June; and similar progress seems possible on other pending measures.

In contrast, the President vetoed S. 504, the Emergency Medical Services Systems Act of 1973 on Wednesday and the Senate yesterday overrode that veto 77 to 16. I hope the House will follow suit, but the point is that on that bill, despite repeated invitations by me and my staff, the administration made no efforts whatsoever to work with us. That is no way to run a government, and I deeply regret it.

Coming up in committee in September are two measures I am deeply involved with, S. 1708, the Family Planning Services and Population Research Amendments of 1973, and the Legal Services Corporation legislation. Also, two very important manpower training and employment measures, S. 1559 and S. 1560, should be in conference this fall; they are compromise measures already and should be signed by the President.

I fervently hope, Mr. President, that the administration will approach all these measures with the same reasonableness that has characterized their dealings on S. 1148 and, recently at least, on S. 59, S. 49, S. 1875, and S. 50. Saying "No" is the easiest way out of any difference of opinion.

I cannot believe any President likes to veto legislation, especially a President who has spent long years in the Congress. I can say that yesterday at the S. 59 signing ceremony in the oval office, the President seemed to take real pleasure in signing a bill which had been worked out.

What too often seems to have happened is that because of intractable staff and advisers, the President has been backed into a corner when confronted with a bill into which his administration has attempted to make little or no input. He has perceived no alternative other than to exercise the veto power.

There is another way, of course. and our responsibilities—here and downtown—are to do everything possible to avoid such impasses. Compromise is democracy at work, and I stand ready to do everything I can to continue and facilitate the spirit of accord and accommodation.

The American people deserve no less.

Mr. President, I ask unanimous consent that the full text of the compromise bill be printed in the RECORD at this point.

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

S. 2364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Domestic Volunteer Service Act of 1973":

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TITLE I—NATIONAL VOLUNTEER ANTI-POVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

STATEMENT OF PURPOSE

SEC. 101. This part provides for the Volunteers in Service to America (VISTA) program of full-time volunteer service, together with appropriate powers and responsibilities designed to assist in the development and coordination of such program. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems in the United States by encouraging and enabling persons from all walks of life and all age groups, including elderly and retired Americans, to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems.

AUTHORITY TO OPERATE VISTA PROGRAM

SEC. 102. The Director may recruit, select, and train persons to serve in full-time volunteer programs consistent with the provisions and to carry out the purpose of this part.

ASSIGNMENT OF VOLUNTEERS

SEC. 103. (a) The Director, upon request of Federal, State, or local agencies, or private nonprofit organizations, may assign such volunteers to work in the several States in appropriate projects and programs—

(1) in meeting the health, education, welfare, or related needs of Indians living on reservations or Federal trust lands, of migatory and seasonal farmworkers and their families, and of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, or the Virgin Islands;

(2) in the care and rehabilitation of mentally ill, developmentally disabled, and other handicapped individuals, especially those with severe handicaps, under the supervision of nonprofit institutions or facilities; and

(3) in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act or the Economic Opportunity Act of 1964, as amended (42 U.S.C. Chapter 34) in furtherance of the purpose of this title.

(b) The Director, wherever feasible and appropriate, shall assign low-income community volunteers to serve in their home communities in teams with nationally recruited specialist volunteers. Prior to the assignment of any such community volunteer, the Director shall insure that each such volunteer is provided an individual plan designed to provide an opportunity for job advancement or for transition to a situation leading to gainful employment. One hundred and twenty days prior to the completion of such community volunteer's term of service, the Director shall insure that such plan is updated and reviewed with the volunteer.

(c) Except as provided in subsection (d), the assignment of volunteers under this section shall be on such terms and conditions (including restrictions on political activities that appropriately recognize the special status of volunteers living among the persons or groups served by programs to which they have been assigned) as the Director may determine, including work assignments in their own or nearby communities.

(d) Volunteers under this part shall not be assigned to duties or work in any State unless such program has been submitted to the Governor or other chief executive officer of the State concerned, and has not been disapproved by him within forty-five days of such submission. The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned not later than thirty days after such request has been made, or at a time after such request has been made as agreed upon by such Governor or chief executive officer of the State concerned and the Director.

TERMS AND PERIODS OF SERVICE

SEC. 104. (a) Volunteers serving under this part shall be required to make a full-time personal commitment to combating poverty and poverty-related human, social, and environmental problems. To the maximum extent practicable, this shall include a commitment to live among and at the economic level of the people served, and to remain available for service without regard to regular working hours, at all times during their periods of service, except for authorized periods of leave.

(b) Volunteers serving under this part may be enrolled for periods of service not exceeding two years, but for not less than one-year periods of service, except that volunteers serving under this part may be enrolled for periods of service of less than one year when the Director determines, on an individual basis, that a period of service of less than one year is necessary to meet a critical scarce-skill need. Volunteers serving under this part may reenroll for periods of service totalling not more than two years. No volunteer shall serve for more than a total of five years under this part.

(c) Volunteers under this part shall, upon enrollment, take the oath of office as prescribed in section 5(j) of the Peace Corps Act, as amended (22 U.S.C. 2504(j)), except that persons legally residing within a State but who are not citizens or nationals of the United States, may serve under this part without taking or subscribing to such oath, if the Director determines that the service of such persons will further the interests of the United States. Such persons shall take such alternative oath or affirmation as the Director shall deem appropriate.

(d) The Director shall establish a procedure, including notice and opportunity to be heard, for volunteers under this part to present and obtain resolution of grievances and to present their views in connection with the terms and conditions of their service. The Director shall promptly provide to each volunteer in service on the date of enactment of this Act, and to each such volunteer beginning service thereafter, information regarding such procedure and the terms and conditions of their service.

SUPPORT SERVICES

SEC. 105. (a) (1) The Director may provide a stipend to volunteers, while they are in training and during their assignments, enrolled for periods of service of not less than one year under this part, except that the Director may, on an individual basis, make an exception to provide a stipend to a volunteer enrolled under this part for an extended period of service not totalling one year. Such stipend shall not exceed $50 per month during the volunteer's service, except that the Director may provide a stipend not to exceed $75 per month in the case of persons who have served for at least one year and who, in accordance with standards established in regulations which the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

(2) Stipends shall be payable only upon completion of a period of service, except that in extraordinary circumstances the Director may from time to time advance all or a portion of the accrued stipend to or on behalf of a volunteer. In the event of the death of a volunteer during service, the amount of any unpaid stipend shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(b) The Director shall also provide volunteers such living, travel (including travel to and from places of training), and leave allowances, and such housing, supplies, equipment, subsistence, clothing, health and dental care, transportation, supervision, technical assistance, and such other support as he deems necessary and appropriate to carry out the purpose and provisions of this part, and shall insure that each such volunteer has available such allowances and support as will enable the volunteer to carry out the purpose and provisions of this part and to effectively perform the work to which such volunteer is assigned.

PARTICIPATION OF BENEFICIARIES

SEC. 106. To the maximum extent practicable, the people of the communities to be served by volunteers under this title shall participate in planning, developing, and implementing programs thereunder, and the Director, after consultation with sponsoring agencies (including volunteers assigned to them) and the people served by such agencies, shall take all necessary steps to establish, in regulations he shall prescribe, a continuing mechanism for the meaningful participation of such program beneficiaries.

PARTICIPATION OF OLDER PERSONS

SEC. 107. In carrying out this part of part C of this title, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of older persons and older persons membership groups as volunteers and participant agencies in the various programs and activities authorized under such parts and, because of the high proportion of older persons within the poverty group, shall encourage the development of a variety of volunteer services to older persons, including special projects, to assure that such persons are served in proportion to their need.

PART B—SERVICE-LEARNING PROGRAMS

STATEMENT OF PURPOSE

SEC. 111. This part provides for the University Year for Action (UYA) program of full-time volunteer service by students enrolled in institutions of higher education together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems by enabling students at such cooperating institutions to perform meaningful and constructive volunteer service in connection with the satisfaction of such students' course work during their periods of service while attending such institutions, in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems. Its purpose further is to encourage other students and faculty members to engage, on a part-time self-supporting basis, in such volunteer service and work along with volunteers serving under this part; and to promote participation by such institutions in meeting the needs of the poor in the surrounding community through expansion of service-learning programs and otherwise. Its purpose further is to provide for a program of part-time or short-term service learning by secondary and post-secondary school students to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems.

AUTHORITY TO OPERATE UNIVERSITY YEAR FOR ACTION PROGRAM

SEC. 112. Except as otherwise provided in this part, the Director is authorized to conduct or make grants and contracts for, or both, programs to carry out the purposes of this part in accordance with the authorities and subject to the restrictions in the provisions of part A of this title, except for the proivsions of sections 103(d) and 104(d), and except that the Director may, in accordance with regulations he shall prescribe, determine to reduce or eliminate the stipend for volunteers serving under this part on the basis of the value of benefits provided such volunteers by the institution in question (including the reduction or waiver of tuition).

SPECIAL CONDITIONS

SEC. 113. (a) Volunteers serving under this part shall be enrolled for periods of service as provided for in subsection (b) of section 104, and may receive academic credit for such service in accordance with the regulations of the sponsoring institution of higher education.

(b) Grants to and contracts with institutions to administer programs under this part shall provide that prospective student volunteers shall participate substantially in the planning of such programs and that such institutions shall make available to the poor in the surrounding community all available facilities, including human resources, of such institutions in order to assist in meeting the needs of such poor persons.

(c)(1) In making grants or contracts for the administration of UYA programs under this part, the Director shall insure that financial assistance under this Act to programs carried out pursuant to section 112 of this part shall not exceed 90 per centum of the total cost (including planning costs) of such program during the first year and such amounts less than 90 per centum as the Director, in consultation with the institution, may determine for not more than four additional years, including years in which support was received under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d). Each such grant or contract shall stipulate that the institution will make every effort to (A) assume an increasing proportion of the cost of continuing a program carrying out the purpose of this part while the institution receives support under this part; (B) waive or otherwise reduce tuition for participants in such program, where such waiver is not prohibited by law; (C) utilize students and faculty at such institution to carry out, on a self-supporting basis, appropriate planning for such programs; and (D) maintain similar service-learning programs after such institution no longer receives support under this part.

(2) The Director shall take necessary steps to monitor the extent of compliance by such institutions with commitments entered into under paragraph (1) of this subsection and shall advise the Secretary of Health, Education, and Welfare of the extent of each such institution's compliance.

SPECIAL SERVICE-LEARNING PROGRAMS

SEC. 114. (a) Of the funds appropriated for the operation of programs under this part, up to 10 per centum may be used, notwithstanding any other provision of this part, to encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in-or- out-of-school basis in assignments of a character and on such terms and conditions as described in subsections (a) and (c) of section 103.

(b) Persons serving as volunteers under this section shall not be deemed to be Federal employees for any purpose.

(c) The Director may provide volunteers

serving under this section a living allowance and only such other support or allowances as he determines, pursuant to regulations which he shall prescribe, are required because of unusual or special circumstances affecting the program.

PART C—SPECIAL VOLUNTEER PROGRAMS

STATEMENT OF PURPOSE

SEC. 121. This part provides for special emphasis and demonstration volunteer programs, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to meet a broad range of human, social, and environmental needs, particularly those related to poverty, by encouraging and enabling persons from all walks of life and from all age groups to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may help to meet such needs.

AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

SEC. 122. (a) The Director is authorized to conduct or make grants or contracts, or both, for special volunteer programs or demonstration programs (such as but not limited to a program to provide alternatives to the incarceration of youthful offenders; a program to promote educational opportunities for veterans; and a program to provide community-based peer group outreach and counseling for drug abusers) designed to stimulate and initiate improved methods of providing volunteer services, to encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and to identify particular segments of the poverty community which could benefit from volunteer and other anti-poverty efforts.

(b) Except as provided in subsection (c) of this section, assignment of volunteers under this section shall be on such terms and conditions as the Director shall determine, pursuant to regulations which he shall prescribe.

(c) The Director, in accordance with regulations he shall prescribe, may provide to persons serving as full-time volunteers in a program of at least one year's duration under this part such allowances and stipends, to the extent and in amounts not in excess of those authorized to be provided under part A of this title, as he determines are necessary to carry out the purpose of this part.

TITLE II—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

PART A—RETIRED SENIOR VOLUNTEER PROGRAM

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 201. (a) In order to help retired persons to avail themselves of opportunities for volunteer service in their community, the Director is authorized to make grants to State agencies (established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)) or grants to or contracts with other public and nonprofit private agencies and organizations to pay part or all of the costs for the development or operation, or both, of volunteer service programs under this section, if he determines, in accordance with regulations he shall prescribe, that—

(1) volunteers will not be reimbursed for other than transportation, meals, and other out-of-pocket expenses incident to the provision of services under this part;

(2) only individuals aged sixty or over will be enrolled as volunteers to provide services under this part (except for administrative purposes), and such services will be performed in the community where such individuals reside or in nearby communities either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(3) the program includes such short-term training as may be necessary to make the most effective use of the skills and talents of participating volunteers and individuals, and provides for the payment of the reasonable expenses of such volunteers while undergoing such training; and

(4) the program is being established and will be carried out with the advice of persons competent in the field of service involved, and of persons with interest in and knowledge of the needs of older persons.

(b) The Director shall not award any grant or contract under this part for a project in any State to any agency or organization unless, if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), such agency itself is the recipient of the award or such agency has been afforded at least sixty days in which to review the project application and make recommendations thereon.

PART B—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 211. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to volunteers serving under this part) designed for the purpose of providing opportunities for low-income persons aged sixty or over to serve as volunteers to provide supportive person-to-person services in health, education, welfare, and related settings to children having exceptional needs, including services by volunteers serving as foster grandparents to children receiving care in hospitals, homes for dependent and neglected children, or other establishments providing care for children with special needs. The Director may approve assistance in excess of 90 per centum of the costs of the development and operation of such projects only if he determines, in accordance with regulations he shall prescribe establishing objective criteria, that such action is required in furtherance of the purpose of this section. Provision for such assistance shall be effective as of September 19, 1972. In the case of any project with respect to which, prior to such date, a grant or contract has been made under section 611(a) of the Older Americans Act of 1965, as amended (42 U.S.C. 3044(b)) or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

(b) The Director is also authorized to make grants or contracts to carry out the purpose described in subsection (a) of this section in the case of persons (other than children) having exceptional needs, including services by volunteers serving as "senior health aides" to work with persons receiving home health care, nursing care, or meals on wheels or other nutritional services, and as "senior companions" to persons having developmental disabilities or other special needs for companionship.

CONDITIONS OF GRANTS AND CONTRACTS

SEC. 212 (a) (1) In carrying out this part, the Director shall insure that volunteers receiving assistance in any project are older persons of low income who are no longer in the regular work force.

(2) The Director shall not award a grant or contract under this part which involves a project proposed to be carried out throughout the State or over an area more comprehensive than one community unless—

(A) the State agency established or designated under section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)) is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project; and

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted, in consultation with, or with the participation of, such agency.

(3) The Director shall not award a grant or contract under this part which involves a project proposed to be undertaken entirely in a community served by a community action agency unless—

(A) such agency is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project;

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted in consultation with, or with the participation of, such agency; and

(C) if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024 (a)(1)), such agency has been afforded at least forty-five days in which to review the project application and make recommendations thereon.

(b) The term "community action agency" as used in this section means a community action agency as defined in title II of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2781–2837).

PART C—GENERAL PROVISIONS

COORDINATION WITH OTHER FEDERAL PROGRAMS

SEC. 221. In carrying out this title, the Director shall consult with the Office of Economic Opportunity, the Departments of Labor and Health, Education, and Welfare, and any other Federal agencies administering relevant programs with a view to achieving optimal coordination with such other programs, and shall promote the coordination of projects under this title with other public or private programs or projects carried out at State and local levels. Such Federal agencies shall cooperate with the Director in disseminating information about the availability of assistance under this title and in promoting the identification and interest of low-income and other older persons whose services may be utilized in projects under this title.

PAYMENTS

SEC. 222. Payments under this title pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Director may determine.

MINORITY GROUP PARTICIPATION

SEC. 223. The Director shall take appropriate steps to insure that special efforts are made to recruit, select, and assign qualified individuals sixty years and older from minority groups to serve as volunteers under this title.

TITLE III—NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE

STATEMENT OF PURPOSE

SEC. 301. This title provides for programs in which persons with business experience volunteer to assist persons, especially those who are economically disadvantaged, engaged in, or who seek to engage in, small business enterprises, and to make available their expertise as volunteers in programs authorized by, or of a character eligible for assistance under, this Act, the Economic Opportunity Act of 1964, as amended (42 U.S.C. Chapter 34) (particularly title VII thereof), or the Small Business Act (15 U.S.C. Chapter 14A). The purpose of this title is to utilize the skills and expertise of persons with business experience to assist persons in, or seeking to enter, business enterprises, or to carry out management and financial counselling activities in furtherance of the purposes of this Act.

AUTHORITY TO ESTABLISH, COORDINATE, AND OPERATE PROGRAMS

SEC. 302. (a) The Director is authorized to establish and conduct, and to recruit, select and train volunteers for (and to make grants or enter into contracts therefor), volunteer programs, including a Service Corps of Retired Executives (SCORE) and an Active Corps of Executives (ACE) and programs in which SCORE and ACE volunteers expand the application of their expertise beyond Small Business Administration clients, to carry out the purpose of this title: *Provided, however,* That the services of volunteers who are assisting persons or enterprises seeking to obtain, or receiving, financial or management counselling assistance from the Small Business Administration shall be performed under the direction of the Administrator of the Small Business Administration (hereinafter referred to in this title as the "Administrator") pursuant to section 8(b)(1) of the Small Business Act (15 U.S.C. 637 (b)(1)).

(b) The assignment of volunteers engaged in programs under this title shall be on such terms and conditions as the Director may determine, except that he shall prescribe such terms and conditions in agreement with the Administrator with respect to the service of volunteers described in the proviso in subsection (a) of this section.

(c)(1) Such volunteers, while carrying out activities under this title and section 8(b)(1) of the Small Business Act (15 U.S.C. 637 (b)(1)), shall be deemed Federal employees for the purpose of the Federal tort claims provisions in title 28, United States Code.

(2) The Director is authorized to reimburse such volunteers only for such necessary out-of-pocket expenses incident to their provision of services under this Act as he shall determine, in accordance with regulations which he shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for individuals serving without pay.

(3) Such volunteers shall in no way (A) participate for the benefit of the Small Business Administration (rather than on behalf of their clients) in any screening or evaluation activities in connection with applications for loans from such Administration, or (B) provide services to a client of such Administration with a delinquent loan outstanding, except upon a specific request signed by such client for assistance in connection with such matter.

(d) The Director and the Administrator shall cooperate in order to make available to such volunteers, or groups thereof, such use of the office facilities and related supplies, materials, and services of the Small Business Administration and the ACTION Agency as they deem appropriate to assist such volunteers to carry out such activities, including authorized meetings of groups of volunteers.

(e) Except as otherwise provided in this Act, activities authorized to be carried out both by this title and by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) shall be carried out under this title to the maximum extent feasible.

TITLE IV—ADMINISTRATION AND COORDINATION

ESTABLISHMENT OF AGENCY

SEC. 401. There is hereby established in the executive branch of the Government an agency to be known as the ACTION Agency. Such Agency shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for Level III of the Executive Schedule under section 5314 of title 5, United States Code. There shall also be in such agency a Deputy Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for Level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Deputy Director shall perform such functions as the Director shall from time to time prescribe, and shall act as Director of the ACTION Agency during the absence or disability of the Director. There shall also be in such agency two Associate Directors who shall be appointed by the President by and with the advice and consent of the Senate, and shall be compensated at the rate provided for Level V of the Executive Schedule under section 5316 of title 5, United States Code. One such Associate Director shall be designated "Associate Director for Domestic and Anti-Poverty Operations" and shall carry out operational responsibility for all programs authorized under this Act, and the other such Associate Director shall be designated "Associate Director for International Operations" and shall carry out operational responsibility for all programs authorized under the Peace Corps Act (22 U.S.C. 2501 et seq. There shall also be in such agency no more than two Assistant Directors appointed by the President by and with the advice and consent of the Senate, who shall be compensated at the rate provided for Level V of the Executive Schedule under section 5316 of title 5, United States Code. Each such Assistant Director shall perform such staff and support functions for such Associate Directors as the Director shall from time to time prescribe. There shall also be in such agency one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under parts A and B of title I of this Act and one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under title II of this Act, each of whom shall be appointed by the Director.

AUTHORITY OF THE DIRECTOR

SEC. 402. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized to—

(1) appoint in accordance with the Civil Service laws such personnel as may be necessary to enable the ACTION Agency to carry out its functions, and, except as otherwise provided here, fix the compensation of such personnel in accordance with chapter 51 of title 5, United States Code;

(2)(A) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that no individual may be employed under the authority of this subsection for more than 100 days in any fiscal year; (B) compensate individuals so employed at rates not in excess of the daily equivalent of the rate payable to a GS–18 employee under section 5332 of such title, including traveltime; (C) allow such individuals, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently, while so employed; and (D) annually renew contracts for such employment under this clause;

(3) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act and, as necessary or appropriate, delegate any of his functions under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the ACTION Agency and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the ACTION Agency and the furnishing of such information by the ACTION Agency to such other agencies;

(4) with their consent, utilize the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(5) accept in the name of the ACTION Agency, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, device, bequest, or otherwise;

(6) accept voluntary and uncompensated services;

(7) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code), expenditure for construction, repairs, and capital improvements;

(8) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as he shall deem appropriate to public agencies, private organizations, and the general public;

(9) adopt an official seal, which shall be judicially noticed;

(10) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations in accordance with Federal Claims Collection Act of 1966 (31 U.S.C. 951–53);

(11) expend funds made available for purposes of this Act as follows: (A) for printing and binding, in accordance with applicable law and regulation; and (B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this subclause (B)—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would

affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority;

(12) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under this Act (except for volunteers serving under part A of title I thereof), which may provide that the agency or organization shall pay all or a part of the costs of the program;

(13) provide or arrange for educational and vocational counselling of volunteers and recent former volunteers under this Act to (A) encourage them to use in the national interest the skills and experience which they have derived from their training and service, particularly working in combating poverty as members of the helping professions, and (B) promote the development, and the placement therein of such volunteers, of appropriate opportunities for the use of such skills and experience;

(14) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, and make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments), as are necessary or appropriate to carry out the provisions of this Act; and

(15) generally perform such functions and take such steps, consistent with the purposes and provisions of this Act, as he deems necessary or appropriate to carry out the provisions of this Act.

POLITICAL ACTIVITIES

SEC. 403. (a) No part of any funds appropriated to carry out this Act, or any program administered by the ACTION Agency, shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the ACTION Agency, who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term "election" has the same meaning given such term by section 301(a) of the Federal Election Campaign Act of 1971 (Public Law 92–225), and the term "Federal office" has the same meaning given such term by section 301(c) of such Act.

(b) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Director, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance for no more than 30 days until notice and an opportunity to be heard can be provided or other action necessary to permit enforcement on an emergency basis.

SPECIAL LIMITATIONS

SEC. 404. (a) The Director shall prescribe regulations and shall carry out the provisions of this Act so as to assure that the service of volunteers assigned, referred, or serving pursuant to grants, contracts, or agreements made under this Act is limited to activities which would not otherwise be performed by employed workers and which will not supplant the hiring of or result in the displacement of employed workers, or impair existing contracts for service.

(b) All support, including transportation provided to volunteers under this Act, shall be furnished at the lowest possible cost consistent with the effective operation of volunteer programs.

(c) No agency or organization to which volunteers are assigned hereunder, or which operates or supervises any volunteer program hereunder, shall request or receive any compensation for services of volunteers supervised by such agency or organization.

(d) No funds authorized to be appropriated herein shall be directly or indirectly utilized to finance labor or antilabor organization or related activity.

(e) Persons serving as volunteers under this Act shall provide such information concerning their qualifications, including their ability to perform their assigned tasks, and their integrity, as the Director shall prescribe and shall be subject to such procedures for selection and approval as the Director determines are necessary to carry out the purposes of this Act. The Director may establish such special procedures for the recruitment, selection, training, and assignment of low-income residents of the area to be served by a program under this Act who wish to become volunteers as he determines will further the purposes of this Act.

(f) Notwithstanding any other provision of law and except as provided in the second sentence of this subsection, the Director shall assign or delegate any substantial responsibility for carrying out functions under this Act only to persons appointed or employed pursuant to clauses (1) and (2) of section 402, and persons assigned or delegated such substantial responsibilities on the effective date of this Act and who are receiving compensation in accordance with provisions of law other than the applicable provisions of title 5, United States Code, on such date shall, by operation of law on such date, be assigned a grade level pursuant to such latter provisions so as to fix the compensation of such persons under such authority at no less than their compensation rate on the day preceding such date. The Director may personally make exceptions to the requirement set forth in the first sentence of this subsection for persons he finds will be assigned to carrying out functions under the Peace Corps Act (22 U.S.C. 2501 et seq.) within six months after the effective date of this Act.

(g) Notwithstanding any other provision of law except as may be provided expressly in limitation of this subsection, payments to volunteers under this Act shall not in any way reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any other governmental program.

NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL

SEC. 405. (a) There is hereby established in the ACTION Agency a National Voluntary Service Advisory Council (hereinafter referred to as the "Council") to be composed of not more than 25 members appointed, not later than ninety days after the date of the enactment of this Act, by and serving at the pleasure of the President. Such members shall be representative of public and private organizations, groups, and individuals interested in serving and benefited by programs carried out under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.). The President shall designate a temporary chairperson from such members and shall call the initial meeting of the Council within thirty days after appointment of such Council. Members of the Council shall designate a permanent chairperson from such members and shall meet at the call of such chairperson, but not less than four times in each year. Members of the Council, other than those regularly employed by the Federal Government, while attending meetings of such Council, shall receive compensation and travel expenses as provided in section 402(2) of this Act with respect to experts and consultants. The Director and Deputy Director of the ACTION Agency shall be ex officio members of the Council.

(b) The Council shall—

(1) advise the Director with respect to policy matters arising in the administration of this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.); and

(2) upon the request of the Director, review the effectiveness and the operation of programs under this Act and the Peace Corps Act and make recommendations (including such proposals for changes in such Acts as the Council deems appropriate) concerning (A) the improvement of such programs, (B) the elimination of duplication of effort, and (C) the coordination of such programs with other Federal programs designed to assist the beneficiaries of such Acts.

(c) Not later than October 1 of each calendar year beginning with the calendar year 1974, the Council shall make an annual report of its findings and recommendations to the President for transmittal by the President to the Congress together with his comments and recommendations.

LABOR STANDARDS

SEC. 406. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and in section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, ch. 482, as amended; 40 U.S.C. 276c).

REPORTS

SEC. 407. Not later than one hundred and twenty days after the end of each fiscal year, the Director shall prepare and submit to the President for transmittal by the President to the Congress a full and complete report on the activities of the ACTION Agency during such year.

JOINT FUNDING

SEC. 408. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, notwithstanding any other provision of law, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the ACTION Agency, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements under or pursuant to this Act.

PROHIBITION OF FEDERAL CONTROL

SEC. 409. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the

United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

COORDINATION WITH OTHER PROGRAMS

SEC. 410. The Director shall take necessary steps to coordinate volunteer programs authorized under this Act with one another, with community action programs, and with other related Federal, State, and local programs. The Director shall also consult with the heads of other Federal, State, and local agencies responsible for programs related to the purposes of this Act with a view to encouraging greater use of volunteer services in those programs and establishing in connection with them systematic procedures for the recruitment, referral, or necessary preservice orientation or training of volunteers serving pursuant to this Act.

PROHIBITION

SEC. 411. In order to assure that existing Federal agencies are used to the fullest extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

NOTICE AND HEARING PROCEDURES FOR SUSPENSION AND TERMINATION OF FINANCIAL ASSISTANCE

SEC. 412. The Director is authorized, in accordance with the provisions of this section, to suspend further payments or to terminate payments under any contract or grant providing assistance under this Act, whenever he determines there is a material failure to comply with the applicable terms and conditions of any such grant or contract. The Director shall prescribe procedures to insure that—

(1) assistance under this Act shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations for thirty days, nor shall an application for refunding under this Act be denied, unless the recipient has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(2) assistance under this Act shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

DURATION OF PROGRAM

SEC. 413. The Director shall carry out the programs provided for in this Act during the fiscal year ending June 30, 1974, and the three succeeding fiscal years. For each such fiscal year, only such sums may be appropriated as the Congress may authorize by law.

DISTRIBUTION OF BENEFITS BETWEEN RURAL AND URBAN AREAS

SEC. 414. The Director shall adopt appropriate administrative measures to assure that the benefits of and services under this Act will be distributed equitably between residents of rural and urban areas.

APPLICATION OF FEDERAL LAW

SEC. 415. (a) Except as provided in subsections (b), (c), (d), and (e) of this section, volunteers under this Act shall not be deemed Federal employees and shall not be subject to the provisions of laws relating to Federal officers and employees and Federal employment.

(b) Individuals enrolled in programs under title I of this Act for periods of service of at least one year shall, with respect to such service or training, (1) for the purposes of subchapter III of chapter 73 of title 5, United States Code, be deemed persons employed in the executive branch of the Federal Government, (2) for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), be deemed employees of the United States, and any service performed by an individual as a volunteer (including training) shall be deemed to be performed in the employ of the United States, (3) for the purposes of the Federal Tort Claims provisions of title 28, United States Code, be deemed employees of the United States, and (4) for the purposes of subchapter I of chapter 81 of title 5, United States Code (relative to compensation to Federal employees for work injuries), shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except as follows: (A) in computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS–7 employee, and subsections (a) and (b) of section 8113 of title 5, United States Code, shall apply, and (B) compensation for disability shall not begin to accrue until the day following the date on which the injured volunteer is terminated.

(c) Any period of service of a volunteer enrolled in a program for a period of service of at least one year under part A of title I of this Act, and any period of full-time service of a volunteer enrolled in a program for a period of service of at least one year under part B or C of title I of this Act, shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(1) for the purposes of section 852(a) (1) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1092(a) (1), and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(2) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the Civil Service Commission, the Foreign Service Act of 1946, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided,* That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

(d) Volunteers serving in programs for periods of service of at least one year under part A of title I of this Act, and volunteers serving for such periods under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d), including those whose service was completed under such Act, who the Director determines, in accordance with regulations he shall prescribe, have successfully completed their periods of service, shall be eligible for appointment in the competitive service in the same manner as Peace Corps volunteers as prescribed in Executive Order Number 11103 (April 10, 1963).

(e) Notwithstanding any other provision of law, all references in any other law to persons serving as volunteers under title VIII of the Economic Opportunity Act of 1964, as amended, shall be deemed to be references to persons serving as full-time volunteers in a program of at least one year's duration under part A, B, or C of title I of this Act.

EVALUATION

SEC. 416. (a) The Director shall periodically measure and evaluate the impact of all programs authorized by this Act, their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(b) The Director shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. Reports submitted pursuant to section 407 shall describe the actions taken as a result of evaluations carried out under this section.

(c) In carrying out evaluations under this title, the Director shall, whenever possible, arrange to obtain the opinions of program and project participants about the strengths and weaknesses of such programs and projects.

(d) The Director shall publish summaries of the results of evaluations of program and project impact and effectiveness no later than sixty days after the completion thereof.

(e) The Director shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds shall become the property of the United States.

(f) The Director is authorized to use such sums as are required, but not to exceed 1 per centum of the funds appropriated under this Act, to conduct program and project evaluations (directly, or by grants or contracts) as required by this Act. In the case of allotments from such an appropriation, the amount available for such allotments (and the amount deemed appropriate therefor) shall be reduced accordingly.

NONDISCRIMINATION

SEC. 417. (a) The Director shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, beliefs, color, national origin, sex, age, or political affiliation.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1). Section 603 of such Act shall apply with respect to any action taken by the Director to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

ELIGIBILITY FOR OTHER BENEFITS

SEC. 418. Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to titles II and III of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after the effective date of this Act.

LEGAL EXPENSES

SEC. 419. Notwithstanding any other provision of law and pursuant to regulations which the Director shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings to which full-time volunteers (or part-time volunteers when such proceeding arises directly out of the performance of activities pursuant to this Act or section 8(b)(1) of

the Small Business Act, as amended (15 U.S.C. 637(b)(1))) serving under this Act have been made parties.

GUIDELINES

SEC. 420. All rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date.

DEFINITIONS

SEC. 421. For the purposes of this Act—

(1) the term "Director" means the Director of the ACTION agency;

(2) the terms "United States" and "States" mean the several States, the District of Columbia, the Virgin Islands, Puerto Rico, Guam, and American Samoa and, for the purposes of title II of this Act, the Trust Territory of the Pacific Islands;

(3) the term "nonprofit" as applied to any agency, institution, or organization means an agency, institution, or organization which is, or is owned and operated by, one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

(4) the term "poor" or "low-income" persons, individuals, or volunteers means such individuals whose incomes fall at or below the poverty line as set forth in section 625 of the Economic Opportunity Act of 1964, as amended by Public Law 92-424 (42 U.S.C. 2971d): *Provided*, That in determining who is "poor" or "low-income", the Director shall take into consideration existing poverty guidelines as appropriate to local situations.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

SEC. 501. (a) There are authorized to be appropriated $37,600,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary each for the fiscal years ending June 30, 1975, and June 30, 1976, for the purpose of carrying out title I of this Act. In each such year, of the sums appropriated pursuant to this title not less than $29,600,000 shall be expended on programs designed to eliminate poverty and poverty-related human, social and environmental problems. Of this amount not less than $22,300,000 shall be expended on programs authorized under part A of title I in each such fiscal year.

(b) Any sums authorized to be appropriated for title I of this Act in excess of $37,600,000 shall be reflected in a commensurate increase in the sums to be made available for part A of such title.

NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS

SEC. 502. (a) There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1974, and $20,000,000 each for the fiscal year ending June 30, 1975, and for the fiscal year ending June 30, 1976, respectively, to be used for the purpose of carrying out programs under part A of title II of this Act.

(b)(1) There are authorized to be appropriated $32,500,000 for the fiscal year ending June 30, 1974, and $40,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, for the purpose of carrying out programs under part B of such title of which (A) $26,500,000 for the fiscal year ending June 30, 1974, and $32,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, shall be available for such years for grants or contracts under subsection (a) of section 211, and (B) $6,000,000 for the fiscal year ending June 30, 1974, and $8,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, shall be available for such years for grants or contracts under subsection (b) of such section.

(2) If the sums authorized to be appropriated under paragraph (1) of this subsection are not appropriated and made available in full for each such fiscal year, then such sums as are appropriated and made available for each such fiscal year shall be allocated so that—

(A) any amounts appropriated not in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equals $25,000,000 shall be used for grants or contracts under such subsection; and

(B) any amounts appropriated in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equals $31,000,000 for the fiscal year ending June 30, 1974, and $33,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, shall be used for grants or contracts for such fiscal years under such subsection.

NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE

SEC. 503. There are authorized to be appropriated $208,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively for the purpose of carrying out programs under title III of this Act.

ADMINISTRATION AND COORDINATION

SEC. 504. There are authorized to be appropriated and such sums as may be necessary each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, respectively, for the administration of this Act as authorized in title IV of such Act.

AVAILABILITY OF APPROPRIATIONS

SEC. 505. Notwithstanding any other provision of law, unless enacted in express and specific limitation of the provisions of this section, funds appropriated for any fiscal year to carry out any program under this Act or any predecessor authority shall remain available, in accordance with the provisions of this Act, for obligation and expenditure until expended.

TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

SUPERSEDENCE OF REORGANIZATION PLAN NUMBER 1 OF JULY 1, 1971

SEC. 601. (a) Sections 1, 2(a), 3, and 4 of Reorganization Plan Number 1 of 1971 (July 1, 1971) are hereby superseded.

(b) The personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Director of the ACTION Agency by sections 2(a) and 4 of such reorganization plan are hereby transferred to the ACTION Agency established by section 401. All grants, contracts, and other agreements awarded or entered into under the authority of such reorganization plan will be recognized under comparable provisions of this Act so that there is no disruption of on-going activities for which there is continuing authority.

(c) All official actions taken by the Director of the ACTION Agency, his designee, or any other person under the authority of such reorganization plan which are in force on the effective date of this Act and for which there is continuing authority under the provisions of this Act, and the length of the period of service of volunteers serving or undergoing training under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991-2994d) on the effective date of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director.

(d) All references to ACTION, or the Director of ACTION in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding shall, on and after the effective date of this Act, be deemed to refer to the ACTION Agency established by section 401 and the Director thereof.

(e) No suit, action, or other proceeding, and no cause of action, by or against the agency known as ACTION created by such reorganization plan, or any action by any officer thereof acting in his official capacity, shall abate by reason of enactment of this Act.

(f) Persons appointed by the President, by and with the advice and consent of the Senate, to positions requiring such advice and consent under such reorganization plan may continue to serve in the same capacity in the ACTION Agency without the necessity of an additional appointment by the President or further such advice and consent by the Senate.

CREDITABLE SERVICE FOR CIVIL SERVICE RETIREMENT

SEC. 602. Section 8332(b)(7) of title 5, United States Code (relating to creditable service to civil service retirement), is amended by inserting a comma and "or a period of service of a full-time volunteer enrolled in a program of at least one year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973 (—U.S.C.—)" after "Economic Opportunity Act of 1964".

REPEAL OF TITLE VIII OF THE ECONOMIC OPPORTUNITY ACT

SEC. 603. Title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991-2994d), is hereby repealed.

REPEAL OF TITLE VI OF THE OLDER AMERICANS ACT

SEC. 604. (a) Title VI of the Older Americans Act of 1965, as amended (42 U.S.C. 3044-3044e), is hereby repealed.

(b) Section 908 of the Older Americans Comprehensive Services Amendments Act of 1973 (Public Law 93-29) is amended by striking out "1973," and "1974," and inserting in lieu thereof "1974," and "1975,", respectively.

By Mr. MOSS (for himself and Mr. CLARK):

S. 2367. A bill to extend the period for comment on regulations proposed by the Secretary of Health, Education, and Welfare relating to skilled nursing facilities. Referred to the Committee on Labor and Public Welfare.

Mr. MOSS. Mr. President, for myself and Mr. CLARK, I introduce for appropriate reference a bill which extends the time for public comment relating to the proposed skilled nursing facility regulations by 60 days. The regulations as proposed in the July 12 Federal Register were open to comment only until August 11. My bill proposes extending the time for public comment by 60 days and prohibits the promulgation of final standards before October 13, 1973.

I am very much aware that Public Law 92-603 provided that the proposed skilled nursing facility—SNF—regulations should be effective by July 1, 1973, and that HEW has breached this deadline by announcing proposed regulations on July 12. I can understand HEW's feeling of urgency and the desire to implement final regulations without further delay and abrogation of responsibility under the law. Nevertheless, I feel there are several compelling reasons for postponing the effective date of the regulations by 60 days so as to provide the public and interested groups with ample opportunity to comment.

Perhaps the most important reason for this action is the inept rulemaking procedure followed by HEW in this matter. In the past few months I had been receiving carbon copies of letters sent to the Secretary of Health, Education, and Welfare in reaction to the skilled nursing facilities regulations. I thought this to be quite unusual in view of the fact that the regulations had not as yet appeared in the Federal Register. These letters also served to confirm rumors within the industry that certain groups had received advanced copies of the proposed regulations as far back as last February.

For the most part the rumors charged nursing home professionals with advanced knowledge of the contents of the regulations. It has been alleged that they have had the opportunity through HEW policy to influence early drafts of the regulations. Representatives of consumer groups and organizations representing the elderly had been denied access to such regulations by HEW which claimed that the policy was unofficial rather than official. This is to say that the selective sharing of early copies of the regulations was because of a leak, an oversight, or the like, as contrasted with official HEW policy.

For whatever the reason, it is clear that some groups in the field of long-term care have had early access to the SNF regulations for several months while others have had only the 30 days provided with the July 12 announcement of the regulations in the Federal Register. The inequity is obvious. It can only be cured by extending the time for public comment and postponing the effective date of the regulations by 60 days, such as my bill provides.

Extending the time for public comment is particularly important with respect to these regulations which have such a drastic impact on the shape of events in the field of long-term care.

It is my hope that the Secretary of Health, Education, and Welfare will extend the comment period on his own. I have written today asking him to do so. I might add that this request and the substance of my parallel bill have been endorsed by virtually all groups in the field of care for the aged, including the American Association of Homes for the Aged, the American Nursing Home Association, and the National Council of Senior Citizens.

In the face of this kind of unanimity among senior citizens groups and wide support in the Congress and in State Capitols, I am hopeful that the Secretary will accept my request. By the same token I urge the enactment of my bill which changes the effective date of the regulations to October 13, 1973, and extends the time for public comment by 60 days. The enactment of my bill supports the Secretary of Health, Education, and Welfare should he desire to extend the comment period so that he could do so without fear of further breaching the July 1, 1973, statutory requirement in last year's medicare reform bill, H.R. 1.

I hope this measure will be promptly enacted.

REGULATIONS FOR SKILLED NURSING FACILITIES

Mr. CLARK. I am pleased to join Senator Moss in cosponsoring legislation to extend for 60 days the time period for public comments on regulations proposed by the Department of Health, Education, and Welfare to set standards for skilled nursing facilities. The proposed regulations were published in the Federal Register on July 12, 1973, and the period for public comment is scheduled to terminate on August 11, 1973.

An extension of time is needed to permit individuals, groups, and those most directly affected by the proposed regulations to make informed comments on a complex set of regulations that will set standards for care received by thousands of elderly patients in skilled nursing homes. In Iowa alone, the proposed regulations will affect 45 facilities and over 1,300 patients. In other States, the numbers are larger—the problem more acute and widespread.

More time for comments is also needed because of the procedural deficiencies surrounding the proposed regulations. I am informed that the Department of Health, Education, and Welfare had planned to raise substantially the standards for skilled nursing homes. For a period of 6 months before the agency published the proposed regulations in the Federal Register—between December 14, 1972—and July 12, 1973—HEW distributed to members of the nursing home industry and to the medical profession drafts of the proposed regulations and HEW officials held discussions with these provider groups about the contents of the regulations. During that time, HEW refused to give copies of the drafts to anyone else—including nurses groups, therapists groups, and groups representing nursing home patients and senior citizen groups. The agency changed its mind, however, and decided not to raise the standards, and on July 12 published in the Federal Register the proposed regulations which would lower the standards of care in several respects.

The most serious reduction in standards relates to the frequency of doctor visits to nursing home patients. Current regulations require that each patient in a skilled nursing home be visited by a doctor at least once a month. The proposed regulations provide that after a patient had been in a nursing home for 3 months, a doctor may visit him as infrequently as once a year. HEW has not disclosed its rationale for this proposed change, but it seems to me that people sick enough to qualify for skilled nursing home care should be seen by a doctor at least once a month. At the very least, members of the public should have more than 30 days to determine whether patient health will be jeopardized by a reduction in doctor visits.

Another concern of mine is the failure to require that skilled nursing homes, except those in rural areas, have a registered nurse on duty 7 days a week. I have been advised that patient-oriented citizen groups need more than 30 days in which to amass the information necessary to support their position.

No one will be harmed by the extension of time for comments. Regulations are currently in effect setting standards for these homes, and these should continue in effect until necessary time has been given to prepare an adequate set of new standards with participation by the public.

By Mr. KENNEDY (for himself, Mr. CRANSTON, Mr. MONDALE, Mr. PELL, and Mr. RANDOLPH):

S. 2368. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am pleased to introduce on behalf of myself and Senators CRANSTON, MONDALE, PELL, and RANDOLPH legislation designed to assure the safety and effectiveness of medical devices.

Since February of this year, the Senate Health Subcommittee has been holding hearings on human experimentation. In the course of these hearings, we have seen the use of approved drugs for unapproved purposes without the informed consent of the patient; the use of experimental surgery on the basis of an individual physician's judgment without adequate peer review; and the development of medical devices by a single practitioner, in isolation, without reference to any known standards or regulations.

The problems posed by the witnesses at these hearings are complex and multifaceted. All of them relate directly to the quality of medical care as it is practiced in this country. The common theme of these hearings—whether they have focused on experimental drugs, experimental surgery, or the development of new medical devices—has been "let the patient beware."

The problems must be approached on many fronts. The Labor and Public Welfare Committee just last week ordered reported the National Research Service Awards and Potection of Human Subject Act. This legislation is designed to protect human subjects of biomedical and behavioral research—which is supported in whole or in part by Department of Health, Education, and Welfare funds—to the maximum extent possible. That legislation will provide similar protection to those patients receiving their health services from health service programs funded in whole or in part by the Department of HEW.

A second and complementary approach to the problem is represented by the Quality of Care Commission contained in the HMO bill which passed the Senate on May 15, 1973.

A third approach focuses on the regulation of the use of unapproved drugs in this country. The Senate Health Subcommittee will hold a major set of legislative hearings into this and related drug industry questions in the fall of this year.

The fourth approach is represented by this medical devices legislation. When the Food and Drug Act was first passed in 1938, the device industry was small and thus the Food and Drug Administration was given no regulatory authority other than the ability to designate a device as misbranded or adulterated.

The medical device industry has expanded rapidly in recent years. The industry has taken advantage of technological innovation in the fields of metallurgy, electronics, plastics and ceramic chemistry.

The rapid growth of this industry, coupled with the absence of meaningful regulation, has resulted in a significant and growing health hazard to the people of this Nation. The Secretary of Health, Education, and Welfare formed a task force to study the problem in 1969, and that task force reported that in the period between 1961 and 1971 there were 27,000 untoward effects from medical devices in this country.

The public record is full of extreme abuses in the medical devices field. One of the most dramatic examples was described in testimony before the Health Subcommittee on March 7 of this year. This involved the use of a supercoil—an experimental intrauterine device—to induce abortions in 20 women, all past the first trimester of pregnancy, who had been shipped from Chicago to Philadelphia to undergo the experimental procedure. Sixty percent of the women suffered significant complications and at least one required a hysterectomy as a direct result of the unjustified use of the supercoil.

Recent hearings before Congressman L. H. FOUNTAIN'S Intergovernmental Relations Subcommittee demonstrated that intrauterine devices have been developed, marketed, and used in this country without a prior demonstration of safety and efficacy. This has led to the widespread use of ineffective and hazardous devices, which were later recalled by the FDA.

The list of notorious quack devices is long and well-known, ranging from the "microdynameter," which was seized by the FDA in 1954 to the "relax-a-cisor," which was marketed in 1949 and finally banned by a 1970 court of appeals decision.

There are approximately 1,500 manufacturers producing over 12,000 medical devices in this country. The industry's gross sales for 1972 has been estimated in excess of $6 billion. The problem is that any individual can develop a new medical device in this country on the basis of his own individual judgment, and can test that device in patients without first being sure that the device meets minimum safety and efficacy standards.

I am pleased that Congressman PAUL ROGERS, the chairman of the House Subcommittee on Public Health and Environment, is today introducing a companion piece of device legislation in the House.

This legislation accepts the definition of devices developed in cooperation with elements of the device industry. It incorporates a number of industry criticisms of the administration's bill. It rejects the administration's approach to the premarket clearance section of the legislation. The administration would have required premarket clearance only for those medical devices to be used in life-threatening situations. This legislation would enable the Secretary to appoint a panel of experts to classify devices into one of three categories: those devices generally accepted as safe and effective, which represent a minimum risk to the public health, and which therefore do not require either standard setting or premarket clearance; those devices for which it is appropriate to establish reasonable standards to assure safety and effectiveness; and those devices for which inadequate evidence exists to assure safety and effectiveness, or exposure to which may cause unreasonable risk of illness or injury, and for which standards are therefore not appropriate. This latter group of devices will require premarket clearance.

In addition, this legislation sets strict requirements of informed consent for the testing of experimental medical devices in patients.

Mr. President, it is my intention to hold hearings on this legislation on September 14 and 18. Persons interested in testifying should contact the Health Subcommittee, room 4226, Dirksen Building—phone 225-7675.

I ask unanimous consent that the full text of this bill be printed in the RECORD along with the full text of the comparative print of the three device bills that will now be pending before the Senate.

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

S. 2368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO ACT

SECTION 1. (a) This Act may be cited as the "Medical Device Amendments of 1973".

(b) Unless otherwise specified, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision amended or repealed is a section of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

TITLE I—CLASSIFICATION OF MEDICAL DEVICES

SEC. 101. Chapter V of the Federal Food, Drug, and Cosmetic Act is amended by adding the following:

"CLASSIFICATION OF DEVICES

"SEC. 511. (a) Within sixty days after funds are first appropriated for the implementation of this section, the Secretary shall appoint and organize separate classification panels of experts, qualified by scientific training and experience, to review and classify devices into appropriate categories based on the safety and effectiveness of such devices. Each panel shall review all devices within its respective scientific field for purposes of appropriate classification and shall submit within one year of its appointment a report of its findings and conclusions to the Secretary. To the maximum extent practical the panel or panels shall provide an opportunity for any interested person to submit data and views on the classification of a device (or type or class of device). The Secretary may utilize any such panels which may have been formed for the purpose of such classification prior to enactment of this section and such panels may utilize information, and findings developed prior to enactment of this section in making such reports. Such panels shall also serve as scientific review panels under section 514.

"(b) Panel members shall possess adequate skill in the use of or experience in the development, manufacture, perfection, or utilization of such devices and may be nominated by appropriate scientific, trade, and consumer organizations. The panels shall be organized according to the various fields of clinical medicine and the fundamental sciences which utilize medical devices, and shall consist of members with adequately diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, or other related professions. Panel members shall, while attending meetings or conferences of the panel or otherwise engaged in its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS-18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently. Notwithstanding any other provisions of law governing the appointment and compensation of employees of the United States, the Secretary may appoint individuals associated with or employed by persons manufacturing or using medical devices or persons otherwise potentially affected by the provisions of this Act, to such panels and such individuals may receive the compensation prescribed therefor. The Secretary shall furnish each panel with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedure to be followed by each panel.

"(c) Panels appointed pursuant to subsection (a) shall submit recommendations for the classification of devices (in the final report of the panel or such interim reports as may be appropriate) for purposes of and in accordance with sections 513 and 514 into one of the three following classes and shall, to the extent practicable, assign priorities within such classes:

"(1) Those devices for which inadequate evidence exists to—

"(A) (i) assure safety and effectiveness, or

"(ii) insure that exposure to such devices will not cause unreasonable risk of illness or injury, and

"(B) for which standards may not be appropriate and which therefore should be subject to premarket scientific review pursuant to section 514(a).

"(2) Those devices for which in order to reduce or eliminate unreasonable risk of illness or injury it is appropriate to establish reasonable standards relating to safety and effectiveness adequately to assure the safety and effectiveness of such device.

"(3) Those devices which have a generally accepted medical use and are safe and effective when used with adequate instructions for usage and warnings of limitation, which present a minimum risk, and which should be exempt from requirements for scientific review or standards at this time.

"(d) As soon as possible after filing of the report required for compliance with subsection (a), the Secretary shall publish such report in the Federal Register and provide interested persons an opportunity to comment thereon. After reviewing such comments the Secretary shall by regulation provide for classification of such devices. Appeal therefrom may be taken by any interested person pursuant to the provisions of section 505(h). The Secretary may establish priorities for implementing the action warranted by such classification under sections 513 and 514 and may defer such action until an appropriate time, consistent with expeditious implementation of these provisions.

"(e) The Secreary, after making a specific finding and with the advice of the Advisory Council referred to in section 708, may by regulation change the classification of a device or group of devices from one category to another."

TITLE II—AUTHORITY TO ESTABLISH STANDARDS

SEC. 201. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C., ch. 9, subch. VI) is amended by adding at the end thereof the following new section:

"STANDARDS FOR MEDICAL DEVICES

"Authority to Set Standards

"SEC. 513 (a) (1) Whenever in the judgment of the Secretary such action is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device (including the need for uniformity and compatibility with systems or environments in which it is intended to be used) he may by order issue in accordance with subsection (c) of this section promulgate for any device, or type or class of device, for which a standard has been determined to be appropriate pursuant to section 551(d), a standard relating to safety and effectiveness, including where appropriate any one or more of the following: the composition, the construction, the properties, the uniform identification, or the performance of such device. Such standard may include provisions for the testing of the device and the measurement of its characteristics (including, where reasonably necessary to assure the accuracy and reliability of results, individual lot testing by or at the direction of the Secretary), and may require the use and prescribe the form and content of instructions or warnings necessary for the proper installation, maintenance, operation, and use of the device.

"(2) A standard may require that the device or any component thereof be marked, tagged, or accompanied by clear and adequate warnings or instructions reasonably necessary for the protection of health or safety.

"(3) The Secretary shall provide for a periodic evaluation of the adequacy of all standards promulgated under this section in order to reflect changes in the state of the art of the development of devices and in applicable medical, scientific, and other technological data.

"Consultation With Other Federal Agencies and Interested Groups; Use of Other Federal Agencies

"(b) (1) Prior to (A) initiating a proceeding under subsection (c) to promulgate a standard under this section, (B) initiating the development of a proposed standard under subsection (f) of this section, or (C) the taking of any action under subsection (g) of this section, the Secretary shall to the maximum practicable extent consult with, and give appropriate weight to relevant standards published by, other Federal agencies concerned with standard setting and other nationally or internationally recognized standard-setting agencies or organizations. In considering proposals for the development of standards, the Secretary may also invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, or consumer organizations which in his judgment can make a significant contribution to such development.

"(2) In carrying out his duties under this section, the Secretary shall utilize to the maximum practicable extent the personnel, facilities, and other technical support available in other Federal agencies.

"Initiation of Proceeding for Standards—Development by Interested Parties

"(c) A proceeding to promulgate a standard under this section shall be initiated by the Secretary by publication of notice in the Federal Register. Such notice shall advise of the opportunity for comment on the need to initiate such proceeding and shall include—

"(1) a description or other designation of the device (or type or class of device) to which the proceeding relates;

"(2) the nature of the risk or risks intended to be controlled;

"(3) a summary of the data on which the Secretary has found a need for initiation of the proceeding;

"(4) identification of any existing standard (if known to the Secretary) which may be relevant to the proceeding; and

"(5) an invitation to any person, including any Federal agency, which has developed or is willing to develop a proposed standard to submit to the Secretary, within sixty days after the date of such notice, (A) such a standard; or (B) an offer to develop a proposed standard in accordance with procedures prescribed by regulations of the Secretary.

"Use of Existing Standards

"(d) If the Secretary (1) finds that there exists a standard which has been published by any Federal agency or other qualified agency, organization, or institution, (2) has made reference to such standard (unless it is a standard submitted under subsection (c)(5)) in his notice pursuant to subsection (c)(4), and (3) determines that such standard may be substantially acceptable to him as a device standard, then he may, in lieu of accepting an offer under this section, publish such standards as a proposed device standard in accordance with subsection (g).

"Acceptance of Offers To Develop Standards

"(e)(1) Except as otherwise provided by subsection (d), the Secretary shall accept one or more offers to develop a proposed standard pursuant to the invitation prescribed by subsection (c)(5) if he determines that (A) the offeror is technically competent to undertake and complete the development of an appropriate standard within a reasonable period of time, and (B) the offeror has the capacity to comply with procedures prescribed by regulations of the Secretary under paragraph (4).

"(2) The Secretary shall publish in the Federal Register the name and address of each person whose offer is accepted, and a summary of the terms of such offer as accepted.

"(3) Upon any offeror's application therefor prior to the acceptance of his offer under this subsection, the Secretary may agree to contribute to the offeror's cost in developing a proposed standard, if the Secretary determines that such contribution is likely to result in a more satisfactory standard than would be developed without such contribution, and that the offeror is financially responsible. Regulations of the Secretary shall set forth the items of cost in which he may participate, except that such items may not include construction (except minor remodeling), or the acquisition of land or buildings.

"(4) The Secretary shall prescribe regulations governing the development of proposed standards under this subsection and subsection (f), which regulations shall not be considered rules of agency organization, procedure, or practice for purposes of section 553 of title 5 of the United States Code. Such regulations shall include requirements—

"(A) that standards recommended for promulgation be supported by test data or such other documents or materials as the Secretary may reasonably require to be developed, and be suitable for promulgation under subsection (g);

"(B) that standards recommended for promulgation contain such test methods as may be appropriate for measurement of compliance with such standards;

"(C) for opportunity by interested persons to participate in the development of such standards;

"(D) for the maintenance of such records as the Secretary prescribes in such regulations to disclose the course of the development of standards recommended for promulgation, the comments and other information submitted by any person in connection with such development, including comments and information with respect to the need for such recommended standards, and such other matters as may be relevant to the evaluation of such recommended standards; and

"(E) that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, have access for the purpose of audit and examination to any books, documents, papers, and records, relevant to the expenditure of any contribution of the Secretary, under paragraph (3).

"Development of Standards by the Secretary

"(f) If the Secretary has published a notice as provided by subsection (c), and—

"(1) no person accepts the invitation prescribed by subsection (c)(5);

"(2) the Secretary has accepted neither an existing standard pursuant to subsection (d) nor an offer to develop a proposed standard pursuant to subsection (e); or

"(3) the Secretary has accepted an offer pursuant to subsection (e), but determines that the offeror is unwilling or unable to continue the development of the standard which was the subject of the offer or the standard which has been developed is not satisfactory; then the Secretary may proceed to develop a proposed standard pursuant to procedures prescribed by subsection (g).

"Procedure for Promulgation, Amendment, or Revocation of Standards

"(g)(1)(A) Within one year after expiration of the period provided for persons to submit a proposed standard or offer to develop a proposed standard, and after review of any proposal submitted under subsection (e), the Secretary shall publish in the Federal Register either a proposal to promulgate a standard applicable to the device (or type or class of device) subject to the proceeding, or a notice that the proceeding is terminated. The proposal to promulgate a standard shall set forth the standard, the manner in which interested persons may examine data and other information on which the standard is based, and the period within which interested persons may present their comments on the standard (including the need therefor) orally or in writing but not to exceed 90 days.

"(B) Within 90 days after the expiration of the period or comments pursuant to (a)." the Secretary shall, by order published in the Federal Register, act upon the proposed standard or terminate the proceeding. The order shall set forth the standard, if any, the reasons for the Secretary's action (including reasons for the promulgation of a standard materially different than that set forth in the proposal or for his failure to promulgate any standard), and the date or dates upon which the standard, or portions thereof, will become effective. Such date or dates shall be established so as to minimize, consistent with the public health and safety, economic loss to, and disruption or dislocation of, domestic and international trade.

"(C)(i) Prior to his issuance of an order to promulgate a standard, the Secretary shall consider—

"(I) the degree of risk of illness or injury associated with those aspects of the devices subject to the order;

"(II) the approximate number of devices, or types or classes thereof, subject to the order;

"(III) the need of the public for the devices subject to the order, and the probable

effect of the order upon the utility, cost, or availability of the devices to meet that need;

"(IV) means of achieving the objective of the order with a minimal disruption or dislocation of competition and of reasonable manufacturing and other commercial practices; and

"(V) data and comments submitted in the course of any proceeding initiated under subsection (c) relevant to such order.

Such order shall include appropriate findings with respect to the matters set forth in clauses (I) through (V) and such standard shall be based on such findings.

"(ii) The Secretary shall include in the order promulgating a standard such additional findings as he may determine to be necessary to support the judgment required by subsection (a)(1).

"(2) The Secretary may revoke any standard, in whole or in part, upon the ground that there no longer exists a need therefor or that such standard (or part thereof) is no longer in the public interest. Such revocation shall be published as a proposal in the Federal Register and shall set forth such standard or portion thereof to be revoked, a summary of the reasons for his determination that there may no longer be a need therefor or that such standard (or any part thereof) may no longer be in the public interest, the manner in which interested persons may examine data and other information relevant to the Secretary's determination, and the period within which any interested person may present his views, orally or in writing, with respect to such revocation. As soon as practicable thereafter, the Secretary shall by order act upon such proposal and shall publish such order in the Federal Register. The order shall include the reasons for the Secretary's action and the date or dates upon which such revocation shall become effective.

"(3) The Secretary may propose an amendment of a standard by publishing such proposal in the Federal Register. Such proposal shall be subject to paragraph (4) of this subsection and to subsection (h).

"(4) To the extent not inconsistent with this section, the provisions of section 553 of title 5 of the United States Code, shall govern proceedings under this section to promulgate, amend, or revoke a standard. An order promulgating, amending, or revoking a standard shall, upon its publication and without regard to its effective date, be a final order for purposes of chapter 7 of title 5 of the United States Code. Judicial review of such final order shall not be denied upon the ground that the petitioner has failed to seek the referral of any proposal to an advisory committee under subsection (h).

"Referral to Independent Advisory Committee

"(h)(1) A proposal under subsection (g) may be referred to an advisory committee of experts for a report and recommendations with respect to any matter involved in such proposal which requires the exercise of scientific judgment. The Secretary may so refer such proposal prior to or after its publication under such subsection, and shall so refer it after its publication upon a request, within the time specified in the proposal, of any interested person (unless the Secretary finds the request to be without good cause). For the purpose of any such referral, the Secretary shall appoint such an advisory committee (which may be a standing advisory scientific review panel established under section 514(b)) and shall refer to it, together with all the data before him, the matter so involved for study, and for a report and recommendations. The provisions of the first and second sentences of section 706(b)(5)(C)(ii) shall apply to such report and recommendations. A person who has requested the referral of a matter to an advisory committee pursuant to this subsection, as well as representatives of the Department, shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person, in connection with the matter referred to it.

"(2) The Secretary shall appoint as members of any such committee persons qualified in the subject matter to be referred to the committee and of appropriately diversified professional background. Members of an advisory committee who are not in the regular full-time emloy of the United States, while attending conferences or meetings of their committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary but not at rates exceeding the daily equivalent for grade GS–18 of the General Schedule for each day so engaged, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish the committee with clerical and other assistance, and shall by regulation prescribe the procedure to be followed by the committee.

"(3) If such a matter is referred to an expert advisory committee upon request of an interested person, the Secretary may, pursuant to regulations designed so as not to discourage any such referrals which are in the public interest, require such person to pay all or part of the cost to the Department arising by reason of such referral. Such payments, including advance deposits to cover such payments, shall be available until expended for paying (directly or by way of reimbursement of the applicable currently available appropriations) such costs and for refunds in accordance with such regulations.

"Testing or Manufacture of Devices To Assure Compliance With Standards

"(i)(1) Every manufacturer of a device subject to a standard under this section shall assure the Secretary, at such times and in such form and manner as the Secretary shall by regulation prescribe, that testing methods prescribed by the standard show the device to comply therewith, or that the device has been manufactured under a program of quality control which is in accord with current good manufacturing practice (as may be determined by regulations of the Secretary) designed to assure such compliance.

"(2) To assure that devices conform to standards under this section, the Secretary shall review and evaluate on a continuing basis testing and other quality control programs carried out by manufacturers of devices subject to such standards.

"Exemption

"(j) This section shall not apply to any device (1) intended solely (A) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals; or (2) subject to section 514 except for those characteristics of the device made subject to provisions of existing standards by an application approved pursuant to that section.

"Temporary Permits

"(k) The Secretary shall issue regulations permitting the interstate shipment of devices varying from an applicable standard for the purpose of investigation or other testing prior to amendment of the standard. Such regulations may include reasonable conditions related to the safety and effectiveness of the devices.

"Custom Devices

"(l) This section shall not apply to any custom device to the extent that it is ordered by a physician to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable standard except those specifically ordered by a physician to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k)."

CONFORMING AMENDMENTS

SEC. 202. (a) Section 501 of such Act (21 U.S.C. 351) is amended by adding at the end thereof the following new paragraph:

"(e) If it is, or purports to be or is represented as, a device with respect to which, or with respect to any component, part, or accessory of which there has been promulgated a standard under section 513, unless such device, or such component, part, or accessory, is in all respects in conformity with such standard."

(b) Section 502 of such Act (21 U.S.C. 352) is amended by adding at the end thereof the following new paragraph:

"(q) If it is a device subject to a standard promulgated under section 513, unless (1) its labeling bears such instructions and warnings as may be prescribed in such standard; and (2) it complies with the requirements of section 513(i)(1)."

TITLE III—SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

SEC. 301. (a) Section 501 of such Act, as amended by section 202(a) of this Act, is further amended by adding at the end thereof the following new paragraph:

"(f) If (1) it is a device, and (2) such device, or any component, part, or accessory thereof, is deemed unsafe or ineffective within the meaning of section 514 with respect to its use or intended use."

(b) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

"When Scientific Review Is Required

"SEC. 514. (a) The Secretary may declare that a device (or type or class of device) for which scientific review has been determined to be appropriate pursuant to section 511(d) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if, after consultation with the appropriate panel or panels specified in subsection (b), he finds that review is necessary to insure safety and effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device. To the maximum extent practical the panel or panels shall provide an opportunity for any interested person to submit data and views on the appropriateness of applying scientific review to a device (or type or class of device) or any particular use of a device. The declaration shall be by regulation (which may be rescinded by the Secretary) which shall set forth and be based upon the findings prescribed in this subsection and findings as described in clauses (I), (II), (III), and (IV) of section 513(g)(1)(C)(i). A device (or type or class of device) declared to be subject to scientific review shall be deemed unsafe or ineffective for the purpose of the application of section 501(f) unless either—

"(1) there is in effect an approval of an application with respect to such device under this section,

"(2) such device is exempted by or pur-

suant to subsections (k) or (m) of this section, or

"(3) such device is intended solely (A) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals.

"Standing Advisory Scientific Review Panels

"(b)(1) For the purpose of reviewing applications filed under subsection (c), and of reviewing plans and protocols submitted under subsection (k)(4), the Secretary shall establish one or more standing advisory scientific panels composed of members appointed by the Secretary. Such members shall consist of experts qualified by training and experience to evaluate the safety and effectiveness of devices in the category or class of devices to be referred to such a panel, including appropriate experts from one or more of the physical or biological sciences and of the professions of medicine, dentistry and engineering. The Secretary shall from time to time designate one of the members of each panel to serve as chairman thereof.

"(2) Members of any standing advisory scientific panels established under this subsection, while attending conferences or meetings of their panels or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary but not at rates exceeding the daily equivalent of the rate specified at the time of such service for grade GS–18 of the General Schedule, including traveltime; and while away from their homes or regular price of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish the committee with clerical and other assistance. The members shall not be subject to any other provisions of law regarding the appointment and compensation of employees of the United States.

"Application for Scientific Review

"(c)(1) Scientific review of a device (or type or class of device) which has been declared subject to such review in accordance with subsection (a) may be obtained by submitting to the Secretary an application for his determination of the safety and effectiveness of the device. The application shall contain (A) full reports of all information, published or otherwise available to the applicant, concerning investigations which have been made to show whether or not such device is safe and effective for use; (B) a full statement of the composition, properties, and construction, and of the principle or principles of operation, of such device; (C) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of such device; (D) an identifying reference to any standard, applicable to such device, or component of such device, which is in effect pursuant to section 513, and either adequate information to show that such device fully meets such standard or adequate information to justify any deviation from such standard; (E) such samples of such device and of the articles used as components thereof as the Secretary may require; (F) specimens of the labeling proposed to be used for such device; and (G) such other information, relevant to the subject matter of the application, as the Secretary, upon advice of the appropriate panel or panels established pursuant to subsection (b), may require.

"(2) Upon receipt of an application meeting the requirements set forth in paragraph (1), the Secretary shall refer such application to the appropriate panel or panels (established pursuant to subsection (b)) for study and for submission (within such period, if any, as he may establish) of a report and recommendations, together with all underlying data and the reasons or basis for the recommendations. The provisions of section 706(d)(2) shall apply with respect to the material so submitted.

"Consideration of an Initial Action on Application

"(d) As promptly as possible, but in no event later than one hundred and twenty days after the receipt of an application under subsection (c), unless an additional period is agreed upon by the Secretary and the applicant, the Secretary, after considering the report and recommendations referred to in paragraph (2) of such subsection, shall—

"(1) approve the application if he finds that none of the grounds for denying approval specified in subsection (e) applies,

"(2) advise the applicant that the application is not in approvable form; and inform the applicant, insofar as the Secretary determines to be practicable, of the measures required to place such application in approvable form (which measures may include further research by the applicant in accordance with one or more protocols prescribed by the Secretary); or

"(3) deny approval of the application if he finds (and sets forth the basis of such finding as part of or accompanying such denial) that one or more grounds for denial specified in subsection (e) applies.

"Bases for Approval or Disapproval; Opportunity for Review

"(e)(1) If, upon the basis of the information submitted to the Secretary as part of the application and any other information before him with respect to such device the Secretary finds, after opportunity to the applicant for the review prescribed by paragraph (4), that—

"(A) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof:

"(B) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g);

"(C) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof;

"(D) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; or

"(E) such device is not shown to conform in all respects to an applicable standard promulgated under section 513 and in effect; he shall issue an order denying approval of the application and stating the findings upon which the order is based. In determining if a device is shown to be safe for purposes of this paragraph, the Secretary shall weigh any benefit to the public health probably resulting from the use of the device against any hazard to the public health probably resulting from such use.

"(2) As used in this subsection and subsection (f), the term 'adequate scientific evidence' means evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by experts qualified by scientific training and experience to evaluate the effectiveness of the device involved, on the basis of which it could fairly and responsibly be concluded by such experts that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof, unless the Secretary determines that other valid scientific evidence is sufficient to establish the effectiveness of the device.

"(3) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined in the light of such intended use.

"(4)(A) An applicant whose application has been denied approval (either pursuant to paragraph (3), or in consequence of the Secretary's finding pursuant to paragraph (2), of subsection (d)) may, by petition filed on or before the thirtieth day after the date upon which he receives notice of such denial, obtain review thereof in accordance with subsection (i). The Secretary shall consider and give appropriate weight to the report and recommendations received from the advisory committee conducting such review under such subsection.

"(B) In lieu of the review provided by subparagraph (A), such applicant may, for good cause shown by such petition, obtain a hearing in accordance with section 554 of title 5 of the United States Code.

"Withdrawal of Approval

"(f)(1) The Secretary may, upon obtaining, where appropriate, advice on scientific matters from a panel or panels established pursuant to subsection (b), and after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to a device under this section if the Secretary finds—

"(A)(i) that clinical or other experience, tests, or other scientific data show that such device is unsafe for use under the conditions of use upon the basis of which the application was approved; or (ii) on the basis of evidence of clinical experience, not included in or accompanying such application and not available to the Secretary until after the application was approved, or of tests by new methods or by methods not reasonably applicable when the application was approved, evaluated together with the evidence available to the Secretary when the application was approved, that such device is not shown to be safe for use under the conditions of use on the basis of which the application was approved;

"(B) on the basis of new information before him with respect to such device, evaluated together with the evidence available to him when the application was approved, that there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof;

"(C) that the application filed pursuant to subsection (c) contains or was accompanied by an untrue statement of a material fact;

"(D) that the applicant has failed to establish a system for maintaining records, or has repeatedly or deliberately failed to maintain records or to make reports, required by an applicable regulation or order under subsection (a) of section 516, or that the applicant has refused to permit access to, or copying or verification of, such records as required by paragraph (2) of such subsection;

"(E) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the methods used in or the facilities and controls used for, the manufacture, processing, packing, or installation of such device do not conform to the requirements of section 501(g) and were not brought into conformity with such require-

ments within a reasonable time after receipt of written notice from the Secretary; or

"(F) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the labeling of such device, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary; or

"(G) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that such device is not shown to conform in all respects to an applicable standard promulgated pursuant to section 513.

"(2) If the Secretary (or in his absence the officer acting as Secretary) finds that an imminent health or safety hazard is involved, he may by order suspend the approval of such application immediately and give the applicant prompt notice of his action and afford the applicant an opportunity for an expedited hearing under this subsection. Such authority to suspend the approval of an application may not be delegated.

"(3) Any order under this subsection shall state the findings upon which it is based.

"Authority To Revoke Adverse Orders

"(g) Whenever the Secretary finds that the facts so require, he shall revoke an order under subsection (e) or (f) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"Service of Secretary's Orders

"(h) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last known address in the records of the Secretary.

"Referral to Independent Advisory Committee

"(i)(1) A person who has filed an application under subsection (c) may petition the Secretary, in accordance with subparagraph (A) of subsection (e)(4), to refer such application, or the Secretary's action thereon, to an advisory committee of experts for a report and recommendations with respect to any question therein involved which requires the exercise of scientific judgment. Upon such petition, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint an advisory committee and shall refer to it, together with all the data before him, the question so involved for study thereof and a report and recommendations thereon. The provisions of the first and second sentences of section 706(b)(5)(C)(ii) shall apply to such report and recommendations. The applicant, as well as representatives of the Department, shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person, in connection with the question referred to it.

"(2) Section 513(h)(2) shall apply to the appointment, compensation, staffing, and procedure of any such advisory committee.

"(3) Paragraph (3) of section 513(h) shall also apply in the case of a referral to an advisory committee under this subsection.

"Judicial Review

"(j) The applicant may, by appeal taken in accordance with section 505(h), obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application filed under subsection (c) of this section or a final order under subsection (m) revoking an exemption in effect under that subsection. Judicial review of such final order shall not be denied upon the ground that the petitioner has failed to avail himself of the review or hearing provided by subsection (e)(4) or the hearing provided by subsection (m).

"Exemption for Investigational Use

"(k)(1) It is the purpose of this subsection to encourage, to the maximum extent consistent with the protection of the public health and safety and with professional ethics, the discovery and development of useful devices and to that end to maintain optimum freedom for individual scientific investigators in their pursuit of that objective. All information required under this section to be submitted to the Secretary or to an institutional review committee shall be concise and no more burdensome than is necessary to permit adequate review.

"(2) Subject to the succeeding paragraphs of this subsection, there shall be exempt from the requirement of approval of an application under the foregoing provisions of this section any device which is intended solely for investigational use (in an appropriate scientific environment) by an expert or experts qualified by scientific training and experience to investigate the safety and effectiveness of such device.

"(3) The Secretary shall promulgate regulations relating to the application of the exemption referred to in paragraph (2) to any device which is intended for use in the clinical testing thereof upon humans, in developing data required to support an application under subsection (c).

"(4) Such regulations may provide for conditioning the exemption, in the case of a device intended for such use, upon—

"(A) the submission, by the manufacturer of the device or the sponsor of the investigation, of an outline of the plan of initial clinical testing—

"(i) to a local institutional review committee which has been established to supervise clinical testing in the facility where the initial clinical testing is to be conducted, the compostion and procedures of which comply with regulations of the Secretary, for review as being adequate to justify the commencement of such testing, or

"(ii) if no such committee exists or if the Secretary finds that the process of review by such committee is inadequate or that protection of health and safety so requires (whether or not the plan has been approved by such committee), to the Secretary for review by the appropriate panel or panels established pursuant to subsection (b) as being adequate to justify the commencement of such testing;

"(B) prompt notification to the Secretary by such manufacturer or sponsor (in such manner as the Secretary prescribes) of approval of any plan pursuant to clause (A)(i);

"(C) the submission, by the manufacturer of the device or the sponsor of the investigation, of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially the same protocol, together with a report of prior investigations of the device (including, where appropriate, tests on animals) adequate to justify the proposed testing, either (i) to a local institutional review committee for review in accordance with the provisions of clauses (A)(i) and (B), or (ii) to the Secretary for review in accordance with the provisions of clause (A)(ii) if such testing involves facilities in which no such committee exists, or facilities served by more than one local institutional review committee if such committees are unable to agree on the adequacy of the submission;

"(D) the obtaining, by the manufacturer of the device or the sponsor of the investigation, if the device is to be distributed to investigators for testing, of a signed agreement from each of such investigators that humans upon whom the device is to be used will be under such investigator's personal supervision or under the supervision of investigators responsible to him;

"(E) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of the device, as the Secretary finds will enable him to evaluate the safety and effectiveness of the device in the event of the filing of an application pursuant to subsection (c); and

"(F) such other conditions relating to the protection of the public health and safety as the Secretary may determine to be necessary.

Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of devices. An investigation may begin if the sponsor is not notified to the contrary by the Secretary within 30 days of the receipt by the Secretary of a notification or submission pursuant to this paragraph.

"(5) Such regulations shall assure that the rights and welfare of the subjects involved are adequately protected, that the risks to an individual are outweighed by the potential benefits to him or by the importance of the knowledge to be gained and that informed consent is to be attained by methods that are adequate.

"(A) For the purposes of this section only, the term 'informed consent' shall mean the consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress or other form of constraint or coercion. The information to be given to the subject shall include the following basic elements in all but exceptional cases:

"(i) a fair explanation of the procedures to be followed, including an identification of any which are experimental;

"(ii) a description of any attendant discomforts and risks reasonably to be expected;

"(iii) a description of any benefits reasonably to be expected;

"(iv) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

"(v) an offer to answer any inquiries concerning the procedures; and

"(vi) an instruction that the subject is free to withdraw his consent and to discontinue participation in the project or activity at any time. In addition, the agreement, written or oral, entered into by the human subject or from the human subject's legal representative, shall include no exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, or to release the institution or its agents from liability for negligence. Any organization which initiates, directs, or engages in programs of research, development, or demonstration which require informed consent shall keep a permanent record of such consent and the information provided the subject and develop appropriate documentation and reporting procedures as an essential administration function.

"(B) 'Exceptional cases', as used in clause (A) of this paragraph, which exceptions are to be strictly applied, are cases where it is not feasible to obtain the subject's consent or the consent of his representative, or where, as a matter of professional judgment exercised in the best interest of a particular subject under care, it would be contrary to that subject's welfare to obtain his consent as the communication of information to obtain consent would seriously affect the subject's disease status and the physician has exercised a professional judgment that under the particular circumstances of this subject's case, the subject's best interests would suffer if consent were sought.

"(6) Whenever the Secretary determines that a device is being or has been shipped or delivered for shipment in interstate commerce for investigational testing upon humans, and that such device is subject to the preceding subsections of this section and fails to meet the conditions for exemption therefrom for investigational use, he shall notify the sponsor of his determination and the reasons therefor, and the exemption will not thereafter apply with respect to such investigational use until such failure is corrected.

"(7) In determining whether this subsection is applicable to any device and, if so, whether there has been compliance with the conditions of exemption, or upon application for reconsideration of any such determination, the Secretary shall, if so requested by the sponsor of the investigation, or may on his own initiative, obtain the advice of an appropriate expert or experts who are not otherwise, except as consultants, engaged in the carrying out of this Act.

"Custom Devices

"(l) This section shall not apply to any custom device to the extent that it is ordered by a physician to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable standard except those specifically ordered for individual patients, and shall not otherwise exempt a device from subsection (k).

"(m)(1) Any device (or type or class of device), manufactured or distributed by a particular person, which has been made subject to this section by a regulation promulgated by the Secretary, may be exempted by the Secretary from the requirement of approval of an application under the foregoing provisions of this section if—

"(A) the nature of the device (or type or class of device) is such that it is likely that it will be subject to frequent modification or rapid obsolescence or will not be produced in substantial volume; and

"(B) it is intended solely for use under the direction or supervision of a practitioner licensed by law to use or to prescribe the use thereof; and

"(C) it is, or will be, investigated in accordance with a product development protocol established pursuant to paragraph (2) of this subsection, or it is subject to an effective notice of completion of the requirements of such protocol; and

"(D) there are no proceedings pending with respect to the device (or type or class of device) as manufactured or distributed by the person having filed the notice of completion or following the appropriate protocol, alleging violation of sections 301, 501 (other than subsection (f)), or 502 in any court of the United States; and

"(E) paragraphs (3), (4), and (5) of this subsection do not apply.

"(2) Any person may submit a petition to the Secretary to establish a product development protocol with respect to a particular device (or type or class of device) meeting the requirements set forth in subparagraphs (A) and (B) of paragraph (1) of this subsection. Such petition shall include supporting data and a proposed protocol. The Secretary may, within thirty days, refer any such petition to the appropriate panel of experts appointed pursuant to subsection (b) of this section. Such panel may, within sixty days, or such other time as may be agreed upon by the panel and the petitioner, develop an appropriate protocol. The protocol, if established, shall provide—

"(A) the investigational and testing procedures required prior to the commencement of clinical trials of such device and subsequent significant modifications thereto;

"(B) a requirement that an institutional review committee similar to that described in clause (i) of subparagraph (A) of paragraph (4) of subsection (k) of this section shall make a written finding that the predicted risk-to-benefit ratio applicable to the use of the device justifies clinical trials and that one or more such committees will continually monitor and make periodic written records on all clinical trials conducted in connection with the institution in which such committee operates;

"(C) the type and quantity of clinical trials and findings therefrom required prior to the filing of a notice of completion of a product development protocol;

"(D) a requirement for complete records of the investigation to be maintained which are adequate to show compliance with the product development protocol;

"(E) a requirement that consent, as described in paragraph (5) of subsection (k) of this section, be obtained from all subjects of the investigation; and

"(F) a requirement that copies of all records which are to be maintained pursuant to this paragraph be made available to the Secretary upon request.

"(3) If the panel to which such petition has been referred does not establish a protocol within sixty days (or within such other time as may be agreed upon), the Secretary may establish a protocol within sixty days after the date he is notified that the panel has concluded not to establish a protocol. If neither the panel nor the Secretary establishes a protocol, the Secretary shall issue a final order denying the petition and stating the grounds therefor.

"(4) At any time after a product development protocol for a particular device (or type or class of device) has been established pursuant to this section, the petitioner may submit a notice of completion stating that the requirements of the protocol have been fulfilled and that, to the best of his knowledge, there is no reason bearing on safety, effectiveness, or other public health considerations why the device should not be marketed. Such notice shall contain all the data and information from which the petitioner made this determination. The notice of completion shall become effective ninety days after receipt by the Secretary unless the Secretary objects.

"(5) The Secretary may, after providing the petitioner an opportunity for an informal hearing, at any time revoke a product development protocol or object to a notice of completion if he finds in writing, stating his reasons therefor—

"(A) the petitioner has failed substantially to comply with the requirements of the protocol; or

"(B) the results of the clinical trials conducted differ so substantially from the results required in the protocol that further trials cannot be justified; or

"(C) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

"(D) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

"(6) The Secretary (or in his absence the officer acting as Secretary) may at any time, by an order in writing stating the findings on which it is based, immediately revoke an exemption from the requirement of approval of an application under the foregoing provisions of this section, give prompt notice to the person following the protocol or having filed the notice of completion, and afford such person an opportunity for an expedited hearing under this paragraph, if he finds that there is an imminent hazard to the public health or safety caused by the existence of the exemption.

"(7) At any time after a notice of completion has become effective, the Secretary may issue an order revoking an exemption of the device (or type or class of device) from the requirement of approval of an application under the foregoing provisions of this section if he finds that any of the grounds listed in subparagraphs (A) through (F) of paragraph (1) of subsection (f) and subsections (g) through (j) of this section apply. The provisions of paragraphs (1) and (3) of subsection (f) of this section shall apply.

"(8) Whenever the Secretary finds that the facts so justify, he may reconsider an order under this subsection revoking the exemption granted by this subsection and reinstate the exemption.

"(n)(1) If, on the day immediately prior to the date upon which a device is declared to be subject to scientific review under this section, the device was in use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or for the purpose of affecting the structure or any function of the body of man, section 501(f) shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in paragraph (2) of this subsection) or, if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under this section.

"(2) For the purposes of this subsection, the term 'closing date' means, with respect to a device, the first day of the thirty-first calendar month which begins after the month in which the device is declared to be subject to scientific review under this section, except that, if in the opinion of the Secretary it would not involve any undue risk to the public health, he may on application or on his own initiative postpone such closing date with respect to any particular use or uses of a device until such later date (but not beyond the close of the sixtieth month after the month of such declaration) as he determines is necessary to permit completion, in good faith and as soon as reasonably practicable, of the scientific investigations necessary to establish the safety and effectiveness of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement."

PROHIBITED ACTS

SEC. 302. (a) Paragraph (e) of section 301 of such Act is amended (1) by striking out "or" before "512 (j), (l), or (m)" and (2) by inserting ", 514(k), or 516(a)" after "512(j), (l), or (m)".

(b) Paragraph (j) of section 301 of such Act is amended by inserting "514, 516," immediately after "512,".

(c) Paragraph (l) of such section 301 is

amended (1) by inserting "or device" after the word "drug" each time it appears therein, and (2) by striking out "505," and inserting in lieu thereof "505 or 514, as the case may be,".

TITLE IV—NOTIFICATION OF DEFECTIVE DEVICES; REPAIR OR REPLACEMENT

SEC. 401. Chapter V of such Act, as amended by sections 201 and 301(b) of this Act, is further amended by adding at the end thereof the following new section:

"NOTIFICATION OF DEFECTS IN, AND REPAIR OR REPLACEMENT OF, DEVICES

"SEC. 515. (a)(1) Every person who acquires information which may reasonably be understood to show that a device produced, assembled, or imported by him (A) contains a defect which is likely to create a substantial risk to the public health or safety, or (B) on or after the effective date of an applicable standard promulgated pursuant to section 513 fails to comply with such standard, shall immediately notify the Secretary of such defect or failure to comply if such device has left the control of the manufacturer and shall, except as otherwise provided by paragraph (3) of this subsection, with reasonable promptness furnish notification of such defect or failure (C) by mail to any purchaser not for sale of such device (where known to such person), and (D) by mail or other more expeditious means to the dealers or distributors to whom such device was delivered.

"(2) The notifications required by paragraph (1) of this subsection shall contain a clear description of such defect or failure to comply, an evaluation of the hazard related thereto, and a statement of the measures to be taken to correct such defect or failure.

"(3) The Secretary shall by regulation prescribe a procedure for the exemption or partial exemption of any person from the requirements of paragraph (1) of this subsection (other than notification to the Secretary) if the Secretary finds, upon application of such person, that the defect or failure to comply is not such as to create a significant risk to the public health or safety.

"(4) A dealer or distributor who is notified under paragraph (1) of a defect or failure of a device shall furnish to the manufacturer or importer from whom he obtained the device such information (at such times and in such manner and form as the Secretary may by regulation prescribe) as may be necessary to identify and locate each purchaser not for sale of the device.

"(5) For purposes of this section, the term 'defect' means a deficiency in design, materials, or workmanship, and does not include any deficiency resulting from use of improper accessories or from improper installation, maintenance, repair, or use of the device or any deficiency resulting from normal use of the device after the lifetime represented by the manufacturer has expired.

"(b) Every person required to furnish the notification (other than to the Secretary) specified in paragraph (2) of subsection (a) shall submit to the Secretary upon his request a copy of all notices, bulletins, and other communications to the dealers or distributors of such person or to purchasers not for sale of devices of such person regarding any such defect in such device or any such failure to comply with a standard applicable to such device. The Secretary shall disclose to the public so much of the information contained in such communications or other relevant information in his possession as he deems will assist in carrying out this Act but he shall not disclose any information which contains or relates to a trade secret.

"(c) If any device contains a defect which relates to the safety or effectiveness of the device or fails to comply with an applicable standard promulgated pursuant to section 513, and the notification specified in paragraph (2) of subsection (a) is required to be furnished on account of such defect or failure, the producer, assembler, or importer of such device may be required by the Secretary, with the consent of the purchaser and, where appropriate, the purchaser's physician, without charge, to—

"(1) bring such device into conformity with such standard or remedy such defect and provide reimbursement for any reasonable and necessary expenses incurred in connection with having such device brought into conformity or having such defect remedied; or

"(2) replace such device with a like or equivalent device which complies with each applicable standard promulgated under section 513 and which has no defect relating to its safety or effectiveness; or

"(3) refund the purchase price of such device upon tender of the device by the owner, less a reasonable allowance for depreciation, and provide reimbursement for any reasonable and necessary expenses incurred in its return.

The producer, assembler, or importer shall take the action required under this subsection in such manner, and with respect to such persons, as the Secretary may by regulation prescribe.

"(d) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law.

"(e) This section shall not apply to any individual device that was manufactured before the date of the enactment of the Medical Device Amendments of 1972."

PROHIBITED ACTS

SEC. 402. Section 301 of such Act, as amended by section 302 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(q)(1) The failure or refusal to furnish any notification or other material or information as required by section 515 or 516 (c); or (2) the failure or refusal to comply with any requirement prescribed under authority of section 515(c)."

CONFORMING AMENDMENT

SEC. 403. Section 502(j) of such Act is amended by inserting "or manner" after "dosage".

TITLE V—REQUIREMENT OF GOOD MANUFACTURING PRACTICE

SEC. 501. Section 501 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 202 and 301 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(g) If it is a device and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, holding, or installation do not conform to, or are not operated or administered in conformity with, current good manufacturing practice as determined by regulations of the Secretary promulgated under section 701(a) after a hearing to assure that such device is safe and effective."

TITLE VI—RECORDS AND REPORTS; INSPECTION AND REGISTRATION OF ESTABLISHMENTS; OFFICIAL NAMES

SEC. 601. Chapter V of the Federal Food, Drug, and, Cosmetic Act is further amended by adding at the end thereof the following new section:

"RECORDS AND REPORTS ON DEVICES

"SEC. 516. (a)(1) Every person engaged in manufacturing, processing, or distributing, a device that is subject to a standard promulgated under section 513, or with respect to which there is in effect an approval under section 514 of an application filed under subsection (c) thereof, shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such device, and bearing on the safety or effectiveness of such device, or on whether such device may be adulterated or misbranded, as the Secretary may by general regulation, or by special regulation or order applicable to such device, require. In prescribing such regulations or issuing such orders the Secretary shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, wherever he deems it appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(b) Subsection (a) shall not apply to—

"(1) practitioners licensed by law to prescribe or administer drugs and devices and who manufacture or process devices solely for use in the course of their professional practice;

"(2) persons who manufacture or process devices solely for use in research or teaching and not for sale;

"(3) such other classes of persons as the Secretary may by or pursuant to regulation exempt from the application of this subsection upon a finding that such application is not necessary to accomplish the purposes of this subsection.

"(c) Every person engaged in manufacturing a device subject to this Act shall provide to the Secretary upon his request such technical data and other data or information with respect to such device as may be reasonably required to carry out this Act."

INSPECTION RELATING TO DEVICES

SEC. 602. (a) The second sentence of subsection (a) of section 704 of such Act is amended by inserting "or prescription devices" after "prescription drugs" both times it appears.

(b) The third sentence of such subsection is amended (1) by striking out "for prescription drugs", (2) by striking out "and antibiotic drugs" and inserting in lieu thereof ", antibiotic drugs, and devices", (3) by striking out "or section 507 (d) or (g)" and inserting in lieu thereof ", section 507 (d) or (g), section 514(k), or section 516", and (4) by inserting "or devices" after "other drugs", inserting "or of a device subject to section 514" after "new drug", and inserting "or section 516" after "section 505(j)".

(c)(1) Paragraph (1) of the sixth sentence of such subsection is amended by inserting "or devices" after "drugs" each time such term occurs.

(2) Paragraph (2) of that sentence is amended by inserting ", or prescribe or use devices, as the case may be," after "administer drugs"; and by inserting ", or manufacture or process devices," after "process drugs".

(3) Paragraph (3) of that sentence is amended by inserting ", or manufacture or process devices," after "process drugs".

REGISTRATION OF DEVICE MANUFACTURERS; OFFICIAL NAMES OF DEVICES

SEC. 603. (a) Section 510 of such Act is amended as follows:

(1) The section heading is amended by inserting "AND DEVICES" after "DRUGS".

(2) Subsection (a)(1) is amended by inserting "or device package" after "drug package"; by inserting "or device" after "the drug"; and by inserting "or user" after "consumer".

(3) Subsection (d) is amended to read as follows:

"(d)(1) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs, or of a device or devices.

"(2) Every person who is registered with the Secretary pursuant to the first sentence of subsection (b) or (c) or paragraph (1) of this subsection shall, if any device is thereafter manufactured, prepared, propagated, compounded, or processed in any establishment with respect to which he is so registered, immediately file a supplement to such registration with the Secretary indicating such fact."

(4) Subsection (g) is amended by inserting "or devices" after "drugs" each time such term occurs in paragraphs (1), (2), and (3) of such subsection.

(5) The first sentence of subsection (i) is amended by inserting ", or a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "shall require such establishment to provide the information required by subsection (j) in the case of a device or devices and" immediately before "shall include", and by inserting "or devices" after "drugs".

(6) Subsection (j) is amended—

(A) in paragraph (1), preceding subparagraph (A), by striking out "a list of all drugs (by established name" and inserting in lieu thereof "a list of all drugs and a list of all devices (in each case by established name"; and by striking out "drugs filed" and inserting "drug or devices filed" in lieu thereof;

(B) in subparagraph (A) of paragraph (1), by striking out "such list" and inserting "the applicable list" in lieu thereof; by inserting "or a device contained in the applicable list with respect to which a standard has been promulgated under section 513 or which is subject to section 514," after "512,"; and by inserting "or device" after "such drug" each time it appears;

(C) in subparagraph (B) or paragraph (1), before clause (i), by striking out "drug contained in such list" and inserting "drug or device contained in an applicable list" in lieu thereof;

(D) in clause (i) of paragraph (1)(B), by amending such clause to read as follows—

"(i) which drug is subject to section 503(b)(1), or which device is a prescription device a copy of all labeling for such drug or device, a representative sampling of advertisements for such drug or device, and, upon request made by the Secretary for good cause, a copy of al advertisements for a particular drug product or device, or";

(E) in clause (ii) of paragraph (1)(B), by amending such clause to read as follows:

"(ii) which drug is not subject to section 503(b)(1), or which device is not a prescription device under regulations promulgated under section 502(f), the label and package insert for such drug or device and a representative sampling of any other labeling for such drug or device;"

(F) in subparagraph (C) of paragraph (1), by striking out "such list" and inserting "an applicable list" in lieu thereof;

(G) in subparagraph (D) of paragraph (1), by striking out "the list" and inserting "a list" in lieu thereof; by inserting "or the particular device contained in such list is not subject to a standard promulgated under section 513, or is not a prescription device," after "512,"; and by inserting "or device" after "particular drug product";

(H) in paragraph (2), by inserting "or device" after "drug" each time it appears and, in subparagraph (C), by inserting "each" before "by established name".

(b) Subsection (o) of section 502 of such Act is amended by striking out "is a drug and".

(c) The second sentence of section 801(a) of such Act is amended by inserting "or devices" after "drugs" both times such words appear.

(d)(1) Subparagraph (1) of section 502(c) of such Act is amended by striking out "subparagraph (2)" and inserting in lieu thereof "subparagraph (3)".

(2) Subparagraph (2) of section 502(e) of such Act is redesignated as subparagraph (3) and is amended by striking out "this paragraph (e)" and inserting in lieu thereof "subparagraph (1)".

(3) There is added to such paragraph (e) a new subparagraph (2) as follows:

(2) If it is a device, unless its label bears, to the exclusion of any other nonproprietary name, the established name (as defined in subparagraph (4)) of the device, if such there be, prominently printed in type at least half as large as that used thereon for any proprietary name or designation for such device: *Provided*, That to the extent compliance with the requirements of this subparagraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary."

"(4) As used in subparagraph (2), the term 'established name', with respect to a device, means (A) the applicable official name designated pursuant to section 508, or (B) if there is no such name and such device is an article recognized in an official compendium then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name of such device, if any."

(f) Section 508 of such Act is amended (1) in subsections (a) and (e) by adding "or device" after "drug" each time it appears; (2) in subsection (b) by adding after "all supplements thereto," the following: "and at such times as he may deem necessary shall cause a review to be made of the official names by which devices are identified in any official compendium, and all supplements thereto"; (3) in subsection (c)(2) by adding "or device" after "single drug", and by adding "or to two or more devices which are substantially similar in design and purpose" after "purity,"; (4) in subsection (c)(3) by adding "or device" after "useful drug", and after "drug or drugs" each time it appears; and (5) in subsection (d) by adding "or devices" after "drugs".

(g) Section 301 of the Drug Amendments of 1962 (76 Stat. 793) is amended by inserting "and devices" after "drugs" each time such word appears, except that "or devices" is inserted after "which drugs" and after "intrastate commerce in such drugs".

TITLE VIII—GENERAL PROVISIONS

ADVISORY COUNCIL ON DEVICES, ETC.

SEC. 701. Chapter VII of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new section:

"ADVISORY COUNCIL ON DEVICES, AND OTHER ADVISORY COMMITTEES

SEC. 708. (a) For the purpose of advising the Secretary with respect to matters of policy in carrying out the provisions of this Act relating to devices, there is established in the Department an Advisory Council on Devices appointed by the Secretary without regard to the civil service and classification laws. The persons so appointed shall be manufacturers and other persons with special knowledge of the problems involved in the regulation of various kinds of devices under this Act, members of the professions using such devices, scientists expert in the investigational use of devices, engineers expert in the development of devices, and members of the general public representing consumers of devices.

"(b) The Secretary may also from time to time appoint, without regard to the civil service or classification laws, in addition to the advisory councils and committees otherwise authorized under this Act, such other advisory committees or councils as he deems desirable.

"(c) Members of an advisory council or committee appointed pursuant to subsection (a) or (b) who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the council or committee or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently."

RESEARCH AND STUDIES

SEC. 702. Chapter VII of such Act, as amended by section 701 of this Act, is further amended by adding at the end thereof the following new section:

"RESEARCH AND STUDIES RELATING TO DEVICES

"SEC. 709. (a) The Secretary is authorized, directly or through contracts with public or private agencies, institutions, and organizations and with individuals, to plan, conduct, coordinate, and support—

"(1) research and investigation into the safety and effectiveness of devices, and into the causes and prevention of injuries or other health impairments associated with exposure to or use of devices;

"(2) studies relating to the development and improvement of device standards, and device testing methods and procedures; and

"(3) education and training with respect to the proper installation, maintenance, operation, and use of devices.

"(b) In carrying out the purposes of subsection (a), the Secretary, in addition to or in aid of the foregoing—

"(1) shall, to the maximum practicable extent, cooperate with and invite the participation of other Federal or State departments and agencies having related interests, and interested professional or industrial organizations;

"(2) shall collect and make available, through publications and by other appropriate means, the results of, and other information concerning, research and other activities undertaken pursuant to subsection (a); and

"(3) may procure (by negotiation or otherwise) devices for research and testing purposes, and sell or otherwise dispose of such products."

PUBLICITY

SEC. 703. Section 705 of such Act is amended by adding at the end thereof the following new subsection:

"(c) To assist in carrying out the provisions of this Act relating to devices, the Secretary may cause to be disseminated information regarding standards, testing facilities, and testing methods promulgated, established, or approved under this Act *and other information relating to the nature and extent of device hazards*. Subject to the provisions of section 301(j), the Secretary may also cause to be published reports summarizing clinical data relevant to marketed devices approved under this Act."

SEC. 704. Chapter IX of such Act is amended by adding at the end thereof the following new subsection:

"EFFECT ON STATE REQUIREMENTS

"SEC. 903. (a) Whenever a standard pursuant to section 513 or scientific review pursuant to section 514 under this Act is in effect no State or political subdivision of a State shall have any authority either to establish or to continue in effect any provision of a standard or regulation which prescribes any requirements as to the performance, composition, contents, design, finish, construction, packaging, or labeling of such product which are designed to deal with the same device unless such requirements are identical to the requirements of the Federal requirements.

"(b) Nothing in this section shall be construed to prevent the Federal Government or the government of any State or political subdivision thereof from establishing a safety requirement applicable to a device for its own use if such requirement imposes a higher standard of performance than that required to comply with the otherwise applicable Federal requirements.

"(c) Upon application of a State or political subdivision thereof, the Secretary may by rule, after notice and opportunity for oral presentation of views, exempt from the provisions of subsection (a) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

(1) imposes a higher level of performance than the Federal standard,

(2) is required by compelling local conditions, and

(3) does not unduly burden interstate commerce.

SEC. 705. Section 301(j) of such Act is amended by inserting "511" before "512", by inserting "513, 514" after "512", and by adding at the end thereof the following new sentence: "The Secretary may provide any information which contains or relates to a trade secret or other matter referred to in this section or in section 1905 of title 18, United States Code, to a contractor in furtherance of the provisions of this Act, and such contractor shall take such security precautions as are prescribed in regulations promulgated by the Secretary and shall be subject to the provisions and penalties established in this Act and in section 1905 of title 18, United States Code."

SEC. 706. Section 201 of such Act is amended by striking subsection (h) and inserting in lieu thereof the following new subsection:

"(h) The term 'device' (except when used in paragraph (n) of this section and in sections 301(i), 403(f), 502(c), and 602(c)) means instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, and other similar or related articles, including their components, parts, and accessories (1) recognized in the official National Formulary, the official United States pharmacopeia or any supplement to them; or (2) intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in man or other animals; or (3) intended to affect the structure or any function of the body of man or other animals; and (4) which do not achieve any of their principal intended purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for the achievement of any of their principal intended purposes."

SEC. 707. Section 502 of such Act is amended by adding at the end thereof the following new paragraph:

"(r) In the case of any device that is a prescription device, if its advertising is false or misleading in any particular."

SEC. 708. (a) Section 201 of such Act is amended by adding at the end thereof the following:

"(y) The term 'prescription device' means any device which the Secretary shall designate by regulation as being restricted to sale or distribution only upon the written or oral authorization of a practitioner licensed by law to administer or use such device and under such other conditions as the Secretary may by regulation prescribe." The Secretary may designate as a prescription device, pursuant to the preceding sentence, only a device which:

(1) because of its potentiality for harmful effect, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer or use such device; or

(2) is limited by an approved application under section 514 to use under the professional supervision of a practitioner licensed by law to administer or use such device.

SEC. 709. Section 304(a)(2) of such Act is amended to delete "and" before "(C)," to replace the period with a comma, and to add the following at the end thereof: "and (D) Any adulterated or misbranded device."

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

SEC. 710. (a) Except as provided in subsections (b) and (c) of this section, the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) Paragraph (f) of section 501 of the Federal Food, Drug, and Cosmetic Act, as added to such section by section 301(a) of this Act, shall, with respect to any particular use of a device, take effect (1) on the first day of the thirteenth calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under section 514 of such Act as added by section 301(b) of this Act.

(c) Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act) engaged in the manufacture or processing of a device or devices, shall, if he first registers with respect to devices, or supplements his registration with respect thereto, in accordance with subsection (b) of section 510 of that Act (as amended by section 603 of this Act) prior to the first day of the seventh calendar month following the month in which this Act is enacted, be deemed to have complied with that subsection for the calendar year 1974. Such registration, if made within such period and effected in 1975, shall also be deemed to be in compliance with such subsection for that calendar year.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS

Item, S. (Kennedy)	S. 1446 (Javits-Administration)	S. 1337 (Nelson)
	A. CLASSIFICATION OF MEDICAL DEVICES	
	(1) Appointment of expert panels	
Requires Secretary, within 60 days following first appropriation of funds for this purpose, to appoint panels of scientific exerts to review and classify devices into apropriate categories based on safety and effectiveness. Panels are required to submit their findings to the Secretary within 1 year of their appointment. To the maximum extent practical, panels are to provide opportunities for any interested persons to present their views on device classifications. Authorizes use of any existing expert panels formed prior to enactment of this Act for purposes of classification. Classification panels shall also serve as scientific review panels referred to in a later section of the bill. (New Sec. 511(a).)	No comparable provision.	No comparable provision.
(2) Composition of panel		
Members are to be skilled in use of or experienced in development, manufacture, perfection, or utilization of devices, and may be nominated by appropriate scientific, trade.		

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
and consumer organizations. Panels are to be organized according to those fields of clinical medicine and fundamental sciences using medical devices. Members are to have adequately diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, or related professions. Sets methods of compensation for members and specifically allows Secretary to appoint persons associated with or employed by device manufacturers or other persons using devices. (New Sec. 511(b).)		
(3) *Categories of devices* Panels are required to submit recommendations for the classification of devices into one of the three following categories, and to the extent practicable, assign priorities within such classes: (a) *Exempt devices*—those devices having a generally accepted medical use which are safe and effective when used according to instructions and warnings and which present a minimum risk. (b) *Devices subject to standards*—those devices for which in order to reduce or eliminate unreasonable risk of illness or injury it is appropriate to establish reasonable standards to assure safety and effectiveness. (c) *Devices subject to premarket scientific review*—those devices for which inadequate evidence exists to assure safety and effectiveness, or exposure to which may cause unreasonable risk of illness or injury, and for which standards may not be appropriate. (New Sec. 511(c) (1)–(3).)		
(4) *Official classification of devices* Requires Secretary to publish report on device classification scheme in the Federal Register and to allow for comment by interested persons. After reviewing comments, Secretary is required to provide by regulation for official classification of devices and to allow for appeal by any interested persons. Allows Secretary to establish priorities for implementing regulatory action warranted by such classification and to defer such action until an appropriate time consistent with expeditious implementation of the provisions. Permits Secretary to reclassify devices upon a special finding and with advice of the Advisory Council referred to in a later section of the bill. (New Sec. 511 (d) (e).)	No comparable provision.	No comparable provision.
	B. STANDARDS FOR MEDICAL DEVICES	
(1) *Authority to set standards* Authorizes Secretary to issue a standard for any device *for which a standard has been deemed appropriate,* whenever such action is appropriate to reduce or eliminate unreasonable risk of illness or injury. (New Sec. 513 (a) (1).)	Authorizes Secretary to issue standards for any device whenever necessary to reduce or eliminate unreasonable risk of illness or injury and when no other more practicable means exists to protect public health.	Authorizes Secretary to establish standard for any device, including devices presently available or intended to be made available or intended to be made available for use or sale, whenever such action will protect public health and safety. (New Sec. 513 (a).)
(2) *Nature of standard* Standard is to relate to safety and effectiveness of device, including where appropriate, reference to any one or more of the following: Composition, construction, properties, uniform identification, or performance of such device. Standard may also include: Provision for testing and measurement of characteristics, including where necessary, individual lot testing by or at direction of the Secretary.	Where feasible, standard will pertain to safe performance of device, but may also apply to following: Composition, design, construction finishing or packaging, if such application is in the public interest. Provisions for testing and measurement of characteristics. Required use and prescribed form and content of instructions or warnings for safe and proper installation, maintenance, operation, and use.	May relate to composition, properties, identification, performance, and compatibility with power systems and connections. (New Sec. 513(a).)

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
Required use and prescribed form and content of instructions or warnings for proper installation, maintenance, operation and use of device. (New Sec. 513 (a)(1)(2).)	Requirement that device be marked or tagged with clear warnings or instructions reasonably necessary for protection of health or safety. (New Sec. 513 (a)(1)(2).)	
(3) *Periodic evaluation of standards*		
Provides for periodic evaluation of adequacy of all standards to reflect any changes in development of devices and applicable medical, scientific, and technologic data. (New Sec. 513 (a)(3).)	Identical provision. (New Sec. 513 (a)(3).)	No comparable provision.
(4) *Consultation with other Federal Agencies and/or interested groups*		
Prior to and during development of proposals for standards, Secretary would be required to consult with and consider relevant standards published by other Federal agencies of nationally or internationally recognized standard-setting agencies or organizations. Secretary may invite participation through conferences or other means of informed person representative of scientific, professional, industry, or consumer organizations. (New Sec. 513(b).)	Identical provision (New Sec. 513 (a)(3).)	Similar provision.
(5) *Notification of development of device standards*		
Requires Secretary to publish in the Federal Register a notice that proceedings have been initiated to promulgate a device standard. (New Sec. 513(c).)	Identical provision (New Sec. 513 (c).)	No comparable provision.
(6) *Content of notification*		
Shall contain: (a) Description of device, or type or class of device, to which proceeding to promulgate a standard relates. (b) Nature of risk to be controlled. (c) Summary of data on which need for initiation of proceeding is based. (d) Identification of any existing standard which may be relevant. (e) Invitation to any person or Federal agency to submit a proposed standard within 60 days of notice or to offer to develop a proposed standard in accordance with prescribed procedures. (New Sec. 513 (c)(1)–(5).)	Identical provisions except that item (e), referring to invitations to outside persons to submit proposed standards sets deadline of 30 days, rather than 60 days. (New Sec. 513 (c)(1)–(5).)	No comparable provision.
(7) *Development of device standards*		
(a) *Acceptance of offers to develop standards*		
Directs Secretary to accept one or more offers to develop a proposed standard and to publish in the Federal Register names and addresses of persons whose offers are accepted and the terms of such offers. In accepting such offers, Secretary would determine whether offeror is technically competent to undertake and complete development of standard within a reasonable period of time and whether offeror has capacity to comply with prescribed regulations governing development of proposed standards. (New Sec. 513 (e)(1)(A)(B)(2).)	Identical provision. (New Sec. 513 (e)(1)(A)(B)(2).)	No comparable provision.
(b) *Procedures governing development of device standards*		
Directs Secretary to prescribe regulations governing development of proposed standards, so as to require that: (1) Recommended standards be supported by test data or other documents as Secretary may require. (2) Recommended standards contain testing methods appropriate for measurement of compliance with standard. (3) Interested persons be afforded an opportunity to participate in development of standard. (4) Records be maintained to disclose the course of the development of the standard. (5) The Secretary, Comptroller General, or their representatives, have access, for pur-	Identical provision. (New Sec. 513 (e)(4)(A)–(E).)	No comparable provision.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
poses of audit, to any materials or records relevant to expenditures of authorized contributions for project. (New Sec. 513 (e) (4) (A)–(E).)		
(c) *Contributions to cost of developing standards* Secretary could agree to contribute to offeror's cost in developing a standard if Secretary determines such contribution would likely result in a more satisfactory standard and that offeror is financially responsible. Regulations would set forth acceptable items of cost, except that such items could not include construction (except minor remodeling) or acquisition of land or buildings. (New Sec. 513(e) (3).)	Identical provision. (New Sec. 513(e) (3).)	No comparable provision.
(8) *Use of existing standards* In lieu of accepting an offer to develop a standard, Secretary could publish as a proposed device standard an existing standard published by any Federal agency or other qualified agency if reference to such standard were made in the initial notice in Federal Register and if such standard were substantially acceptable. (New Sec. 513(d) (1) (2) (3).)	Identical provision. (New Sec. 513(d) (1)–(3).)	No comparable provision.
(9) *Development of standards by the Secretary* If no person accepted invitation to develop a proposed standard, or the Secretary did not accept either an existing standard or an offer to develop a proposed standard, or if Secretary accepted an offer but found that offeror was unwilling or unable to continue development of standard, Secretary could then develop a proposed standard according to procedures and regulations governing such development. (New Sec. 513(f) (1) (2) (3).)	Identical provision. (New Sec. 513(f) (1)–(3).)	No comparable provision.
(10) *Procedure for promulgation of standards* As soon as practicable, Secretary would be required to publish in the Federal Register all matters pertaining to promulgation or application of device standards, or termination or a proceeding to promulgate a standard. No effective dates are specified. However, such dates as may be established must minimize, consistent with the public health and safety, economic loss to or disruption of domestic and international trade. Prior to issuing an order promulgating a standard, Secretary is directed to consider the following: Degree of risk associated with particular device. Approximate number of devices involved. Public need for such devices and probable effect of order upon utility, cost, or availability of devices to meet that need. Means of achieving objective of order with minimal disruption of competition and reasonable manufacturing and other commercial practice. Data submitted in course of proceeding. Secretary is authorized to revoke or amend established standards. (New Sec. 513(g) (1)–(4).)	Identical provision. (New Sec. 513(g) (1)–(4).)	Provisions in existing Act pertaining to proceedings for the issuance, amendment, or repeal of regulations authorized by the Act would apply to procedures for promulgation of a device standard. (New Sec. 513(c).)
(11) *Referral to independent advisory committees* Authorizes Secretary to appoint independent advisory committees, to which could be referred any matters involving a proposed device standard, prior to or after its publication in the Federal Register. Secretary could refer such proposals on his own initiative, and would be directed to refer such proposals when requested by any interested persons showing good cause. Committees would submit report and recommendations to the Secretary and persons requesting referral of	Identical provision. (New Sec. 513(h) (1).)	Similar provision, but includes specification that request for referral by petitioner or the Secretary may be made any time before, or within 30 days after, publication of an order of the Secretary acting upon a proposed device standard. (New Sec. 513(d) (1).)

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
standard would have right to meet with the appropriate committee. (New Sec. 513(h)(1).)		
(12) Composition of advisory committees/ responsibility for costs of referral Committees are to be composed of persons qualified in subject matter relevant to device standard and are to be from appropriately diversified professional backgrounds. Sets methods of compensation for committee members, and allows Secretary to require petitioner to pay part or all of the cost arising by reason of such referral, when referral has arisen upon petitioner's request. (New Sec. 513(h)(2)(3).)	Identical provision. (New Sec. 513(h)(2)(3).)	Similar provision. (New Sec. 513(d)(3)(3).)
(13) Manufacturers' certification and testing of devices Manufacturers of devices subject to standards would have to assure the Secretary that such devices comply with any testing methods prescribed in the standard or that device has been manufactured in accord with current good manufacturing practices designed to assure such compliance. To assure that devices are in conformance with standards, Secretary is directed to review and evaluate on a continuing basis the testing and quality control programs carried out by manufacturers of devices subject to standards. (New Sec. 513(i)(1)(2).)	Identical provision. (New Sec. 513(i)(1)(2).)	No comparable provision.
(14) Exemptions for certain devices Exempts from compliance with otherwise applicable standard any device: Intended solely for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals or to affect structure or function of animals. Declared subject to scientific review, except for those characteristics of a device made subject to an existing standard under an application approved through scientific review. Custom-made devices ordered by a physician for individual patients. (New Sec. 513(j)(1)(2)(1).)	Exempts from compliance with otherwise applicable standard any device: Intended solely for use in animals. (New Sec. 513(j).)	No comparable provision.
(15) Temporary permits Directs Secretary to issue regulations permitting interstate shipment of devices varying from an applicable standard for the purpose of testing or investigation, prior to amendment of the standard. (New Sec. 513(k).)	No comparable provision.	No comparable provision.
C. SCIENTIFIC REVIEW PREMARKET CLEARANCE OF MEDICAL DEVICES		
(1) When review or clearance is required Secretary may declare a device, for which scientific review has been deemed appropriate according to the device classification scheme, subject to such review, if after consulting with appropriate scientific review panels, he finds that: (a) Scientific review is necessary to ensure safety and effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device. In reviewing the appropriateness of applying scientific review to a particular device, review panels are, to the maximum extent practical, to provide opportunity for interested persons to submit relevant data and views.	Secretary may declare device to be subject to scientific review if the following circumstances apply: (a) The device is intended for use in life-threatening situations, (b) The composition, construction, or properties of device may present an unreasonable hazard, (c) Scientific review may materially reduce this hazard, *and* (d) No more practicable means to reduce this hazard are available.	If a device . . . Is not generally recognized by qualified experts to be safe, reliable, and effective for use under conditions prescribed, recommended, or suggested in its labelling, *and* Is intended to be secured or placed within the human body or directly in contact with the mucous membrane, and left in the body or in such contact for at least a substantial period of time, *or* Is to be used in subjecting the human body to radiation, electromagnetic, electric, ultrasonic, or other specified forms of energy, or physical, radio, electric, or electronic communication with any part of the human body or device within the body, *or* Is declared by the Secretary to be subject to premarket clearance, based on a finding that it is not safe, reliable, or effective for use . . . it shall be deemed unsafe, unreliable or ineffective for purposes of the Act pertaining to adulterated devices, unless . . .
Devices thus subject to scientific review would be deemed unsafe or ineffective under the section of the Act pertaining to adulterated devices unless:	Devices thus subject to scientific review would be deemed unsafe or ineffective under the section of the Act pertaining to adulterated devices unless:	
(a) A device application has been approved,	(a) A device application has been approved,	(a) Secretary has approved an application for premarket clearance of such device, *or*
(b) Device has been exempted for investigational purposes or for physicians' use as a custom-designed product, *or*	(b) Device has been exempted from review, *or*	(b) Device has been exempted for investigational use, *or*

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
(c) Device is intended solely for use in animals. (New Sec. 514(a).)	(c) Device is intended solely for use in animals. (New Sec. 514(a).)	(c) Device is intended solely for use in animals. Secretary is directed to keep a current list of devices generally recognized to be safe, effective, and reliable. (New Sec. 514(a)(1)-(4).)
		Application for premarket clearance must contain: Provision same as S. 1446. (New Sec. 514(b).)
(2) *Application for scientific review/clearance* Scientific review of a device declared subject to such review may be obtained by submitting to the Secretary an application containing the following: (a) Reports of all information concerning investigations to determine safety, reliability, or effectiveness of device. (b) Statement of composition, properties, construction, and principles of operation of device. (c) Description of methods used in, and facilities and controls used for, manufacture, processing, and when relevant, packing and installation of device. (d) Identification of any standard applicable to such device, or its component, and adequate information *either* to show device meets such standard *or* to justify any deviation. (e) Samples of device and its components. (f) Specimens of proposed labeling. (g) Any other relevant information as Secretary may require. (New Sec. 514(c)(1).)	Similar provision, except does not include the phrase "adequate information to justify any deviation from such standard." (New Sec. 514(c)(1).)	
(3) *Referral to Standing Scientific Review Panels/Independent Advisory Committee* Directs Secretary to refer applications to review panels for report and recommendations within such period as may be established. (New Sec. 514(c)(2).)	Identical provision. (New Sec. 514(c)(2).)	Applicant may request that application, or Secretary's action thereon, be referred to independent advisory committee for report and recommendations. (New Sec. 514(h)(1).)
(4) *Composition and Responsibilities of Panels/Advisory Committee* Directs Secretary to appoint one or more standing advisory scientific panels to review device applications. Panel members are to be experts from the physical or biological sciences, medicine, dentistry, and engineering, who are qualified to evaluate safety and effectiveness of the category of device to be referred to the panel. Sets methods of compensation for panel members. (New Sec. 514(b)(1)(2).)	Identical provision. (New Sec. 514(b)(1)(2).)	Upon request of applicant, or upon his own initiative, Secretary is directed to appoint an independent advisory committee to study and report on application within 60 days, with 30 additional days allowed if necessary. (New Sec. 514(1)(2)(3).)
(5) *Time for Initial Consideration of Application* No later than 120 days after receipt of application, unless additional period agreed upon by Secretary and applicant, Secretary is required, after considering panel's recommendations, either to approve application, advise applicant that application is not in approvable form and inform applicant of measures required to meet approval, or deny approval if device fails to meet criteria set forth below. (New Sec. 514(d).)	Identical provision. (New Sec. 514(d).)	Within 180 days after filing of application for premarket clearance, or such additional time period as may be agreed upon by Secretary and applicant, Secretary is required to approve application, if it meets criteria set forth below, or give applicant notice of an opportunity for hearing before the Secretary. Time limit may be suspended pending receipt of report from an advisory committee. (New Sec. 514(c)(1)(2).)
(6) *Bases for Approval of Application* (a) Device is shown to be safe for use under conditions prescribed, recommended, or suggested in proposed labeling; (b) The methods used in, and facilities and controls used for, manufacture, processing, packing, and installation conform to current good manufacturing practices; (c) Adequate scientific evidence shows device will have effect it purports or is represented to have under conditions on label; and (d) The labeling itself is neither false nor misleading. (New Sec. 514(e)(1).)	Identical provision. (New Sec. 514(e)(1).)	Similar provision, but includes the term "reliable" under item (a), and "substantial evidence" appears in place of "adequate scientific evidence" under item (c). (New Sec. 514(d)(1).)

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
Safety and effectiveness of a device intended for use by physician or other qualified person are to be determined in light of such use. (New Sec. 514 (e) (3).)	Identical provisions. (New Sec. 514 (e) (3).)	Similar provision, but includes the term "reliability," along with safety and effectiveness. (New Sec. 514 (d) (3).)
(7) *Definition of "Adequate Scientific Evidence"*		
Evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by qualified scientific experts, on the basis of which it could fairly and responsibly be concluded that device will have effect it purports or is represented to have under conditions prescribed in its proposed labeling. *However,* Secretary may determine that other valid scientific evidence is sufficient to establish effectiveness of device. (New Sec. 514 (e) (2).)	Similar provision, but does not include provision allowing Secretary to determine effectiveness of device on the basis of *other valid scientific evidence.* (New Sec. 514 (e) (2).)	Provisions similar to S. 1446, except that the phrase "substantial evidence" appears in place of "adequate scientific evidence." (New Sec. 514 (d) (2).)
(8) *Opportunity for Review*		
Applicant who has been denied approval may petition Secretary within 30 days following such notification to obtain review of Secretary's findings by an *independent* advisory committee of experts, specially appointed by the Secretary. Secretary may also refer a denied application to such a committee on his own initiative. Applicant and representatives of the Department would have the right to consult with the committee. Secretary is to consider and give appropriate weight to findings of the independent committee. In lieu of such review, applicant may obtain judicial hearing. (New Sec. 514(e) (4) (1) (1)–(3).)	Identical provision. (New Sec. 514 (e) (4) (1) (1)–(3).)	Directs Secretary to provide opportunity for a hearing to an applicant denied approval. Applicant may request referral of such application to an independent advisory committee of experts within a reasonable period after notification of opportunity for a hearing. Upon such request, or on his own initiative, Secretary is directed to appoint an advisory committee for a report and recommendations on device application. (New Sec. 514(h) (1)–(3).)
(9) *Withdrawal of Approval*		
After due notice and opportunity for hearing to the applicant, Secretary could withdraw approval if, upon obtaining advice of scientific review panel, he found that: (a) Clinical or other experience or tests show device to be no longer safe, for use under conditions previously approved; (b) Evidence of clinical experience, not contained in original application or not available until after application was approved, or tests by new methods or methods not reasonably applicable at time application was approved show device to be no longer safe; (c) New information, evaluated together with evidence on which application originally approved, shows lack of adequate scientific evidence that device will have effect it purports; (d) Original application contains untrue statement of material fact; (e) Applicant fails to establish system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or make required reports, or has refused to permit access to such records; (f) *New* information, together with evidence on original application, show methods used in, or facilities or controls used for, not in conformance with good manufacturing practices, and were not brought into conformance within reasonable time after formal notification; (g) *New* information shows labeling is false or misleading and not corrected within a reasonable time; *or* (h) *New* information shows device to be in non-compliance with an applicable standard. (New Sec. 514(f) (1) (A) (G).)	Identical provision. (New Sec. 514(f) (1) (A)–(G).)	Similar provision, except that approval may be withdrawn if device is shown to be unsafe or unreliable. Provision does not include reference to an "applicable standard" in item (h). (New Sec. 514(e) (1) (A) (F).)
(10) *Suspension of Approval*		
Secretary may immediately suspend approval if he finds an imminent health or safety hazard is involved. Applicant is to be notified promptly and given opportunity for expedited hearing. (New Sec. 514(f)2).)	Identical provision. (New Sec. 514(f) (2).)	Identical provision. (New Sec. 514(e) (2).)

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
(11) *Authority to Revoke Adverse Orders* Whenever Secretary finds that facts so require, he shall revoke any previous orders denying, withdrawing or suspending approval of application and shall approve or reinstate such approval of an application. (New Sec. 514(g).)	Identical provision. (New Sec. 514(g).)	Identical provision. (New Sec. 514(f).)
(12) *Judicial Review* Applicant is permitted to obtain judicial review of a final order denying or withdrawing approval of an application, or revoking exemption for custom-designed devices. (New Sec. 514(j).)	Similar provision, but not reference to "custom-designed devices." (New Sec. 514(j).)	Provision similar to S. 1446. (New Sec. 514(i).)
(13) *Exemptions for Investigational Use* Devices intended solely for investigational use (in an appropriate scientific environment) by qualified experts are exempt, subject to certain conditions, from scientific review. (New Sec. 514(k)(2).)	Similar provision. (New Sec. 514(k)(2).)	Similar provision pertaining to exemption from pre-market clearance. (New Sec. 514(j)(2).)
(14) *Conditions Pertaining to Exemptions for Clinical Testing on Humans* (a) Submission of outline of plan of initial clinical testing to either a local institutional review committee established to supervise clinical testing in the facility where initial testing is to occur, or to the Secretary for review by appropriate standing scientific review panel. (b) Prompt notification to Secretary of approval of plan by review committee. (c) Submission to either a local institutional review committee or the Secretary of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially same protocol, together with report of prior investigations of device, including tests on animals, adequate to justify the proposed testing. (d) Obtaining of signed agreements from investigators that humans upon whom device to be used will be under their personal supervision. (e) Establishment and maintenance of records, and making of such reports obtained from investigational use of device, as Secretary finds will enable him to evaluate safety and effectiveness of device. (f) Other conditions relating to protection of public health and safety as Secretary may deem necessary. (New Sec. 514(k)(4)(A)–(F).)	Similar provision. (New Sec. 514(k)(4)(A)–(F).)	Provisions similar to items (d), (e), and (f). Also requires submission of an adequate protocol for clinical testing, as referred to in item (c), but stipulates that protocol is to be submitted to the Secretary. No reference is made to a local institutional review committee. (New Sec. 514(j)(3)(B).)
(15) *Informed Consent of Human Participants* Regulations must assure that: (a) Rights and welfare of subjects are adequately protected, (b) Risks are outweighed by potential benefits or importance of knowledge to be obtained, and (c) Informed consent of participants is to be obtained by adequate methods. The term "informed consent" means consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without intervention of any element of force, fraud, deceit, duress, etc. *In all but exceptional cases,* subject must be provided with the following information: (a) Explanation of procedures, including any of an experimental nature; (b) Description of any discomforts and risks which can be reasonably expected; (c) Description of reasonably expected benefits; (d) Disclosure of alternative procedures potentially advantageous for the subject; (e) Offer to answer any inquiries concerning procedures; *and* (f) Instruction to subject regarding his freedom to discontinue participation at any time.	Investigators using device in clinical tests must also certify to manufacturer or sponsor of investigation that individuals used in device testing have been informed of investigational purposes and have consented to participate, except where such consent is not feasible or where in their professional judgment, investigators deem such to be contrary to the best interests of such individuals. (New Sec. 514(k)(5).)	Provision identical to S. 1446 (New Sec. 514(j)(3)(C)).

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
Consent agreement must contain no language through which subject waives any legal rights or releases the institution or its agents from liability for negligence. Requires that permanent record be kept of such consent. Defines "exceptional cases" as those in which consent is not feasible or where it would be contrary to the welfare or best interests of a particular subject, as determined by physician in his professional judgment. (New Sec. 514(k)(5)(A)(B).)		
(16) Exemptions for Other Purposes Provides for exemption of custom devices, ordered by a physician to be made in a special way for individual patients, if device: (a) Is subject to frequent modification and will not be produced in substantial volume, and (b) Is intended solely for use under direction of licensed practitioner, and (c) Is investigated in accordance with a product development protocol, and (d) Is not subject to pending court proceedings alleging certain violations of the Act. (New Sec. 514(1)(m)(1)(A)–(D).)	No comparable provision.	Provides for exemption of: (a) Devices conforming to applicable standards in Section 514, or Section 358 of the Public Health Service Act, if standard provides assurance of safety, reliability, and effectiveness of device. (b) Any device for which the Secretary feels the establishment of a standard, rather than requirement for approval, would be adequate to protect public health and safety and for which Secretary intends to propose establishment of a standard. (c) Any device made to lawful order and specifications of practitioner licensed to use device, if such device is not generally available for purchase or dispensing in finished form and if device is intended for use of patient of such practitioner or solely for use by practitioner in his professional practice. Secretary may also exempt, with unanimous consent of Advisory Council on Medical Devices, devices for which such requirements are unnecessary to protect public health and safety, and devices licensed by the Atomic Energy Commission. (New Sec. 514(k)(1)–(3)(1)(1)(2).)
(17) Product development; protocol, for purposes of exempted custom devices Any person may petition Secretary to establish a product development protocol for a particular custom device. Secretary may, within 30 days, refer petition to an expert panel, which may, within 60 days or such other time as agreed upon by panel and petitioner, develop an appropriate protocol. If established, protocol must stipulate: (a) Investigational procedures required prior to clinical trials on device; (b) That institutional review committee make written finding of risk-to-benefit ratio and continually monitor and report on clinical trials; (c) Type and quantity of clinical trials required prior to filing notice of completion of protocol; (d) Maintenance of records to show compliance with protocol; (e) Informed consent from all human subjects; *and* (f) That copies of all required records be available to Secretary upon his request. If panel does not establish a protocol within 60 days, Secretary may set one within next 60 days. If neither panel nor Secretary sets a protocol, a final order will be issued denying petition and stating reasons. (New Sec. 514(m)(2)(A)–(F)(3).)	No comparable provision.	No comparable provision.
(18) Notice of completion After establishment of protocol, petitioner may submit notice of completion with requirements of protocol, indicating that to the best of his knowledge, no reason exists relating to safety, effectiveness, or other public health considerations why device should not be marketed. In absence of objection by Secretary, notice will become effective 90 days after receipt by Secretary. (New Sec. 514(m)(4).)	No comparable provision.	No comparable provision.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
(19) Grounds for revocation (or objection to notice of completion) of product development protocol Secretary may, after providing petitioner with opportunity for informal hearing, revoke a protocol or object to notice of completion, if he finds in writing: (a) Petitioner failed to comply with protocol requirements; or (b) Results of clinical trials differ so substantially from results required in protocol that further trials are unjustifiable; or (c) Device is not safe for use under conditions prescribed in labeling; or (d) A lack of adequate scientific evidence showing device to have effect it purports to have on label. (New Sec. 514(m)(5).)	No comparable provision.	No comparable provision.
(20) Revocation of custom device exemption Allows Secretary to immediately revoke an exemption pertaining to a custom device, if an imminent hazard to public health or safety is caused by existence of such exemption. Secretary may also revoke an exemption, after a notice of completion of protocol requirements has become effective, if he finds that any grounds listed in subsection referring to withdrawal of approval of application under scientific review apply. (New Sec. 514(m)(6)(7).)	No comparable provision.	No comparable provision.
	D. DEFECTIVE DEVICES	
(1) Requirement for notification Every person acquiring information showing a device produced, assembled, or imported by him to contain a defect likely to create a substantial risk to the public health or safety, or to be in non-compliance with an applicable standard would be required to notify the Secretary of such defect or failure if device has left control of the manufacturer. Manufacturer would also be required to notify: By mail, any purchaser not for sale of such device, when known to manufacturer. By mail, or other more expeditious means, dealers or distributors to whom device was delivered. (New Sec. 515(a)(1).)	Similar provision, except uses the phrases "substantial risk to the health or safety of any person," and "if device has left place of manufacture," in place of respective phrases in S. ——. (New Sec. 515(a)(1).)	No comparable provision.
(2) Content of notification Notifications must contain clear description of defect or failure to comply, evaluation of related hazard, statement of measures to be taken to correct such defect or failure. (New Sec. 515(a)(2).)	Identical provision. (New Sec. 515(a)(2).)	No comparable provision.
(3) Exemptions from requirement for notification Requires Secretary to prescribe procedures for exemption of any person from requirements for notification when Secretary finds, upon application of such person, that defect or failure to comply creates no significant risk to public health or safety. (New Sec. 515(a)(3).)	Similar provision. (New Sec. 515(a)(3).)	No comparable provision.
(4) Identification of purchasers of defective devices Dealers or distributors notified of defective or non-compliant devices would be required to furnish device manufacturers with information necessary to identify and locate each purchaser not for sale of device. (New Sec. 515(a)(4).)	Identical provision. (New Sec. 515(a)(4).)	No comparable provision.
(5) Definition of "defect" The term "defect" as it relates to a device means a deficiency in design, materials, or workmanship, and does *not include* any deficiency resulting from use of improper accessories, improper installation, maintenance, repair, or use of device, or deficiency resulting from normal use of device after expiration of lifetime represented by manufacturer. (New Sec. 515(a)(5).)	No comparable provision.	No comparable provision.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
(6) *Public disclosure of defect* Persons would be required to furnish the Secretary, upon his request, a copy of all notices, etc., to dealers, distributors, or purchasers regarding any defect of failure to comply with standards. Secretary is authorized to disclose to the public such relevant information as he deems necessary in carrying out Act, except any information relating to trade secrets. (New Sec. 515(b).)	Identical provision. (New Sec. 515(b).)	No comparable provision.
(7) *Repair, replacement, or refund on cost of defective devices* Producers, assemblers, or importers or defective or noncompliant devices may be required by Secretary, with consent of purchaser and, where appropriate, the purchaser's physician, without charge, to: (a) Bring such device into conformity with standards or remedy defect and provide reimbursement for any reasonable and necessary expenses incurred in connection with having device brought into conformity, or (b) Replace device with a like or equivalent device which complies or has no defect, or (c) Refund purchase price of device to owner, less a reasonable depreciation allowance and also provide reimbursement for any reasonable and necessary expenses incurred in return of device. Remedies provided for in this section would be in addition to and not in substitution for other remedies provided by law. Section would not apply to devices manufactured prior to enactment of this Act. (New Sec. 515(c)(d)(e).)	Similar provision, except does not include phrase "with consent of purchaser, and where appropriate, the purchaser's physician." (New Sec. 515(c)(d)(e).)	No comparable provision.
	E. REQUIREMENT OF GOOD MANUFACTURING PRACTICE	
A device would be deemed to be adulterated if, after a hearing, it was found that the methods used in, or facilities or controls used for, its manufacture, processing, packing, holding, or installation did not conform with current good manufacturing practices as determined by regulations to assure safety and effectiveness of device. (Amends Sec. 501 of the Act by adding new paragraph (g).)	Similar provision, except does not include phrase "after a hearing" or the term "effective." (Amends Sec. 501 of the Act by adding new paragraph (g).)	Similar provision, except does not include phrase "after a hearing" and adds further specification that good manufacturing practices are to assure safety and *reliability* of device, that device must possess properties and performance characteristics it purports to have, and that device otherwise comply with the requirements of the Act. (Amends Sec. 501 of the Act by adding new paragraph (g).)
	F. RECORDS AND REPORTS	
(1) *Persons Affected* Requires persons manufacturing, processing, repacking, labeling, or distributing a device subject to a standard which is in effect, or with respect to which there is in effect an approval of an application for scientific review, to maintain records and make reports to the Secretary on clinical experience and other data relating to safety or effectiveness of such device, or possibility of adulteration or misbranding, etc. Regulations under this authority are to have due regard for professional medical ethics and interests of patients. Persons required to maintain such records must allow employees of Secretary to have access to and copy and verify such records. (New Sec. 516(a)(1)(2).)	Identical provision. (New Sec. 516(a)(1)(2).)	Similar provision. (New Sec. 515(a)(1)(2).)
(2) *Exemption from requirements for records* (a) Licensed practitioners who manufacture or process devices solely for use in their professional practice. (b) Persons manufacturing or processing devices solely for use in research or teaching and not for sale. (c) Other classes of persons as Secretary may exempt. (New Sec. 516(b)(1)(2)(3).)	Identical provision. (New Sec. 516(b)(1)(2)(3).)	Similar provision, but also exempts 1) pharmacies regularly engaged in dispensing prescription devices and which do not manufacture or process devices for sale, other than in the course of their retail business, 2) *any person*, if device has not been, and is not intended to be, introduced into interstate commerce. (New Sec. 515(b)(1)–(5).)
G. ADVISORY COUNCIL ON DEVICES		
Establishes Advisory Council on Devices to advise Secretary on policy matters relating to carrying out provisions of the Act. Members appointed by the Secretary are to be manu-	Identical provision. (New Sec. 708(a)(b)(c).)	Similar provision, but further specifies that Council is to be composed of 15 members, and that Secretary may employ experts and consultants to facilitate carrying out the Act.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
facturers, scientists, engineers, and members of the professions using such devices, as well as consumers and other persons knowledgeable about problems involved in device regulation. Sets methods of compensation of Council members. Authorizes Secretary to appoint additional advisory councils or committees, as desirable. (New Sec. 708 (a) (b) (c).)		(New Sec. 708 (a) (b) (c).)
	H. DEVICE RESEARCH AND STUDIES	
Authorizes Secretary to conduct, either directly or through contracts with public or private agencies, organizations, or individuals, research, studies, and education and training in areas related to device safety, development of standards, testing methods, etc. Directs Secretary to cooperate with and invite participation by other Federal or State agencies and interested professional or industrial organizations; to collect and publish results of research and other activities. Authorizes Secretary to obtain devices for research and testing purposes. (New Sec. 709 (a) (b).)	Identical provision. (New Sec. 709 (a) (b).)	No comparable provision.
	I. PUBLICITY	
Permits Secretary to disseminate information regarding device standards, testing facilities and methods, other information on nature and extent of device hazards. (Amends Sec. 705 of the Act to add new subsection (c).)	Similar provision. (Amends Sec. 705 of the Act to add new subsection (c).)	No comparable provision.
	J. EFFECT ON STATE REQUIREMENTS	
Prohibits States from establishing or maintaining standards or regulations for any device which is specifically subject to an official Federal standard or scientific review, unless State requirements are identical to the Federal requirements. Allows Secretary to exempt a State-proposed safety requirement from preceding provision if proposed requirement: Imposes higher performance level than Federal standard, Is required by compelling local conditions, *and* Does not unduly burden interstate commerce. Specifically allows Federal, State, and local governments to establish safety requirements applicable to a device for their own use, if such requirements impose a higher performance standard than otherwise required by applicable Federal law. (New Sec. 903(a) (b) (c).)	No comparable provision.	No comparable provision.
	K. DISCLOSURE OF TRADE SECRETS	
Permits Secretary to disclose information relating to trade secrets to a contractor in furtherance of provisions of the Act, subject to contractor's observance of such security precautions as are prescribed in regulations. (Amends Sec. 301(j) of the Act.)	No comparable provision.	No comparable provision.
	L. DEFINITION OF "DEVICE"/"PRESCRIPTION DEVICE"	
Defines the term "device" to mean instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, or similar articles, including their components, parts, and accessories which are: (a) Recognized in the official U.S. Pharmacopeia or National Formulary, or any supplement to them, or (b) Intended for use in diagnosis, treatment, or prevention of disease in man or other animals, or (c) Intended to affect structure or any function of the body of man or other animals, *and*	No comparable provision.	No comparable provision.

COMPARISON OF MEDICAL DEVICE LEGISLATION, 93D CONGRESS—Continued

Item, S. (Kennedy)—Continued	S. 1446 (Javits-Administration)—Continued	S. 1387 (Nelson)—Continued
(d) Which do not achieve any of their principal purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for achievement of their principal purposes. (Amends subsection (h) of Sec. 201 of the Act.) Defines the term "prescription device" to mean any device so designated by the Secretary as being restricted to sale or distribution only upon written or oral authorization of licensed practitioner. (Amends subsection (v) of Sec. 201 of the Act.)		
	M. VARIOUS TECHNICAL AND CONFORMING AMENDMENTS TO EXISTING ACT	
Makes various technical amendments to Federal Food, Drug, and Cosmetic Act to make existing law applicable to devices in following areas: (a) Registration of producers of drugs and devices (b) Regulations pertaining to the import and export of drugs or devices (c) Misbranding or adulteration of devices (d) Authority to designate official names for devices (e) Requirements for factory inspection (f) Registration of drug and device establishments and patent information	Virtually identical provisions.	Makes various technical amendments to Federal Food, Drug, and Cosmetic Act to make existing law applicable to devices in following areas: (a) Requirements for factory inspection (b) Registration of producers of drugs and devices (c) Misbranding or adulteration of devices (d) Regulations pertaining to import or export of drugs and devices.

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

S. 2369. A bill to authorize the Secretary of Agriculture to acquire certain lands in the county of San Diego, State of California. Referred to the Committee on Agriculture and Forestry.

KEMP RANCH

Mr. TUNNEY. Mr. President; I am introducing legislation today which will authorize the Forest Service to acquire Kemp Ranch, a valuable 1,500 acre inholding in the Cleveland National Forest, San Diego County, Calif.

The owners of Kemp Ranch are faced with legitimate financial problems which necessitate development or sale. The Forest Service, in prior negotiations, was unable to purchase the land. It now realizes that acquisition will be the only way to avert high density development, but it has no money.

Mr. President, there are a number of reasons why this property should be incorporated into the forest. First of all, it is unwise from a management standpoint to leave pockets of private, exploitable land, inside national forests. Owners frequently are forced to react to economic development pressures often detrimental to the adjacent forest. Kemp Ranch is a classic example. The area is one of the finest alpine meadows in southern California and development along the lines proposed by the developers would destroy that quality. Furthermore, adjacent public areas will suffer from overuse.

A second important reason why this area must be protected is its proximity to Mount Laguna Observatory. Laguna is one of the last six areas in the United States which meets the criteria necessary for "deep sky" astronomical research.

Dr. Burt Nelson, head of the Astronomy Department at California State University, San Diego, and director of the Mount Laguna Observatory, has told me that light and smoke from Kemp Ranch, which is only two miles from the Observatory, "will present a very grave threat to future astronomical observations if it is permitted to be commercially developed."

Dr. Nelson added that—

Astronomy in the United States faces a very serious environmental crisis. American astronomers have played a leading role in the study of high energy processes found in deep space due, in part, to the presence of large telescopes and very dark skies in this country.

He stressed the fact that—

If the present rate of increase in "light pollution" caused by the needless waste of light energy over metropolitan areas and the growth of high density development near observatories is not curtailed immediately, this type of research will end in the United States within a decade.

Dr. Nelson added that—

Acquisition of the Kemp Ranch is consistent with the completion of the Cleveland National Forest and is an important step to preserve deep sky astronomy in the United States.

In addition to these reasons why the Forest Service should immediately acquire the Kemp Ranch is the fact that the proposed development plans may well conflict with the San Diego County open space element. The element, as presently drafted, refers specifically to astronomical research. Part 4, Conservation Areas, states:

Most [astronomical] research can continue if only the problem is not magnified significantly. What needs to be done is to limit the density of development, control light sources . . . where astronomical instruments are especially sensitive.

This element recommends a combination of these for the remaining land adjacent to observatories not already in public ownership. Furthermore, in part 6, Implementation, the recommendation is made to—

. . . review those portions of the circulation element which show roads within five miles of an observatory to determine if the roads can be eliminated, or realigned farther away from the observatory, or if alternate routes can be substituted.

This implies that the proposed open space element, if adopted in its present form, could be inconsistent with the development plans for high density recreation at Kemp Ranch, because at the furthest point, the ranch is less than 3 miles from the observatory.

Obviously, if the Forest Service does not acquire the Kemp Ranch land as soon as possible the county may find itself faced with a special use permit application which conflicts with general county land policy.

I believe the only way to settle this situation is to act quickly on my legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

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

S. 2369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to acquire all rights, title, and interests in and to the following described lands by purchase with donated or appropriated funds or by condemnation:

Parcel 1: The Southwest Quarter of the Southwest Quarter of Section 3, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 2: The Southeast Quarter of the Southeast Quarter of Section 4, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 3: The Southeast Quarter of the Southeast Quarter of Section 9, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 4: The West Half of the Northwest Quarter, the West Half of the Northeast Quarter, the West Three-Quarters of the West Half of the Northeast Quarter of the Northeast Quarter and the South Half of Section 10, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 5: The South Quarter of Section 11, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 6: The Northwest Quarter of the Southwest Quarter of Section 14, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 7: The Southeast Quarter, the Northwest Quarter, the West Half of the Northeast Quarter and the Southwest Quarter of Section 15, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 8: The East Half of the Northeast Quarter of Section 16, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Parcel 9: The East Half of the Northwest Quarter and the Northeast Quarter of the Northeast Quarter of Section 22, Township 15 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved September 6, 1880.

Comprising a total of 1,575 acres, more or less.

(b) Lands acquired by the Secretary of Agriculture pursuant to subsection (a) of this section shall, upon their acquisition, be administered by the Secretary as national forest lands in accordance with rules, regulations and laws applicable to the national forest system.

SEC. 2. There is authorized to be appropriated such sum, not to exceed $2,000,000, as may be necessary to carry out the provisions of this Act.

By Mr. McCLURE (for himself, Mr. CURTIS, Mr. DOMENICI, Mr. FANNIN, Mr. HANSEN, and Mr. SAXBE):

S. 2372. A bill to permit the use of the drug diethylstilbestrol (DES) for implants in beef cattle and sheep. Referred to the Committee on Agriculture and Forestry.

Mr. McCLURE. Mr. President, in order to relieve shortages of meat and to help reduce the costs of raising livestock, I am introducing today a bill to permit the use of DES for implants.

The order by the Food and Drug Administration on April 26, 1973, ending the use of implants of diethylstilbestrol (DES) in beef cattle and sheep will directly contribute to the shortages and higher prices facing housewives in this country and overseas. It is my understanding that without the advantages offered by DES implants, it will require an average of 160 days to fatten one steer, compared to the possible 140 days with DES. DES, a synthetic estrogen, has been used for over 20 years as a growth stimulant in animals. It has been administered both through feed and by implanting under the skin.

The Acting Commissioner of FDA, Sherwin Gardner, emphasized that the ban on implants was not based on evidence of any public health hazard. As a matter of fact, comparatively massive amounts of estrogen are routinely administered to humans, in the so-called morning-after pill among other things. In fact, he said that DES had been used to promote growth of cattle and sheep for two decades without a single known instance of human harm. On this basis, I believe that the needs of the consumer, the farmer, and the rancher demand immediate action by the Congress.

My proposed legislation will not affect the FDA ban on DES in animal feed. In addition, it will not affect necessary regulatory action involving production, transportation, or use. It will prohibit the present ban of DES as an implant.

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

S. 2373. A bill to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes. Referred, by unanimous consent, to the Committee on Labor and Public Welfare until October 15, 1973; and then to the Committee on Commerce, at the option of that committee.

Mr. ROBERT C. BYRD. Mr. President, for Mr. MAGNUSON, and at the request of the Committee on Commerce, I ask unanimous consent that the bill entitled the "Federal Food Inspection Act of 1973" be referred to the Committee on Labor and Public Welfare until not later than October 15, 1973. At that time, or at such earlier time as the Committee on Labor and Public Welfare reports the bill, the bill will be re-referred to the Committee on Commerce at the option of the Committee on Commerce.

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

By Mr. MONDALE:

S.J. Res. 146. Joint resolution entitled "A national education policy." Referred to the Committee on Labor and Public Welfare.

EQUAL EDUCATIONAL OPPORTUNITY

Mr. MONDALE. Mr. President, no single principle is more important to our society than the goal of equal educational opportunity. As the Supreme Court said over 19 years ago:

> In these days it is doubtful that any child can reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the State has undertaken to provide it, is a right which must be made available to all on equal terms.

I believe this is an appropriate time for the Nation to renew its commitment to this fundamental goal. We must press forward with our efforts to end that educational inequality which has resulted from generations of racial and ethnic discrimination. And we must do much more.

We must assure the opportunity for an education to the millions of handicapped children whose needs are now unmet.

We must provide adequate financial help so that central cities, working suburbs, and less affluent rural areas can provide educational opportunities of high quality.

We must develop the highly focused educational research which we have always lacked.

We must train our teachers, and pay them, as the men and women deserve who develop our most essential national asset.

We must assure that those who are qualified have the opportunity for post-secondary education.

And we must all reaffirm our dedication to care for the individual child, no matter what his background, to help him reach his full potential and to recognize his own irreplaceable worth.

Mr. President, I am pleased to introduce today a joint resolution to reaffirm our goal of equal educational opportunity as a matter of highest priority. I am honored that this resolution has been introduced in the House of Representatives by the distinguished chairman of the Committee on Education and Labor, the Honorable CARL PERKINS.

I wish to thank the Communications Workers of American for their help in preparing this resolution. As the CWA's Resolution on educational opportunity states:

> Our youth should be afforded a free public education opportunity to enable them to achieve their maximum educational ambitions and capabilities. Such an investment in the education of our youth will inevitably enhance the economic security of our Nation.

Mr. President, I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

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

S.J. RES. 146

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress reaffirms as a matter of highest priority the Nation's goal of equal educational opportunity. That the Congress hereby declares it to be the policy of the United States of America that every citizen is entitled to an education from nursery through graduate school without financial barriers and limited only by the desire to learn and ability to absorb such education. Our Nation's economy, political, and social security demand no less.

By Mr. McINTYRE:

S.J. Res. 147. A joint resolution calling for a report on the People's Republic of China Grain Purchase. Referred to the Committee on Agriculture and Forestry.

REPORT TO CONGRESS ON GRAIN DEAL WITH CHINA

Mr. McINTYRE. Mr. President, along with a great many other Americans I have become increasingly concerned

about the effects of last year's grain sale to Russia.

Hearings conducted by both Houses of Congress, along with continuing media accounts, point up that this massive sale may well have been to the serious disadvantage of the American consumer, farmer and businessman.

Since the consummation of the Russian grain deal, it is obvious that prices for the grain products we use in the course of every day living have gone up, that the price of feed grain has gone up, that the supply of meat—so dependent upon feed grain—has gone down and that the price has gone sky high.

My particular concern is over the effect all this has had upon the elderly and those on fixed incomes. These people are finding it increasingly difficult to afford even dietary mainstays, much less luxury items. Indeed, beef prices are so high that beef itself has now become a luxury item.

Letters from people in my State convince me that the problem is not only very real, it is widespread. Many have complained that financing an adequate diet has become extremely difficult since the Russian grain deal.

I take their word for it, Mr. President, because in my judgment there is no better economist than the American shopper, who must constantly struggle to make ends meet during rising inflation.

The shopper is in constant contact with market prices and price fluctuations, and when something affects the price of any item, the shopper is the first to know. And they know that their shopping problems have been sharpened considerably since the time of the Russian grain sale.

I am convinced that we must do something—and do it soon—to forestall any future international transactions which could trigger such unfortunate consequences.

Recently newspaper reports have told us of a proposed grain deal between private American interests and representatives of the People's Republic of China. I concede that I know little of the details about this potential transaction or what it portends. But I do know that Congress must not be kept in the dark as it was kept in the dark about the Russian grain deal.

Every American is bound to be affected by any massive foreign sale of crucial food items, so every American deserves all the facts, figures, and implications of such transactions. In possession of those facts and implications, the elected representatives of the people can then foresee and prevent adverse economic and social consequences.

So today, Mr. President, I am introducing for referral to the appropriate committee, a resolution which would require the Secretaries of Agriculture and Commerce to inform the Congress—within 30 days of passage of this resolution—of the possible impact such transactions will have on the American economy and the American consumer.

I know there are laws in existence which concern the embargo of exports, but I am not sure what effect they would have in this situation. In any event, the people have a right to know—through the Congress—what is being decided on such potential foreign grain sales and how the decision will affect their pocketbooks, their well-being, their daily lives.

By Mr. HUMPHREY:

S.J. Res. 148. A joint resolution to bestow U.S. citizenship upon Leif Ericson. Referred to the Committee on the Judiciary.

LEIF ERICSON HONORARY U.S. CITIZEN

Mr. HUMPHREY. Mr. President, as Americans, we have long been celebrating Columbus Day and the important contributions Christopher Columbus made in his discovery of America. However, we tend to forget the seemingly small, yet vital part others have played in the discovery of our Nation. One such man, with whom I share a common Norse ancestry, is Leif Ericson.

Leif Ericson was born around A.D. 970 in Iceland. Born the son of the famed warrior, explorer, and discoverer of Greenland—"Eric the Red," Leif became famous after he became the first navigator to sail directly from Greenland to Norway, without stopping at Iceland. Leif arrived in Norway during the reign of King Olav Trygvason, who had just converted to Christianity. The king commissioned Leif to return to Greenland to spread this new faith to the natives who were believers in the Norse mythology with its pagan gods and goddesses.

There are two traditional accounts of Leif's discovery of America, between the years of 1000 and 1004. One is the "Iceland version" which states that Leif accidentally discovered Vinland when strong winds drove him off course on a voyage from Iceland to Greenland. Leif named the new land Vinland, because of the land's plentiful supply of grapes. He stayed in Vinland only long enough to gather timber and wild grapes, and then returned to Greenland.

The second tradition is called the "Greenland version." This version is the one that recent evidence upholds; it states that a contemporary navigator of Leif's, Bjarni Herjolfsson, after being driven off course, chanced upon Vinland, but did not land. Upon his return, Leif followed Bjarni's directions and was the first to land and explore Vinland. He built a small settlement and spent the winter there before returning to Greenland.

Before 1963, the evidence supporting Leif Ericson's discovery was vague and circumstantial. His discovery was mentioned in three manuscript sagas that contained narratives of various Icelandic explorers, including Leif Ericson. In these manuscripts, Vinland is described and the natives were called Skraellingers. The only other evidence that supported the early discovery was a map drawn around 1570 A.D. by Sigurd Stefansson which labeled the northern coast of North America, in the vicinity of Newfoundland, as "the Land of the Skraellings."

In 1963, however, in the Newfoundland village of L'Anse aux Meadows, Dr. Helge Ingstad discovered evidence of a Norse settlement. Radioactive carbon tests substantiated, beyond a doubt, that the unearthed remains of Norse artifacts dated back to around 1000 A.D.

Then, in 1965, there was another major breakthrough of evidence. Yale University and British museum scholars painstakingly pieced together proof of the existence of a map that dates at least 50 years before Columbus sailed on his historic voyage to America. Drawn in brown ink on a piece of dry parchment measuring 11 by 16 inches, the map clearly shows the Western Hemisphere in the upper lefthand corner. The map also shows two rivers that cut into the land, which are conjectured to be the Hudson Straits and the Gulf of the St. Lawrence.

After Leif became a respectable and wealthy man, he settled on his father's estate in Brattahlid, Greenland, where he died. In 1961, graves were unearthed in the Brattahlid cemetery; probably one of them was Leif Ericson's, although the site was unmarked.

Organizations like the Leif Ericson Society, the "Sons of Norway"—the world's largest organization of Scandinavian Americans comprising 86,000 members—and "Svenskarnas Dag," have done much in keeping the name of such a great man alive and remembered. Previously, by a joint resolution, Congress set aside October 9 as a special day commemorating Leif Ericson for distinguishing himself in the exploration of America, some 500 years before Christopher Columbus.

On behalf of the above organizations, I would like to go a step further by introducing this resolution, not only as a tribute to Leif Ericson, but also as tribute to Americans of Scandinavian descent. These people have long proved themselves to be brave and loyal Americans carrying on the tradition of exploration first started by their courageous Norse ancestors. They have exhibited their own pioneering spirit by sailing to the same new land. Because of their accomplishments, Scandinavian Americans have every reason to take pride in their individual heritage and its contribution to American culture.

What Leif Ericson stands for is something all Americans can be proud of—he is a symbol of man's unending quest for progress and an exploration of the unknown that surrounds him. We are all pioneers; even though we no longer have any new worlds to discover on earth, we still have our own secret dreams and goals. Leif Erickson is a symbol of those virtues that we must strike toward in order to accomplish these goals. It is only appropriate that we recognize the importance of this individual by making him an honorary citizen of the United States, a small tribute for his contributions to our society.

I ask unanimous consent that these letters of request, editorial, and resolution be printed in the RECORD.

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

S.J. RES. 148

Whereas Leif Ericson of Iceland played a significant part in the discovery and exploration of North America; and

Whereas Leif Ericson, a brave Norse navigator, was the first known explorer to sail

and land along the coast of North America, around 1000 A.D.; and

Whereas Congress, by a Joint Resolution has proclaimed October 9 as Leif Ericson Day; and

Whereas Leif Ericson's accomplishments are a tribute to Scandinavian-Americans—loyal Americans who have carried on the tradition of exploration first started by their courageous Norse ancestor; and

Whereas Leif Ericson is a symbol of something all Americans can be proud of—man's unending quest for progress and an exploration of the unknown that surrounds him: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Leif Ericson shall hereafter be known as a citizen of the United States of America.

APRIL 17, 1973.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

SIR: It is a pleasure to extend to you an honorary membership in the Pennsylvania Chapter of the Lief Ericson Society. I am enclosing your membership card No. 100 which I had reserved for you while I checked with our mutual friend, John Hoving, to see if it would be appropriate.

While this is a non-political group, we are promoting you as the greatest living American of Norse descent. As you know, we are a small minority, but we claim that 11 signers of the Declaration of Independence and 13 Presidents had Norse blood

As we approach Leif Ericson Day on October 9, I hope you will use your substantial influence to assure that this important but small minority group will not once more be smothered by Columbus Day celebrations as was the case in 1972. Leif Ericson Day was established by an act of Congress a long time ago, but this has been forgotten by most.

By the way, I think we are related. I was born in Kristiansand, Norway and some of my ancestors came from Tveit-Topdal. Reports from home are that 200 other people made the same claim when you visited a few years ago.

Yours in Leif-insurance,
IVAR CHRISTENSEN.

APRIL 27, 1973.

Editor, Evening Bulletin,
Philadelphia, Pa.

TO THE EDITOR: Your editorial of April 23 concerning Columbus' proposed citizenship ended with a query about what would happen if a similar effort was made on behalf of Leif Ericson.

Well, we are not waiting for a congressman from rural Minnesota to make the move. As proponents of "Leif was here first," we shall address our request to Congress that Leif the Lucky receive as much honor for his role in showing the way as Columbus may get for following it.

In fact, that is just what our Leif Ericson Society is all about.

Sincerely,
IVAR CHRISTENSEN,
Pennsylvania Chapter, Leif Ericson Society.

[From the Philadelphia Bulletin, Apr. 23, 1973]

CITIZEN COLUMBUS

Bills granting United States citizenship to specific persons who might otherwise never achieve it are routine in Congress.

But not the one introduced by Rep. Ogden R. Reid (D-NY). Representative Reid—whose constituents include many Italian-Americans—would grant citizenship posthumously on Christopher Columbus.

Captain Columbus, of course, never asked for the U.S. citizenship because there was no U.S., and there's no guarantee that he'd want it, even if there had been. He was, after all, an Italian on the Spanish payroll when he sailed the ocean blue in fourteen-hundred-ninety-two, and the Nina, Pinta and Santa Maria landed in the West Indies, not the North American continent.

Be that as it may, there's certainly no harm in making the Great Discoverer a citizen even five centuries later. And while we're at it, since behind every great man there's a woman, maybe something should be said for the lady who made it all possible.

It was Queen Isabella of Castile who bankrolled the great Italian sailor—let's not forget it. John Paul Paine hasn't forgotten it.

Mr. Paine, a Philadelphian, is founder and president of a national committee that has succeeded in getting 46 governors and many mayors to proclaim April 22, the date on which she was born in 1451, as Queen Isabella Day.

So happy birthday, Queen Isabella, and welcome aboard, Captain Columbus—and what happens when a congressman from rural Minnesota submits a bill to make Leif Erikson a citizen?

JULY 30, 1973.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

Svenskarnas Dag and its 40 affiliates organization applaud and support your efforts to have Leif Erickson designated as an honorary United States citizen.

INER JOHNSON,
General Chairman.

AUGUST 1, 1973.

Senator HUBERT H. HUMPHREY,
Capitol Hill, D.C.:

Sons of Norway as the worlds largest organization of Scandinavian Americans comprising 86,000 members strongly support your resolution to make the great Norse seafarer and explorer Leif Erikson an honorary citizen of the United States of America. This great honor will significantly add to the annual public and private recognition of October 9th as Leif Eriksons Day commemorating the Viking discoverer of the North American continent.

ROY C. EIDE,
International President, Sons of Norway.

By Mr. HRUSKA (by request):

S.J. Res. 150. A joint resolution to authorize the President to proclaim the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month." Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, I am today introducing, by request, a joint resolution to authorize the President to proclaim the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month."

The American Revolution Bicentennial Commission has adopted the "Johnny Horizon '76" environmental awareness program as the official program to "'clean up America" for the upcoming 200th birthday of our Nation. I am advised that this program is supported by the President's Council on Environmental Quality and numerous civic and business groups.

It is my understanding that the events scheduled to take place between September 15 and October 15 are designed to further citizen interest and participation in efforts to clean up America's environment. Those who support this program believe national attention should be drawn to it.

I ask unanimous consent that the joint resolution be printed in the RECORD immediately following my remarks.

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

S.J. RES. 150

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the period of September 15, 1973 through October 15, 1973 as "Johnny Horizon '76 Clean Up America Month" and calling upon the people of the United States and interested groups and organizations to observe such period with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 544

At the request of Mr. SCOTT of Virginia, the Senator from Nebraska (Mr. HRUSKA) and the Senator from North Carolina (Mr. HELMS) were added as a cosponsor of S. 544, a bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1737

At the request of Mr. ERVIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1737, a bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools.

S. 1769

At the request of Mr. MANSFIELD (for Mr. MAGNUSON) the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1769, to establish a U.S. Fire Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes.

S. 1777

At the request of Mr. SCHWEIKER, the Senator from North Dakota (Mr. YOUNG) and the Senator from Nevada (Mr. BIBLE) were added as cosponsors of S. 1777, to amend the Federal Meat Inspection Act to prohibit the sale for human consumption of meat from horses, mules, and other equines.

S. 1835

At the request of Mr. HARTKE, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1835, a bill to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance to $20,000 to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to veterans' group life insurance and for other purposes.

S. 1923

Mr. MATHIAS. Mr. President, I ask unanimous consent that the following cosponsors be added to the bill S. 1923, a bill to amend the Legislative Reorganization Act of 1970 to provide that Federal

agencies keep congressional committees fully and currently informed, introduced by Senator ERVIN and myself and Senator MANSFIELD on May 31, 1973: Mr. ABOUREZK, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BIBLE, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. CANNON, Mr. CASE, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. FULBRIGHT, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HUGHES, Mr. HUMPHREY, Mr. JAVITS, Mr. MAGNUSON, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STEVENSON, Mr. TUNNEY, and Mr. WILLIAMS.

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

S. 2022

At the request of Mr. TUNNEY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 2022, a bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes.

S. 2024

At the request of Mr. MCGOVERN, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. BIBLE), the Senator from Nevada (Mr. CANNON), the Senator from Michigan (Mr. HART), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANSFIELD), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Rhode Island (Mr. PASTORE) were added as cosponsors of S. 2024, the Indian Economic Development and Employment Act of 1973.

S. 2147

On behalf of Mr. DOMENICI, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 2147, to conduct a study relating to the procurement and use by the Federal Government of products manufactured from recycled materials.

S. 2176

Mr. JACKSON. Mr. President, on July 13, with the cosponsorship of nine of my colleagues, I introduced S. 2176, the National Fuels and Energy Conservation Act. This act is designed to lay the foundations for a serious and sustained energy conservation effort by the Federal Government.

Two years ago the President in his first energy message talked of the need to use energy wisely. Since that time, our energy problems have reached critical proportions. But I am frank to say that I still see little evidence of a serious commitment to energy conservation in the executive branch. The emphasis remains on short-term voluntary measures to avert shortages, rather than fundamental changes to slow the relentless increase in energy demand.

The unprecedented demand for energy in this country is the root cause of our energy crisis today. Per capita energy consumption rose from the equivalent of 33 barrels of oil per person a year in 1940 to 60 barrels of oil per person a year in 1970. The annual growth of energy consumption during the past decade has averaged 4.3 percent, double the growth rate in the earlier postwar period.

Today our consumption of electricity is increasing at an annual rate of about 7 percent—7 percent of the highest rate of consumption in our history.

Gasoline consumption has been increasing at a rate of 5 percent each year. If this rate of increase were to continue to the year 2000, we would then be using 350 billion gallons of gasoline a year.

Clearly, we cannot tolerate these spiraling rates of energy consumption. We are only now beginning to pay the price for our failure to recognize the impact of exponential growth in energy demand and move to control it. It is now too late to forestall such consequences as gasoline and heating oil shortages and heavy dependence on foreign imports to meet our energy requirements. But it is not too late to build a national energy policy that restores us to energy self-sufficiency.

Most experts would agree that we cannot hope to achieve any real degree of self-sufficiency in the next generation merely by working to satisfy energy demand. That is quite clearly a losing battle. Until we start questioning the legitimacy of the demand, until we start challenging the widespread waste of energy resources, we cannot expect to satisfy our basic energy requirements in economically and environmentally acceptable ways.

The National Fuels and Energy Conservation Act was introduced in the belief that Congress must act to assure that conservation plays a central role in national energy policy. It recognizes that we cannot continue our reckless waste of energy; that we cannot sustain the adverse social, economic, and environmental impacts of that waste; and that we can, through effective conservation programs, minimize these adverse impacts and reduce energy demand.

Clearly, we cannot achieve dramatic savings in energy consumption overnight. The leadtime required to produce major conservation payoffs is substantial. But we can begin now a broad-scale conservation effort that will over the long run help keep energy demand within acceptable limits.

Mr. President, I am pleased to announce that 33 Members of the Senate are now cosponsoring S. 2176. I ask unanimous consent that the following Senators now be added as cosponsors, in addition to the original cosponsors: Mr. BAYH, Mr. BURDICK, Mr. CANNON, Mr. COOK, Mr. CRANSTON, Mr. EASTLAND, Mr. GRAVEL, Mr. HUMPHREY, Mr. JOHNSTON, Mr. MANSFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. NELSON, Mr. PACKWOOD, Mr. PASTORE, Mr. PELL, Mr. RIBICOFF, Mr. ROTH, Mr. STAFFORD, Mr. STEVENS, Mr. STEVENSON, and Mr. WILLIAMS.

I also ask unanimous consent that a statement by Senator BAYH regarding the bill be printed in the RECORD at the conclusion of my remarks.

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

STATEMENT BY SENATOR BAYH

One of the important points which has been too much ignored in the midst of the current energy shortage, is the fact that we can go a long way toward solving this problem through effective energy conservation. In the rush to exploit new fuel reserves and to develop new energy sources, we have not focused adequately on energy conservation.

It is impossible to be certain precisely how much energy we waste in this country. But I have heard it said that we waste as much energy in a year as Japan consumes.

This waste comes in many forms. We waste home heating fuels by poorly insulating our homes. We waste energy in the summer by running air conditioning more than necessary, and we waste energy in the winter by keeping our homes and offices warmer than necessary.

Industry wastes energy by keeping machinery running when not in operation. Motorists waste energy by operating their autos ineffectively and not keeping their engines in tune.

We all waste energy, but in many cases we do not have the information to prevent the waste. For example, toasters that cost the same might well consume very different amounts of energy while performing the same function. But since the consumer has no way of knowing which toaster is more efficient he is not able to conserve energy even if he wanted to.

To help remedy this problem, and to make energy conservation a keystone in our overall response to the energy shortage, I am pleased to join in sponsoring S. 2176, the National Fuels and Energy Conservation Act, introduced by the Chairman of the Interior Committee (Mr. Jackson).

This bill would charge all Federal departments and agencies with the responsibility of conserving energy within their own operations.

But it goes much farther.

The bill would have those agencies and departments undertake, within their respective jurisdictions, programs of action and information to help and encourage consumers and industry to conserve energy.

Such actions range from requiring effective insulation in homes with Federal mortgage guarantees to minimum mileage standards for automobiles. Also, the bill would help close the information gap by establishing the requirement that appliances be sold only with complete information on energy efficiency.

Energy conservation not only fosters the good policies of conserving resources and reducing our dependency on imported energy supplies. Energy conservation is also good economics. Industry, government, consumers, and businessmen can all save money by cutting back on waste and inefficiency in energy consumption.

It may well be that this latter incentive, which often motivates people when other things won't, will be our ultimate weapon in this battle. But however we do it, we had better get about the business of protecting our dwindling resources from the ravages of waste and inefficiency.

S. 2215

At the request of Mr. HELMS, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 2215, to restore the value of the dollar and restrain inflation by providing for a Federal budget in which expenditures shall not exceed Federal revenues.

S. 2274

At the request of Mr. ROBERT C. BYRD (for Mr. RIBICOFF) the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2274, a bill to authorize the

disposal of copper from the national stockpile.

S. 2282

At the request of Mr. ERVIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2282, a bill to change the name of the New Hope Dam and Lake, N.C., to the B. Everett Jordan Dam and Lake.

S. 2296

At the request of Mr. HUMPHREY, the Senator from Utah (Mr. Moss) was added as a cosponsor of 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.

S. 2318

At the request of Mr. ERVIN, the Senators from Delaware (Mr. BIDEN) and Minnesota (Mr. MONDALE) were added as cosponsors of S. 2318, a bill to enforce the first amendment and fourth amendment to the Constitution, and the constitutional right of privacy by prohibiting any civil or military officer of the United States or the militia of any State from using the Armed Forces of the United States or the militia of any State to exercise surveillance of civilians or to execute the civil laws, and for other purposes.

SENATE JOINT RESOLUTION 142

At the request of Mr. CURTIS, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of Senate Joint Resolution 142, proposing an amendment to the Constitution of the United States relative to the balancing of the budget.

SENATE CONCURRENT RESOLUTION 43—SUBMISSION OF A CONCURRENT RESOLUTION TO MAKE CERTAIN TECHNICAL CORRECTIONS IN ENROLLMENT OF S. 1888

(Considered and agreed to.)

Mr. MANSFIELD submitted a concurrent resolution (S. Con. Res.. 43) to make certain technical corrections in the enrollment of S. 1888.

(The concurrent resolution is printed in full when submitted by Mr. MANSFIELD, and appears at a later point in the RECORD.)

SENATE RESOLUTION 156—SUBMISSION OF A RESOLUTION RELATING TO SENATOR STENNIS

(Considered and agreed to.)

Mr. ALLEN (for himself, Mr. EASTLAND, Mr. HANSEN, Mr. MANSFIELD, and Mr. CASE) submitted a resolution (S. Res. 156) relating to Senator STENNIS.

(The concurrent resolution is printed in full when submitted by Mr. ALLEN, and appears at an earlier point in the RECORD.)

SENATE RESOLUTION 157—SUBMISSION OF RESOLUTION RELATING TO THE ESTABLISHMENT OF DOMESTIC AND WORLD RESERVES OF FOOD

(Referred to the Committee on Agriculture and Forestry.)

FROM FOOD ABUNDANCE TO PERIL

Mr. McGOVERN. Mr. President, some 6 weeks ago, the distinguished senior Senator from Vermont (Mr. AIKEN) who is also the senior Republican Member of the Senate, delivered a thoughtful and farsighted address on the Senate floor on the subject of farm, foreign policy, and land use programs.

Senator AIKEN discussed the current food situation in some detail. And he pointed out that—

> Every farm program from now on will be a major piece of foreign policy legislation with our own family food budget seriously involved.

Senator AIKEN and I are today joining in an effort which we hope will respond to that fundamental truth and make it a permanent part of American agricultural programs. We submit a Senate resolution requesting, by next January, explicit administration recommendations on domestic food reserves, and calling for active American cooperation with proposals to develop food reserves worldwide.

Certainly we need no further signals that the time for action has come. For the grim truth is that, for whatever reason, our farm and food policies are in serious disarray. In the past 12 months we have suffered grave damage to America's posture as a reliable supplier of food to our own people and to food importing countries around the globe.

We cannot take that situation lightly; we have no choice but to address it forthrightly, and to repair it as quickly as we can.

Over the past several decades we have developed what I regard as a strong and sensible overall philosophy on farm and food issues. It rests on four pillars.

First, we seek adequate food abundance for our consumers, at prices fair both to them and to farmers.

Second, we have determined that no American, and especially no American child, should want for a decent diet, supplying the essential requirements of adequate nutrition.

Third, we seek growing access to commercial food markets elsewhere in the world.

And fourth, we have sought to use our unparalleled food abundance and technical know-how as a tool of peace, responding to the desperate needs of hungry people around the globe.

Until now we have seen no conflict among those goals. With our problems of surplus, not shortage, we could move to meet them all.

But this year all four of those objectives have suffered. Each one has been challenged; to some extent each one has been denied.

Let me be specific.

Under our basic farm law, the Agricultural Adjustment Act of 1938, it is the duty of the Secretary of Agriculture to maintain a "continuous supply of agricultural commodities . . . at prices fair to both producers and consumers."

That obligation has certainly not been met. As every consumer and every farmer knows, prices of some basic commodities have fluctuated wildly on the domestic market, and supplies have been anything but stable. Neither farmers nor consumers are convinced that prices are fair, and at one time or another both have been right. Higher feed prices, coupled with the price freeze on livestock products, threaten longer term shortages of meat. Farmers average costs of production are up fully 18.9 percent over last year. Incentives to expand production are dwindling. Retail prices for nearly every basic food commodity are reflecting those higher costs and the consequent short supplies on the market. The Chairman of the Council of Economic Advisers, Herbert Stein, after all these many months of watching confident predictions fall apart, can offer no more than abandoned anti-inflation goals and vague assurances about the future. "This, too," he says, "shall pass away."

It is also our policy, under the Food Stamp Act and other domestic feeding programs, to assure a nutritious diet for low-income families. Both in law and in repeated policy declarations, official Washington has embraced the view that a proper diet should be the birthright of every American. We have recognized that with our unparalleled ability to produce food, it defies all that is right, reasonable, and humane for any one of our citizens to want for the food that sustains life and protects health.

But compare that policy with the performance.

On June 4 of this year, before the Select Committee on Nutrition and Human Needs, Senator KENNEDY questioned Mr. Clayton Yeutter, Assistant Secretary of Agriculture in charge of Marketing and Consumer Services, about the availability of some commodities for food distribution programs. Senator KENNEDY had received reports from his own State that some important food items had been removed from the list of available foods. Mr. Yeutter gave assurances that either those foods or adequate substitutes were indeed available. But he also pointed out that in acquiring enough of the right foods, it has been—

> . . . touch and go under some conditions in some states at particular points in time.

And then he said:

> The basic reason for that, Senator Kennedy, in ten words or less, is that the purchase authorities which are used to provide food for these programs are surplus removal purchase authorities. And it's very difficult for us to buy commodities under a 'surplus removal' program when we have no agricultural surpluses.

So under our food distribution programs, we cannot adequately feed many of our own needy people unless we have "surpluses." And suddenly those "surpluses" are gone.

The situation has not improved since Mr. Yeutter testified. In fact, it is far worse.

I have just learned this week that cheese, lunch meat, processed potatoes, dried fruit, and canned vegetables have been completely removed from the list of commodities USDA supplies to State warehouses for distribution to needy families.

Those five commodities certainly account for a major share of the protein and other essential nutrients made available under this program. And now the cupboard is bare. For the remainder of July and probably longer, they simply

cannot be acquired. And we have taken a major leap backward from our commitment to meet the food needs of all Americans.

It is also the law that the Secretary of Agriculture must seek in every practical way to increase the flow of American farm commodities into world markets.

Secretary Butz has placed a high priority on that obligation. But it is an endeavor which has doubled back upon itself. The General Accounting Office has concluded that the administration was probably too anxious to expedite a sale of some 425 million bushels of wheat to the Soviet Union in July and August of last year—a sale which swallowed up over a quarter of the 1972 wheat crop. Our officials were so aggressive in pursuing that transaction that the Soviet Union was permitted to buy at bargain basement prices, the giant grain traders were able to reap windfall profits and excessive export subsidies, many farmers lost the share of the profits they should have received, and the rest of us were left with dangerously short supplies and abnormally high prices.

No one challenges the wisdom of striving to continue the steady growth in commercial exports of farm commodities. We need only look at the overall balance of trade to recognize how vitally important these sales have become.

For fiscal 1973 a national trade deficit of $6 billion is projected. We know the sad implications of that figure at a time when the dollar has been sliding to new lows and our accesses to world markets has been eroded by aggressive competitors in Europe, Japan, and elsewhere.

Yet a favorable balance of agricultural trade of some $3.5 billion is projected. That is dollar sales alone. Without those farm exports, the payments deficit would be nearly 60 percent higher than it is, demands against our reserves would be $3.5 billion greater, and our world economic posture would be $3.5 billion bleaker.

Yet, again, the policy is defeated. In June, because supplies were running short, the administration actually imposed export controls on selected agricultural commodities—a dramatic and extreme step to inhibit the flow of American farm commodities into world markets.

The administration told us of its regrets about taking that action. I should hope so. It required either breaking or sharply reducing contracts with other countries. It imperils the carefully constructed reliability of this country in the world's commercial markets for food. It sends us to critical international economic negotiations with withered bargaining power. And it has profound political overtones as we move to reconstruct good relations with some of our most important allies. We cannot yet measure the full impact—but we certainly can conclude that food export controls have brought serious harm to vital American interests.

The fourth pillar of our farm and food philosophy has been damaged as well. Since the mid-1950's, we have recognized the enormous potential of our food abundance as a humanitarian asset and as a positive means for promoting peace and stability in less developed countries. In the 1966 Food for Peace Act, we declared those objectives were sufficiently important to be included in our production plans—that instead of allocating what we accidentally produced in excess to our own needs and commercial demands, we would make positive plans for meeting concessional food needs and assistance requirements around the world.

Yet the entire thrust of Public Law 480, the food-for-peace program, is now in jeopardy.

In West Africa today, according to the United Nations, 5 million people are threatened with starvation, malnutrition, and disease. Six countries—Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta—have suffered a drought of disastrous proportions, as if the Sahara had moved south to envelop an entire new region. While we have known of this tragic situation for some time, we have done too little. And because of limits on shipping and port facilities, whatever we do now may be too late for millions of suffering humans.

There are critical shortages elsewhere. I will recite one case in detail because it dramatically illustrates our plight. The new nation of Bangladesh is still struggling to restore its own damaged landscape and its own depleted agriculture after a devastating war for independence. We have foreseen another food crisis there in 1973. As long ago as December of 1972, we had reliable estimates on what could be produced internally, what could be purchased with the country's own limited currency reserves, and what would have to be supplied by donor countries. Of a projected deficit of 2.5 million tons, the Government of Bangladesh was to purchase one-third, or about 850,000 tons, and 1.7 million tons was to be donated by the international community. The U.S. share was 700,000 tons of wheat.

Both the amount and the timing of that food is crucial. The major rice harvest in Bangladesh will not come until mid-November. It has been clear for some time that the most critical period would be August through October, and that shipping schedules made it necessary to have the grain committed well before that period began.

We supplied 200,000 tons in the first quarter of this year. On March 31, we reaffirmed our commitment to supply another 500,000 tons.

But at almost the precise time when the next shipments should have been underway, the administration began doubting in light of domestic shortages, whether the commitment would, in fact, be met.

A number of Senators have sought to inspire action on this matter. Senator SAXBE's letter to the President urging one approach—a diversion of Soviet grain—was signed by 38 other Senators. Senator HUMPHREY has also written separately seeking the administration's response to that idea. I have tried to pursue this issue with special concern as chairman of the Senate Foreign Relations Committee's Subcommittee on South Asian affairs.

The administration has responded in part. A total of 280,000 tons of the remaining 500,000 we promised have been made available on an urgent basis. I am especially grateful for the diligent efforts undertaken by responsible executive branch officials, particularly in the Department of State.

But the question remains unresolved. We still do not know whether or when the remainder will come.

The Bengali's have spent more than intended for commercial purchases—$140 million, or 70 percent of their total foreign exchange reserves, to purchase a little over 1 million tons on the market. The crisis has been moved back somewhat by a step which is bitterly ironic for the United States—a diversion of 200,000 tons of the wheat which the Soviet Union has purchased from the United States, and which was in the process of shipment. While they do expect repayment, the Soviet Union, to the credit of that country, has responded to an urgent human need which we could not fulfill, despite the superiority of our farm system and the reputation for reliability we have tried to maintain.

But the crisis will still come unless we make our decision soon. I am told now that a decision may not come for several weeks. And I am fearful now that because of the inevitable lag between the time we commit the wheat and the time it arrives, a decision several weeks from now could very well be too late to avert widespread starvation.

I cannot believe, and I do not suggest, that our leaders are insensitive to these difficulties. Certainly there is no conscious intention to inflict upon the people of Bangladesh either the physical agony of not receiving this food, or the mental agony of not knowing whether it will come.

Instead, the Department of Agriculture simply does not know whether the wheat will be available to ship. And another central theme of our farm and food policy—an adequate supply—is on the verge of collapse.

None of these results was inevitable, and perhaps none, for the long term, is irreparable.

But consider some of the choices we have made.

We have chosen commercial sales of wheat to the Soviet Union over guarantees of an adequate diet for those impoverished Americans who subsist on surplus commodities.

We have chosen, at least indirectly and without complete success, to feed American livestock, in support of our taste for meat over grain, instead of meeting desperate human needs in West Africa, South Asia, and elsewhere.

We are forced to such results because we simply have no policy for choosing which needs to fill and which to ignore when we cannot fill them all. And, although I am convinced it is both possible and relatively uncomplicated, we neither have nor appear to be pursuing with any vigor policies which could help us avoid these soul-shattering choices.

I caution those who look eagerly to the next harvest as an answer.

We are projecting a bumper crop this

year. But we can already project growing needs.

As of July 1, we had a carryover supply of wheat amounting to 420 million bushels, less than one-fourth of expected disappearance. We will produce 1,749 million bushels, and we will use, through domestic consumption and exports, a projected 1,806 million bushels. That figure is probably low, because it came out before another sale to the People's Republic of China was announced last weekend. There may be other transactions left out of the projection. But in any event, we can predict already that our reserves of wheat will not grow this year; that instead they will shrink still further.

The same is true of corn. We will carry less than 15 percent of projected disappearance into the harvest this fall. We will produce 5,880 million bushels, and use 5,881 million bushels, according to the most recent grain situation estimates. The carryover will drop slightly—if disappearance is no greater than projected now.

On soybeans, we will carry only 40 million bushels into the harvest—no more than about 2½ percent of what will certainly be used next year. What a perilously low figure that is. With production estimates of 1,628 million bushels and requirements of 1,513 million, the carryover is expected to climb slightly. But we will still have reserves of less than 8 percent of usage, again, if today's figures hold.

So we cannot find salvation in this harvest. And the same figures suggest that neither can we dismiss 1972 as a bad crop year worldwide and then expect to go on as before.

It is true that 1972 was a bad year. The world wheat crop fell 5 percent short of the 1971 figure. The rice crop was down by a similar amount, and rye, barley, oat, and corn crops were also smaller than in 1971. It was inevitable that an extraordinary weight would fall on the few fortunate countries with the capacity to feed themselves.

But even that suggests a failure of our reporting and planning methods I am convinced that with the modern techniques available now, including taking some of the advanced technology we apply to learning what weapons some countries are capable of building and using it to discover what all countries are capable of growing, we could have known much earlier what the world food outlook would be. And even if we could not have predicted a world shortage in one particular year, we should certainly know that it is possible, even likely, in some year. As we have found, to our sorrow, our reserves were dangerously low.

But the problem has much graver implications. I am convinced that 1972 was not an aberration but the sharp warning of a deeply troubling new trend.

World agricultural production is finite. Most productive land is already in use, and only that in developing countries is capable of substantial increases in production. Most waterways available for irrigation have also been developed. Most of the world a detailed plan for a mini- used. Many marine biologists believe we have reached the limit in harvesting edible fish from the seas.

Yet food demand continues to rise at an alarming rate.

World population, still the overriding cause of rising food demands, is growing at a rate of 2 percent each year—rapidly enough to double in not much more than a generation.

But even if we can bring population growth rates under control, that factor is being replaced by another. Expanding affluence carries with it a dramatic expansion in the per capita demand for food.

It takes 7 pounds of grain to produce 1 pound of beef; 4 pounds of grain for 1 pound of pork; 3 pounds of grain for each pound of poultry. So if all the world ate only bread, all the world could be fed. But more and more of the world demands meat, and that means a manifold reduction in the amount of bread available for us all.

Since 1940, the average American has increased his beef consumption from 55 pounds to 117 pounds each year. Per capita poultry consumption has risen from 18 pounds to 51.

If they are converted back, these figures suggest that each of us uses up almost a full ton of grain every year—five times as much as the average for the poorer two-thirds of the world's people.

And our trend is spreading. Two-thirds of a billion people reside in the northern tier of industrial countries. Their dietary habits have reached roughly what ours were in 1940. They have prospering economies and growing affluence. In a very few years their demands will be as great as ours are now.

In 1965, when we were preparing to consider an extension of the food for peace program, I suggested that "the most challenging crisis for the rest of this century will be the accelerating race between food and people."

We have not lost that race. But now, with the shock of this past year fresh in our memories, and possibly with still harder days ahead, we must confront these issues more seriously than ever before.

We should at least be able to grasp the beginnings of a new policy.

For too long we have been approaching this issue on a short time basis alone. This past year has been that approach in full flower, as we have reacted to crises and attempted to plug the holes. We have prospered to this point only because of the large margin of error our abundant resources allowed us to absorb.

But we no longer have that luxury. Even with bumper crops, things will not be as they were, with never-ending surpluses and 50 million acres held in reserve. And our planning for the future must now express more than a hopeful optimism—an unthinking expectation of abundance. We must begin planning for and expecting the worst possible case as well as the best years and average crop yields.

To do that, it is plain that we must spare no effort on the urgent question of population control, lest it be imposed after the fact, under the grim predictions of Thomas Malthus—famine, pestilence, or war. We must intensify our efforts to find new techniques for expanding food production, and we must share today's techniques more widely around the world. For even at maximum production, a single year's use of our own excess capacity can hardly make a dent in world needs.

And we must begin immediately to secure three other objectives.

First, we must assure the American farmer, in no uncertain terms, that he will not be expected to produce at a loss—that he can be certain of a fair return.

Just recently, Secretary of Agriculture Butz has announced that in 1974 the lid will be completely off on farm production in the United States. Under Government farm programs, there will be no idled acres.

But we must also be aware that such an action can never force farmers to plant. If farmers fear an oversupply on the market, it is entirely possible that they will idle acres on their own because of doubts whether they will make back the cost of production.

With these thoughts in mind, I am frankly mystified by the administration's original proposal that all price guarantees for basic food and feed grains be phased out. And I am mystified that the administration threatened almost daily to veto earlier versions of the farm bill which just cleared the Senate, to force a reduction in the "target price" guarantee.

I am pleased that the President will sign a farm bill with a price floor. But it is pleasure tempered by a serious concern about production next year, and coupled with a deadly earnest reminder to the administration of the size of the stakes and the gravity of the consequences if we gamble for big production and lose.

Second, we must move to establish our own reliable reserves of grain, so that temporary shortages, whatever the cause, will never again totally disrupt our farm and food objectives at home and abroad.

Many of us have advocated such a program for many years. It is not a new concept. It can be most accurately described as an idea whose time was last year. And with the signal of this past year, I fervently hope that the administration will comply with the request Senator AIKEN and I make in the resolution we introduce today—to report back no later than the beginning of the next Congress, with specific recommendations for domestic reserves of food commodities.

Third, we must pursue the same goal on an international scale, in full recognition of our own limitations in dealing with shortages of the kind which developed in 1972 and 1973.

In November of this year, the Director General of the United Nations Food and Agriculture Organization, Addeke H. Boerma, will submit to the governments of the world's grazing capacity is being mum world food security policy. It will focus on three issues: the need for a consensus on the concept of minimum food security as a joint responsibility; intergovernmental cooperation and consultations on national stock levels which

should, in combination, achieve and maintain such security; and international assistance to developing countries in establishing basic food stocks where required.

The United States, of course, will be expected to participate in such a program. The administration should be preparing now to propose an international food policy which will be equitable to our farmers and consumers at home and to those abroad who are dependent upon the United States for their day's bread.

This subject is also addressed by the resolution we are introducing today. Again, I hope our proposal will prove to be unnecessary, and that the administration will pursue these preparations vigorously on its own.

I do not pretend that these steps alone will provide answers to the immensely difficult food policy questions we will have to face over the next two decades.

Instead, what they do represent is a first response to the dictates of self-interest, compassion and conscience.

Self-interest requires that we strive to become again the world's arsenal of agricultural abundance.

Compassion demands that we answer the rising complaints of the Americans who cannot afford enough to eat and the desperate cries of the Bengalis who have nothing to eat.

And above all, there is conscience, which instructs this wealthiest and most influential Nation to heed the ancient words . . . "If any man hunger, let him eat. . . ."

Mr. President, I ask unanimous consent that the resolution authored by Senator AIKEN and myself be printed at this point in the RECORD.

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

S. RES. 157

Whereas it is the policy of the United States under the Agricultural Adjustment Act of 1938 as amended (52 Stat. 31) that "it shall be the duty of the Secretary to give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair to both producers and consumers," and,

Whereas it is the policy of the United States under the Food Stamp Act of 1964 as amended (78 Stat. 703) that the "Nation's abundance of food should be utilized . . . to safeguard the health and well being of the Nation's population and raise levels of nutrition among low income households," and

Whereas it is the policy of the United States under the Agricultural Adjustment Act of 1938 as amended (52 Stat. 31) that "it shall be the duty of the Secretary to use available funds to stimulate and widen the use of all farm commodities . . . and to increase in every practical way the flow of such commodities and the products thereof in the markets of the world," and,

Whereas it is the policy of the United States under the Agricultural Trade and Assistance Act of 1954 as amended (68 Stat. 454) to "use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries," and,

Whereas because of an experience with food surpluses the United States has not developed methods to manage farm and food programs to assure that these competing foreign and domestic objectives can be filled in years when food supplies are not sufficient to meet current demands, and,

Whereas the absence of such methods requires untenable choices between commercial opportunities and human needs, and can also force extreme measures, such as export controls, which inevitably damage both the political and economic interest of the United States, and,

Whereas such steps in recent months have in fact created hardships for the American consumer, disrupted normal trade relations with foreign countries, and hampered the traditional role of the United States as a leading humanitarian supplier of food to those in need: Now, therefore, be it

Resolved, That it is the sense of the Senate

1. That the United States shall cooperate to the fullest possible extent with appropriate international agencies, including the Food and Agriculture Organization of the United Nations, in efforts to establish world reserves of basic food commodities, and

2. That the President of the United States should immediately initiate a study to determine proper levels of an appropriate rules and regulations for the effective management of, domestic reserves of basic food commodities, accounting for domestic and foreign demands in both commercial and concessional markets, and

3. That at the beginning of the Second Session of the 93d Congress, the President should recommend to the Congress a plan for the establishment of domestic food reserves, and that he should report to the Congress at the same time on progress toward the establishment of world food reserves.

SENATE RESOLUTION 158—SUBMISSION OF RESOLUTION TO URGE THE RESTORATION OF THE STATUS OF AMATEUR ATHLETE FOR THE LATE JIM THORPE, AND FOR OTHER PURPOSES

(Referred to the Committee on Foreign Relations.)

Mr. BURDICK. Mr. President, today I am submitting legislation to help restore the amateur status of the late Jim Thorpe so that his achievements may take their rightful place in the history of athletics. Thorpe, an American Indian and an outstanding all-around athlete, earned eight gold medals at the 1912 Olympic Games. Later he was ordered to return his trophies and was banned from further amateur play because it was discovered that he played minor league baseball for about $15 per week, a mere pittance, hardly enough to cover living expenses, some 3 years earlier. The story of Jim Thorpe, which has aroused the indignation of sports fans across the country, is briefly told in the May 20, 1973 Minneapolis Sunday Tribune and the June 1, 1973 Minot Daily News—the latter one of the finest newspapers published in North Dakota. I ask that the two accounts be printed in the RECORD at this point.

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

THE INSIDE

(By James B. Sullivan)

In the first couple of decades of the century, college football players boosted their budget by appearing in Sunday professional games under assumed names.

In the summers the athletes with remaining eligibility would play baseball for money, using other names. (As a collegian, the great Eddie Collins showed how smart he was by taking the name of Sullivan.)

One of the oases for needy students in 1909 was the semi-pro Eastern Carolina League. From Carlisle in Pennsylvania went Jesse Young Deer and Joe Libby. A schoolmate named James Francis Thorpe tagged along for the trip.

Young and Libby joined Rocky Mount as outfielders and, when Thorpe came across the cost of living, he agreed to play third base for $15 a week under the name that belonged to him.

"I didn't know anything about amateur rules," he said many years later. "I didn't even think about doing anything wrong, because there were a lot of other college boys playing around there."

Naturally, Thorpe did not have an obscure season. He soon turned to pitching and won 23 out of 25 games. At the end of the summer he was slightly famous and very broke when he went home to Oklahoma.

In the 1912 Olympic Games at Stockholm the Sac and Fox Indian (aided by one fourth Irish blood) won the pentathlon and the decathlon handily. At the close of the 1912 football season, somebody blew the whistle on Jim Thorpe, and it wasn't a referee.

Publicly, there are only theories on who turned him into the Amateur Athletic Union, whose president, Gustavus T. Kirby, declared him guilty of sin. (Sullivan not only failed to change his name to Collins but allowed it to be placed on the annual AAU trophy.)

Thorpe, who wasn't even in school from the spring of 1909 until the fall of 1911, readily admitted to Coach Pop Warner that he had played for money at Rocky Mount and Fayetteville, Ark. in 1909.

Warner reported the following Thorpe quotation to the AAU: "I did not play for the money that was in it, but because I like to play ball. I . . . did not know that I was doing wrong because I was doing what many other college men had done except that they did not use their own names."

Colder than the iceberg that waited for the Titanic, the AAU ordered Warner to return all of the medals and cups, banned Thorpe from any further amateur play and shipped the trophies back to Europe.

Americans were in high dudgeon and the Scandinavian runnersup were in low spirits.

F. R. Bie of Norway, who was second in the pentathlon, and Hugo Wieslander of Sweden, who was second in the decathlon, rejected the trophies on the ground that Thorpe had won the events.

"We don't know what your rules are in regard to amateurism," said Messrs. Bie and Wieslander, "but we do know, having competed against him, that Thorpe is the greatest athlete in the world."

The only question was whether he was greater in track or in football. Amos Alonzo Stagg (who dabbled in football, said, "There may never be another Thorpe."

Veteran coaches and writers who had seen Thorpe said he could run with George Gipp and Red Grange, smash with Bronko Nagurski, kick with anybody in history, pass with Brick Muller and Sammy Baugh and outblock Marty Brill.

Anything else? "Defensively," they said, "he had no equal."

At long last the AAU executive committee has voted to restore the late Thorpe's amateur status from the years 1909 through 1912. That virtually assures organization approval in October.

Petitions for Presidential endorsement could influence the national body although the AAU may not require any convincing. The ultimate decision rests with the International Olympic Committee. Moreover, the Jim Thorpe Athletic Award Committee has been in existence for 10 years.

And it is all too late for Thorpe, who had almost lost hope in 1949 that the case would be re-opened. "Maybe . . . some day," he said.

"The last time I tried, they wouldn't even give me a hearing. I don't know . . . but I'd sure like to have those things I won . . . haven't got much else anymore."

THORPE PETITIONS AWAIT SIGNATURES

Stands will be set up at several Minot locations Saturday to obtain petition signatures asking that amateur status be restored to the 1912 Olympic hero, the late Jim Thorpe.

The drive leader is Joseph Davis, a 1968 graduate at Minot State College. His petitions for 40,000 signatures are addressed to the President of the United States.

Other Thorpe drives have started throughout the country.

The booths will be situated in front of Reub's Camera and Minot Drug in downtown Minot, at Tempo and at Roosevelt Park from 9 a.m. to 6 p.m.

[From the Minneapolis Sunday Tribune, May 20, 1973]

RESIDENTS OF CARLISLE TRY TO REGAIN THORPE HONOR

CARLISLE, PA.—Residents of this south central Pennsylvania community have launched a drive to have the late Jim Thorpe, stripped of his Olympic medals at the height of his athletic glory, restored to his amateur status and rewritten into the record books.

Thorpe, who died in 1953 after declining into a bleak existence that included heavy drinking, made this picturesque borough a household word just after the turn of the century when he led Carlisle Indian School teams to victories in various sports.

He was an All-American football player for two years and became the hero of the 1912 Olympics, where he won the pentathlon and decathlon and captured eight gold medals. But the Olympic committee later learned he played minor league baseball for a pittance—about $15 a week—and stripped him of the awards.

Reuben Smitley, the borough's director of parks and recreation, began a petition drive Saturday to enlist the support of Carlisle's 18,000 residents. With the help of the local Jaycees, Smitley hopes to obtain at least 10,000 signatures and eventually the help of President Nixon, Congress and the International Olympic Committee (IOC).

Smitley is a member of the national Jim Thorpe Committee, based in Yale, Okla., which is spearheading the petition drive nationwide. Yale is Thorpe's birthplace.

Harold Brown heads the committee in Yale and plans to send the Carlisle petitions, with thousands of others, to the President, Congress and eventually to the IOC.

Smitley said similar drives, including one in Carlisle four years ago, failed because of opposition from the conservative former head of the IOC, Avery Brundage.

"We were banging our heads against a stone wall—Avery Brundage," Smithley said. He said Brundage also competed in the 1912 Olympics and probably was "envious." Now that Brundage has retired, Smitley and Brown believe the drive may meet with more success. Smitley said Thorpe never even had a hearing when his medals were taken away.

"By gosh, if he was a professional, then every athlete who competes in this country and Russia today is a pro," Smitley said.

Mr. BURDICK. Mr. President, the Amateur Athletic Union executive committee has already voted to restore Thorpe's amateur status for the years 1909–12. I understand that this is a good sign that the AAU itself will approve a similar resolution when it meets in October. The final decision, however, rests with the International Olympic Committee and I hope that the voice of the Senate, added to that of thousands of individual Americans, will result in favorable action by that body.

The resolution reads as follows:

S. RES. 158

Resolved, that it is the sense of the Senate that the Amateur Athletic Union restore to the late Jim Thorpe the status of amateur athlete.

Sec. 2. Further, it is the sense of the Senate that the International Olympic Committee officially recognize the achievements of said Jim Thorpe during the 1912 Olympic Games.

SENATE RESOLUTION 159—SUBMISSION OF A RESOLUTION CREATING A STANDING COMMITTEE OF THE SENATE ON THE CENTRAL INTELLIGENCE AGENCY

(Referred to the Committee on Rules and Administration.)

Mr. PROXMIRE. Mr. President, I introduce today a Senate resolution designed to enhance the effectiveness of the oversight function for the Central Intelligence Agency.

For many years the Senate has been less than diligent in performing its monitoring of the intelligence community. We have been surprised continually by foreign developments of our own making which have gone unreported to the appropriate Senate authorities.

I understand well the measure of trust that has been placed in the Central Intelligence Agency and its Directors. There has been a feeling that they do a good job and, therefore, the Senate should not interfere in what was considered an executive department matter of great sensitivity.

Those days are now long past. The Senate is recognizing its rights and responsibilities when it comes to the formation of foreign policy and the balance of power between the executive department and Congress. The balance is shifting more to the middle of the spectrum, where it belongs.

For its part, the Armed Services Committee has moved to update and reinvigorate its oversight duties. The distinguished acting Chairman of that committee, Mr. SYMINGTON, is to be credited for this revival of interest. The chairman, Mr. STENNIS, likewise has indicated that the committee will undertake a far reaching review of the intelligence community.

PRIOR ATTEMPTS AT JOINT COMMITTEES UNSUCCESSFUL

Over 200 bills and resolutions have been offered dealing with increased oversight of the intelligence community. Most of these have dealt with the creation of a joint Senate-House committee. Only two bills actually have been brought to a vote, and both of these were defeated handily.

The first of these was authored by the distinguished majority leader in 1955 with the support of 33 cosponsors, some of which failed to vote for the concurrent resolution when it was considered and rejected by a vote of 59 to 27.

The second proposal was tested in 1966 by Senator Eugene McCarthy. As reported out, it would have formed a Committee on Intelligence Operations composed of nine members, three from Foreign Relations, three from Appropriations, and three from Armed Services. A vote on a point of order regarding this resolution registered a 61-to-28 decision to send it to the Armed Services Committee, where no action was taken.

On November 13, 1971, the distinguished Senator from Missouri (Mr. SYMINGTON) introduced a Senate resolution to create a Select Committee on the Coordination of U.S. Government Activities Abroad. It would have reviewed the coordination of U.S. Government departments and agencies abroad, including the Department of Defense and the Central Intelligence Agency. The resolution was referred to the Department of State, Department of Defense, and the CIA for reports and was considered in executive session by the Foreign Relations Committee, but no specific action was taken.

This review of legislative history suggests that although many voices have been heard and bills introduced, little action has resulted. Until recently the oversight committees have resisted change even while admitting that the oversight function has frequently broken down.

A RECOMMENDATION FOR CONTINUITY AND CHANGE

With this backdrop it is important to note that any new proposals should contain the best elements of previous working relationships and whatever new arrangements would strengthen the role of the Senate over this executive department entity.

For security purposes there must be continuity and a respect for the sensitive nature of the oversight role. Radical changes are not appropriate. But sensible alterations must be considered.

The resolution I am offering, which I should note belongs in spirit and design as much to the majority leader as to anyone, would alter the standing rules of the Senate. A new committee on the Central Intelligence Agency would be established containing seven members.

For the sake of continuity and in deference to the experience of the Armed Services Committee in these matters, two members would be selected from that body.

In order that all foreign policy implications of our covert activities are considered, two members would be selected from the Foreign Relations Committee. As we all know, many CIA operations have had distinct foreign policy effects, and these should be evaluated not only after the fact, but before marginal operations are undertaken.

Three remaining positions would be filled from the rest of the Senate. No more than four of the seven members would be of the majority party.

The new committee would come into existence 20 days after the enactment of the resolution. All proposed legislation, messages, petitions, memorials, and other matters relating to the Central Intelligence Agency would be promptly referred to the committee. All matters pertaining to the appropriations of funds for the operation of the Central Intelligence Agency that normally falls within the jurisdiction of the Committee on Appropriations would be exempted.

A CRITICAL COMPONENT: STAFF

A new committee would have a distinct advantage over the present arrangement. It would be able to hire a full time highly qualified staff to assist in the monitoring process.

I have the greatest respect for the present staff of the Armed Services Committee. They are talented and hard working. But they have many other pressing responsibilities besides that of reviewing the intelligence community. Handling the Department of Defense budget request is a mammoth job on its own.

In order to exercise the required oversight over the Central Intelligence Agency, Defense Intelligence Agency, National Security Agency, intelligence components of the Army, Navy, Air Force, FBI, Atomic Energy Commission, and Department of the Treasury with an annual budget somewhere in the $4 or $5 billion class requires full-time attention by a full-time staff.

Too many surprises have come our way to accept the present condition of the oversight function. We cannot afford to do any less than the best. I am sure that all agree on that. This resolution would provide the Senate with the means of restoring firm control over the intelligence community.

Mr. President, I ask unanimous consent that resolution be printed in the RECORD.

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

S. RES. 159

Resolved, That Rule XXV, paragraph 1, of the Standing Rules of the Senate is amended by inserting a new subparagraph (f) and relettering the subsequent paragraphs accordingly. The new subparagraph (f) reads:

"(f) Committee on the Central Intelligence Agency, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the Central Intelligency Agency, including authorizations of appropriations for the operation of the Agency."

SEC. 2. Rule XXV of the Standing Rules of the Senate is amended by inserting a new paragraph 4 and renumbering the subsequent paragraphs accordingly. The new paragraph 4 reads:

"4. Without regard to paragraph 7 of this rule, the committee on the Central Intelligence Agency shall consist of seven Senators, no more than four whom shall be members of the majority party, and of whom two shall always be Senators who are concurrently serving on the Committee on Armed Services, of whom two shall always be Senators who are concurrently serving on the Committee on Foreign Relations, and of whom the remaining three shall be selected from the remaining number of Senators."

SEC. 3. The Committee on the Central Intelligence Agency shall come into existence 20 days after the date of enactment of this resolution and all proposed legislation, messages, petitions, memorials, and other matters relating to the Central Intelligence Agency which is or shall be before any other Committee of the Senate, except for those matters pertaining to appropriations of funds for the operation of the Agency within the jurisdiction of the Committee on Appropriations, shall be promptly transferred to the committee.

SENATE RESOLUTION 160—SUBMISSION OF A RESOLUTION TO ESTABLISH A TEMPORARY SELECT COMMITTEE OF THE SENATE

(Referred to the Committee on Government Operations.)

Mr. HUMPHREY. Mr. President, for myself and Mr. BIDEN, Mr. GRAVEL, Mr. MCGOVERN, Mr. CRANSTON, Mr. STEVENSON, Mr. BIBLE, Mr. METCALF, Mr. MONDALE, Mr. HUGHES, Mr. MATHIAS, Mr. ABOUREZK, Mr. TAFT, and Mr. HATHAWAY, I submit a Senate resolution calling for the establishment of a Senate Select Committee To Study and Investigate the Regulatory Commissions of the U.S. Government.

The resolution would create a select committee composed of 13 members, three from the Committee on Banking, Housing and Urban Affairs; three from the Committee on Commerce; three from the Committee on the Judiciary; and four members appointed at large. Eight members of the select committee will be of the majority party; five of the minority. The committee is mandated to submit a final report to the Senate not later than January 20, 1976, with such interim reports as the committee decides advisable.

Under the terms of the resolution, the committee is charged with conducting a study and investigation of the regulatory commission along the following lines: First, the influence and impact of commission activities, procedures, rules, orders, decisions as these activities affect the general economy of the United States; second, the accountability of the commissions to the Congress, the relationships of the commissions to other agencies, to the executive branch, to the private sector, and the relationships of the activities of the commissions to the American consumer; and third, the appropriateness of regulation for given sectors of the economy, including an examination of the adequacy of current legislative statutes and an analysis of the economic consequences of regulatory activities for the American public.

Mr. President, various agencies are likely to fall under the scrutiny of this commission. The resolution directs itself in particular to the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission. However, there are other agencies and commissions that would likely be examined such as the Federal Home Loan Bank Board, the Food and Drug Administration, the National Labor Relations Board, the Renegotiation Board, the Tariff Commission, and the Federal Maritime Commission.

Mr. President, one of the particular areas of inquiry in which I am especially interested is the relationship of these agencies to the Congress. Originally, these commissions and agencies were interested to be "Arms of the Congress" which Congress defined as independent agencies with quasi-legislative and quasi-judicial functions. In short, the commissions were intended to be independent of the Executive, to be free from Executive control, and to act in a manner protecting the public interest.

Mr. President, in my judgment, there have been two serious perversions of the original congressional concept. First, the executive branch of our Government has captured control over these agencies. And, second, the commissions themselves have become captives of the special interest they are supposed to regulate, placing the wishes of the special interest first and those of consumer last.

Mr. President, there is little doubt that the executive branch of the Government has achieved a remarkable degree of control over the regulatory commissions. In my instances, the agencies are subject to the same budgetary process of regular departmental agencies; at times the Office of Management and Budget has refused the funds and the necessary personnel to enable the agencies to conduct the studies and investigations so crucial to the work of the commissions.

To emphasize this point, I need only refer to the testimony of FCC Commissioner Nicholas Johnson of February 22, 1973, before the Subcommittee on Communications of the Senate Commerce Commissioner Johnson said:

Let me detail for you all the ways the Executive Branch can and does exercise control over the FCC:

1. The initial selection, reappointment, or promotion of the Commissioners depends on the pleasure of the President.

2. The Chairman is designated and serves at the pleasure of the President.

3. Senior staff officials—super grades—must be cleared through the Civil Service Commission and the White House.

4. FCC budgets are submitted to OMB, and the FCC may request only what OMB allows. OMB sets the priority and level of FCC program expenditures by pairing or eliminating program requests of which it does not approve. Appropriated funds can also be impounded if OMB decides they should not be spent.

5. OMB sets personnel ceilings and average grade levels which substantially affect how appropriated funds can be spent.

6. OMB can require as a condition of approved or released funds, the conducting or particular studies, changes, in organization, or adoption of particular policies.

7. The FCC legislative proposals must be cleared through OMB in order to be included in the President's legislative program and to be funded.

8. In order to adopt forms necessary to secure needed information from regulated companies, the FCC must obtain OMB approval, including approval on occasion of underlying policies. This approval is, incidentally, influenced by the very industry from which we seek the information—in the form of an "industry advisory committee" to the OMB.

Concludes Commissioner Johnson:

The effect of this Executive Branch power can be seen in many ways. The facade of "independence" and Congressional scrutiny is maintained, while the Executive can exercise control without assuming responsibility for the agencies' action. The resident is not held accountable.

If executive control is one half of the serious problem plaguing the commissions, the failure of the commissions to regulate in the public interest is no less

serious. And, potentially this can be more damaging. The fact is that the public has become increasingly cynical of regulatory agencies that purport to represent the public interest while making decisions that cost the public money.

We must ask hard questions:

Does the Civil Aeronautics Board set rates to benefit the airlines or the air passengers? Does the CAB have procedures, standards, and operations to give fair and equitable treatment to all airline route applicants?

Do the regulations of the CAB promote competition between airlines that will result in the most efficient air transportation to Americans at the lowest possible cost or do they follow a regulatory pattern on a "lowest common denominator" basis to assure that the least efficient airline maintains its profitability?

Does the FCC act against deceptive broadcasting practices? Does it set rates in the interest of the public utilities or the consuming public? Does the FCC afford protection to licensees that meet their license responsibilities?

Does the Federal Trade Commission protect the public against misleading and manipulative advertising? Does the FTC afford protection to legitimate business against predatory business?

Does the Federal Reserve Board, when it sets monetary policy, act in the best interest of the Wall Street banks or the Main Street consumer?

Does the ICC strive to promote the most efficient rail system our Nation is capable of sustaining or merely the perpetuation of the present railroad system? How does the ICC balance the needs of the public for rail service with the railroads profit requirements in its decisions on rail abandonments? Are other public policy objectives, such as those related to energy conservation, rural development, environmental protection, to name but a few, adequately weighed by the ICC in its decisions?

Mr. President, I believe that the Congress and the American public should know the answer to these and other questions involving the whole gamut of Federal independent and regulatory agencies.

It is timely for Congress to conduct a full and fair review of the whole regulatory field. The last time such an inquiry was conducted was more than 13 years ago when the Landis report was completed for President-elect Kennedy. This study was more concerned with the administrative and organizational aspects of the regulatory agencies than with the economic results of the regulation, the control points in regulation and the effects of commission and agency activities on the consumer.

In short, Mr. President, this whole area has remained unexamined, often hidden from public view. Yet, with the possible exception of taxation, no economic activity touches so much of the citizenry as does the regulatory commissions. No activity—in fields of power, transportation, or communications, labor relations, monetary policy, or securities and banking—is as pervasive as that of the regulatory commissions.

Mr. President, I believe that detailed, broadly based, bipartisan examination of these agencies will clear the air. It will cleanse the regulatory process. It will strengthen the capabilities of Congress. And, it will immeasurably add to public confidence in the actions and activities of Government.

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

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

Resolved, That (a) there is established a temporary, select committee of the Senate to be known as the Select Committee on Regulatory Commissions and the United States Economy (referred to in this resolution as the "Committee").

(b) The committee shall conduct a complete study and investigation on regulatory commissions and agencies of the United States Government, including—

(1) the influence and impact of the activities, procedures, rules, orders, and decisions of such regulatory commissions and agencies, in particular, the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission; and

(2) the accountability of such regulatory commissions and agencies to the Congress, the relationships of these commissions and agencies to other departments, agencies, and independent establishments of the executive branch of the United States Government, the relationship of each such commission or agency to any sectors of private or public enterprise the commission or agency is charged by statute with regulating, and the relationships of those commissions and agencies to the United States consumer;

(3) the appropriateness of regulation for given sectors of the economy, the adequacy of current legislative statutes, and the economic consequences of commission and agency regulatory activities for the United States consumer; and

(4) such other matters as the committee considers appropriate.

(c) The committee shall submit a final report to the Senate not later than January 20, 1976. The report shall contain a comprehensive summary of the work of the committee and shall include such recommendations as the committee deems appropriate with regard to the functions referred to in subsection (b) of this section. The committee shall from time to time make such other reports and recommendations to the Senate as it deems appropriate.

(d) The committee shall cease to exist upon the expiration of thirty days following the submission of its final report under subsection (c) of this section.

SEC. 2. (a) The committee shall consist of thirteen Members of the Senate, appointed as follows:

(1) Three members of the Committee on Banking, Housing and Urban Affairs, two from the majority party and one from the minority party, designated by that committee;

(2) Three members of the Committee on Commerce, two from the majority party and one from the minority party, designated by that committee;

(3) Three members of the Committee on the Judiciary, two from the majority party and one from the minority party, designated by that committee; and

(4) Four Members of the Senate, 2 from the majority party and 2 from the minority party, appointed by the President pro tempore of the Senate.

Service of a Senator as a member or as chairman of the Committee shall not be taken into account for the purposes of paragraph 6 of Rule XXV of the Standing Rules of the Senate.

(b) One of the members of the Committee shall be designated by the President pro tempore of the Senate to serve as Chairman of the Committee. Vacancies in the membership of the Committee shall not affect the authority of the remaining members to execute the functions of the Committee and shall be filled in the same manner as original appointments are made.

(c) A majority of the members of the Committee shall constitute a quorum for the transaction of business, except that the Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony. The Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) The Committee shall have no authority to report any legislative measure to the Senate nor shall it otherwise have legislative jurisdiction.

SEC. 3. (a) For the purposes of this resolution, the Committee or a subcommittee thereof, is authorized, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to require, by subpena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents, (6) to take depositions and other testimony, (7) to procure the services of individual consultants or organizations thereof, in accordance with the provisions of section 202(1) of the Legislative Reorganization Act of 1946, as amended, and (8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(b) With the consent of the chairman of any other committee of the Senate, the Committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommitee thereof, whenever the Chairman of the Committee determines that such action is necessary and appropriate.

(c) Subpenas may be issued by the Committee or by a subcommittee thereof, over the signature of the Chairman of the Committee or subcommittee or of any member designated by either of them, and may be served by any member designated by any such Chairman or member. Any such Chairman or member may administer oaths to witnesses.

SEC. 4. The expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee.

Mr. BIDEN. Mr. President, I am pleased to cosponsor the Senate resolution introduced by Senator HUMPHREY today calling for the establishment of a Select Committee to study and investigate U.S. regulatory commissions.

Vast responsibilities are delegated to administrative agencies through legislative authority and executive mandate. Such agencies are appropriately required to handle details of policy and specific situations that Congress cannot adequately consider. Nevertheless, it is our ultimate responsibility to inquire into results of delegated decisions.

We have not had the benefit of a close analysis of regulatory commissions for 13 years. With their ever-expanding role, I

feel it is necessary once again, from a fresh standpoint, to inquire into and evaluate the administrative process.

I congratulate my distinguished colleague from Minnesota for taking the initiative in introducing this important legislation.

SENATE RESOLUTION 161—SUBMISSION OF A RESOLUTION CONCERNING THE CONSIDERATION BY THE SENATE OF CERTAIN MEASURES AND CONFERENCE REPORTS

(Referred to the Committee on Rules and Administration.)

Mr. McCLURE submitted the following resolution:

S. RES. 161

Resolved, That the first sentence of section 133(f) of the Legislative Reorganization Act of 1946 is amended—

(1) by inserting immediately after "unless" the designation "(i)"; and

(2) by inserting immediately before the period at the end thereof a comma and the following: "and (ii) in the case of a measure or matter reported for at least ten calendar days and not yet considered by the Senate, notice has been published in the Congressional Record at least three calendar days (excluding Saturdays, Sundays, and holidays) prior to consideration of the measure or matter, stating the day on which consideration of the measure or matter is to begin."

SEC. 2. Section 135 of the Legislative Reorganization Act of 1946 is amended by adding at the end thereof the following new subsection:

"(e) It shall not be in order to consider any report made by a committee of conference to the Senate unless the report and the accompanying explanatory statement have been printed in the Congressional Record at least three calendar days (excluding Saturdays, Sundays, and holidays) prior to the consideration of such report by the Senate. This subsection may be waived during the last six calendar days of any regular or special session of the Senate, as determined, and published in the Record, by joint agreement of the majority leader and minority leader of the Senate."

SENATE RESOLUTION 162—SUBMISSION OF A RESOLUTION TO ENCOURAGE BILINGUAL SIGNS IN THE UNITED STATES

(Referred to the Committee on Government Operations.)

FOREIGN VISITORS TO THE UNITED STATES

Mr. HUMPHREY. Mr. President, this summer, I have noticed a marked increase in the number of foreign visitors and tourists in our Capital City. We should promote this increase in foreign tourism by doing everything possible to make visitors from abroad feel welcome in our country.

One small but vital change that could help stimulate foreign tourism would be to have public signs and inscriptions written in at least two languages or to represent pictorially these signs and inscriptions so that they can be understood by anyone, regardless of the language they speak.

When Americans travel to Europe, or to Japan, or even to Africa, we can usually find someone who speaks some English when we get lost, or need to find a restaurant, or locate a restroom. However, when a Japanese, French, Spanish, or German speaking foreigner travels to the United States and needs assistance, he has a hard time finding a person on the street or in his hotel who is able to aid him.

Almost every airport, bus station, or railroad station overseas has signs in more than one language. Tourist pamphlets usually are written in two or three languages. Internationally understood pictorial signs are used for marking restaurants, restrooms, traffic rules, exit signs, and public buildings. However, here in the United States hardly a bilingual or pictorial sign can be found except for the increased use of internationally recognized traffic signs.

In 1971, around 13 million foreign visitors spent an estimated $2.5 billion in the United States, while Americans spent $4.3 billion abroad—a $1.8 billion drain on our balance of payments. This year it is predicted that foreigners will spend $3.7 billion in the United States, while Americans abroad will spend around $6.2 billion—a $2.5 billion imbalance. This trend could easily be abated, if the United States would begin to actively promote foreign tourism to bring these dollars back home.

With the recent devaluations of the dollar, more foreigners are now able to afford a vacation in the United States. Already, in the first 3 months of this year, there has been a 29-percent increase in foreign visitors over the same period in 1972. The United States has issued as many as 6,000 visas in 1 day in Tokyo recently and around 2,300 visas in 1 day in London to allow foreign tourists to enter this country. Nevertheless, it has been estimated that while over 80 million people throughout the world can afford a vacation in the United States, we have been able to attract less than 10 percent of that market each year.

The tourist industry is one of the fastest growing industries in this country, but one of the most forgotten. In 1970, the tourist industry accounted for 3.8 percent of our private employment. However, by 1980, a 60-percent increase in employment is expected in this industry. And one of the biggest reasons for this sharp rise in employment will be the increase in foreign tourists.

Our Nation today is an underdeveloped country in terms of foreign tourism. I commend the several agencies such as the International Visitors Service Council, the U.S. Travel Service, and the Discover America Travel Organization which have done such a good job in providing service to foreign visitors, will cooperate in making foreign visitors welcome.

We need to support the growing tourism industry. And one way to promote foreign tourism is by making foreigners feel more welcome here through the use of multilingual signs.

I ask unanimous consent that the text of my resolution be printed in the RECORD.

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

S. RES. 162

Whereas in 1971 the United States was host to almost 13 million foreign visitors;

Whereas these foreign visitors to the United States spent nearly $3.2 billion here;

Whereas the devaluation of the dollar has made it possible for more foreigners to afford the trip to the United States;

Whereas the Bicentennial celebration of the United States is to be celebrated in 1976 and of the projected 40 million tourists that will come to our Nation's Capital one-sixth of them will be foreigners;

Whereas the United States is not adequately prepared to give these visitors the warm welcome they deserve: Therefore, be it

Resolved, That Federal, State, and local governments set a precedent for private business by making all public signs and inscriptions read in at least two different languages, one being English and the other being either Spanish, French, or Japanese, or that these signs and inscriptions be pictorially represented so that they may be universally understood.

TREASURY-POST OFFICE APPROPRIATION BILL, 1974—AMENDMENT

AMENDMENT NO. 454

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

OMB WILL NOT RELEASE IMPACT AID FUNDS

Mr. McGOVERN. Mr. President, I submit an amendment to H.R. 9590, the Treasury and Post Office appropriation bill, which hopefully will insure that the funds we provided for "B" students under the impact aid program are in fact released by OMB.

The Office of Management and Budget has apparently returned to its practice of holding up appropriations the Congress has passed and the President has signed into law.

The latest instance of this policy is in the case of impact aid to so-called B students whose parents work but do not live on a Federal facility.

The continuing resolution we adopted last year provided $635 million for impact aid.

Despite the fact that he signed the continuing resolution into law, the President authorized OMB to impound a substantial portion of impact aid funds and in particular the funds for category "B" students.

So, earlier this year the Congress again appropriated funds for impact aid in an effort to get the administration to obey the law.

Among the provisions we adopted was one sponsored by Senator YOUNG and myself which specifically required full funding for heavily impacted school districts such as the Douglas schools district near Rapid City, S. Dak., which was forced to close down because of the administration's impoundment policy.

Another of those provisions—contained in the second supplemental appropriation—made clear that category "B" students must be funded at the rate of 68 percent of entitlement, and not at the OMB guideline of 54 percent.

And when the second supplemental appropriation did not become law until July 1 of this year—in other words until after the end of fiscal year 1937—we added a provision to the public works appropriation bill requiring that the funds made

available under the second supplemental remain available for obligation for 20 days after the public works appropriation becomes law.

Now OMB has reportedly decided not to release the $59 million which we provided for category "B" students. Their alleged justification for this is a tortured interpretation of the continuing resolution as amended. They say that while Congress may have provided for 68 percent funding for "B" students, we did not specifically appropriate funds for that purpose. In other words, OMB has conveniently forgotten the impounded funds provided under the continuing resolution which have remained in the Treasury.

So, Mr. President, it now falls upon us to again make the congressional intent "perfectly clear." We must remove any possible shred of doubt as to the entitlement to these funds.

Therefore, I am submitting this amendment today to put OMB on notice. I hope that they will change their position during the August recess and release the funds, as the law requires them to do.

But, if the funds are not released by the time we return in September, I will call up my amendment to require that they do so.

In conclusion, Mr. President, I ask unanimous consent that a copy of a letter I received from the Rapid City superintendent of schools, Dr. Charles A. Lindly, and the text of my amendment, be printed in the RECORD at the conclusion of my remarks.

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

AMENDMENT NO. 454

At the end of the bill insert the following new short title.

TITLE—SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For an additional amount for carrying out for fiscal year 1973 the provisions of section 3(b) of Title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13) in accordance with the amendment to Public Law 93-25 contained in Public Law 93-50, to remain available for obligation for a period of 20 days following the enactment of this Act into law, $59,000,000.

RAPID CITY PUBLIC SCHOOLS,
Rapid City, S. Dak., July 27, 1973.

Senator GEORGE MCGOVERN,
Old Senate Office Building,
Washington, D.C.

DEAR MR. MCGOVERN: As you know, the Second Supplemental Appropriation Act, PL 93-50 increased the entitlement for "B" pupils from 54% to 68%. This resolution was passed by Congress and signed by the President on July 1. However, Section 301 of PL 93-50 states that no part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

The Office of Education and the Office of Management and Budget have held that Section 301 precludes the release of the full 68% (an increase of 54 million dollars) for "B" pupils. There is still some hope that this money will be distributed as the Senate Appropriation Committee has amended the Public Works Appropriation Resolution for 1974 (H.R. 8947). The effect of the amendment is to provide twenty days from the date H.R. 8947 is enacted for the obligation of the funds appropriated in the Second Supplemental Appropriation Act.

It has been reported that these additional funds could be obligated within ten days if they are released by the Office of Management and Budget. It is expected that the Public Works Resolution (H.R. 8947) will pass Congress very rapidly and get to the President during the week of July 23. Therefore, if H.R. 8947 is enacted, there will be only twenty days to secure the release of these funds.

I urge you to do what you can to help obtain the release of the additional 59 million dollars so the school districts can be reimbursed the full 68% which was passed by Congress. Many thanks for your continued support of our schools.

Sincerely yours,

CHARLES A. LINDLY, Ed.D.,
Superintendent of Schools.

AUTHORIZATION OF APPROPRIATIONS FOR THE MILITARY SERVICES—AMENDMENT

AMENDMENT NO. 455

(Ordered to be printed, and referred to the Committee on Armed Services.)

CONGRESS SHOULD HALT AWACS PRODUCTION

Mr. EAGLETON. Mr. President, I am submitting an amendment today to H.R. 9286 which would disallow any additional production of aircraft for the research phase of the Air Force's airborne warning and control system—AWACS—program. My amendment will give Congress the breathing space it badly requires to responsibly evaluate AWACS against the requirement for an improved air surveillance system.

I have recently completed a comprehensive survey of the AWACS program which has raised serious questions in my mind as to the feasibility of the system in both its air defense and tactical applications. This study has led me to conclude that Congress was premature last year in authorizing two prototype aircraft in addition to the two already in use for research and development. While these aircraft are being built with research—R.D.T. & E.—funds, it is clear from a number of statements made by the Air Force subsequent to the hearings on the fiscal year 1973 budget that the request to build these aircraft was based on a desire to move beyond research into the production phase.

Despite the Air Force's contention that the two aircraft will be used for "operational suitability testing," research is not the primary function of these aircraft. Responding to a recent GAO request for information about the feasibility of canceling the two aircraft, the Air Force made the following statement:

Slippage of the production program would result in total program cost increase due to breaks in the aircraft production line . . .

This statement leaves little doubt about the Air Force's intent. A production decision has apparently already been made on AWACS—not by Congress, but by the Air Force.

If Congress fails to stop this effort to circumvent the legislative process, we may well be faced with the dilemma of either having to discontinue a program which will have used millions of tax dollars, or being forced to allow that program to go forward before all the facts are in.

If we act now, we can avoid this dilemma. I have recently been informed by the General Accounting Office that only $4 million will have been committed toward procurement of the two AWACS prototypes through August 1973. This expenditure represents only 6 percent of the total cost. If the Government acts expeditiously to suspend work on these aircraft, the losses will be minimal and the potential for savings great.

The Air Force is already using two aircraft for developmental testing of the AWACS concept. These planes were used in the radar competition conducted last year to determine the prime contractor for the avionics system. The losing plane is now being equipped with the radar system of the winning aircraft. The Air Force will therefore be able to continue a more than adequate research program until such time as Congress makes a production decision on the system.

Mr. President, commonsense and good management should not await the vagaries of the legislative process. I have therefore sent a letter to the Secretary of Defense asking him to suspend work immediately on the two AWACS prototypes. I am hopeful that Congress can work with the Defense Department on this matter to assure that the best interests of the American people are served.

Too often in the past the American taxpayer has had to bear the burden of questionable defense systems because it is cheaper to buy them than to terminate contracts and production lines. The misuse of R.D.T. & E. funds by the Defense Department to commit Congress to unproven defense concepts can no longer be tolerated. If Congress is to play an energetic role in strengthening our national defense by trimming excessive waste, then we will have to begin by insisting that individual programs such as AWACS are not thrust upon the American taxpayer before they are given adequate scrutiny.

If Congress is to have an opportunity to make a responsible judgment on AWACS, then it must have sufficient time to examine each of the options available to perform the air surveillance function in a cost-effective manner. We must insist that a system which raises so many fundamental questions about the defense of our Nation receives the scrutiny it deserves.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD at this point.

First. My letter to the Secretary of Defense dated August 1, 1973;

Second. A letter from the Assistant Comptroller General dated July 25, 1973, and its enclosure, a memorandum from the Department of the Air Force dated July 2, 1973, containing information concerning the effect of cancelling the two prototype aircraft currently in the initial stages of production;

Third. My research report on the airborne warning and control systems—AWACS.

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

AUGUST 1, 1973.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: I have introduced an amendment to the Military Procurement Bill which would disallow additional aircraft for use in connection with the Airborne Warning and Control System (AWACS) until Congress specifically approves continuation of that program. I am enclosing a comprehensive study of AWACS which raises serious questions as to the feasibility of the system in both the air defense and tactical application. My amendment is intended to give both Congress and the Department of Defense the time required to re-evaluate this expensive program.

Whether or not you agree with all of the conclusions of my report, I hope you will agree that additional decision-making time is required and suspend further work on the two prototypes authorized last year until such time as a production decision is forthcoming. While these aircraft are being purchased with RDT&E funds, they clearly represent the opening of the AWACS production line. Especially in light of the questions raised in my study, the procurement of operational AWACS aircraft is premature at best, and at worst may unalterably commit the nation to a system the worth of which is yet unproven.

If you take expeditious action with regard to the prototypes, you will be moving to suspend work on a program which has thus far expended only $4 million of the $67 million required for completion. Even considering whatever minor contract penalties that may result, the potential for savings will be great as both the legislative and executive branches will be able to carefully scrutinize the necessity for a complex $2.6 billion program.

As you know, the Air Force is currently conducting an extensive series of R&D tests on AWACS with the two aircraft used in the radar fly-off competition. I think you will agree that these aircraft are sufficient to continue developmental research on AWACS until a production decision is made by Congress when it considers the FY–1975 budget.

I see no reason why Congress should be at odds with your Department over an issue as fundamental as providing our nation with a cost-effective, survivable and reliable air surveillance system. I am therefore hopeful that you will give my study on AWACS careful consideration and take action to assure that our opportunity to re-evaluate AWACS is not foreclosed by a head-long rush into production.

Thank you very much for your assistance in this matter.

Sincerely,

THOMAS F. EAGLETON,
U.S. Senator.

ASSISTANT COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 25, 1973.

B–163058.
Hon. THOMAS F. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: As a result of an informal request from a member of your staff on June 14, 1973, we have obtained the enclosed information from the Department of the Air Force concerning the cancellation of the two aircraft on the AWACS program.

Basically, the Air Force memo states that the cost expended on the program through August 1973 will be about $4 million. The Air Force further stated that the estimated cost to complete production of the aircraft is $67 million. Other program considerations that would result from the cancellation also are put forth by the Air Force.

If we can be of further assistance, please call.

Sincerely yours,

THOMAS D. MORRIS,
Assistant Comptroller General.

Enclosure.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS U.S. AIR FORCE,
Washington, D.C.

Subject: GAO Request for Information on the AWACS Program for Senator Eagleton (Your ltr. 25 Jun 73).

To: AF/ACG.

The attachment to the letter referenced above requested information about the two Boeing 707 aircraft initially approved in the FY 1973 authorization. The two aircraft are referred to in the answer below as test aircraft #3 and #4. Answers to the specific questions follow:

a. What is the current production and expended cost status of the two aircraft? Boeing production/outside procurement releases for test aircraft #3 and #4 began this month (June 1973) for the following parts and assemblies.

Section 46 (beefed up to accommodate the rotodome).
Gear Boxes
Nacelle Support Fittings
Nose Landing Gears
Power Packs
Engine Struts
Liquid Cooling Systems
Cabinet Air Conditioning Systems
Avionics Cooling Systems
Bleed Air Systems
Auxiliary Power Unit Assemblies

The buildup of Boeing cash expenditures and non-cancellable commitments for this effort are as follows:

[Dollars in millions]

June 1973:	
Expended	0
Commitments	1.5
Cumulative required	1.5
July 1973:	
Expended	.5
Commitments	1.5
Cumulative required	2.0
August 1973:	
Expended	1.5
Commitments	2.5
Cumulative required	4.0

B. If the aircraft program (for test aircraft #3 and #4) was to be cancelled now, what would be the cost impact vs the cost to complete? The total cost to complete the two aircraft is estimated at $67 million. Any near term savings related to cancellation of these aircraft would be reduced by the sunk costs at the time of termination, as identified in the cumulative requirements position in paragraph a. above. It would be further reduced by the costs of replanning and negotiating a restructured program.

c. What impact would cancellation of the production of these two aircraft now have on the AWACS program? Cancellation of AWACS test aircraft #3 and #4 would have a significant impact on the total program. It would result in a broken contract and the necessity to renegotiate a totally restructured program. The remaining two aircraft would have to absorb the 38 aircraft flight test months currently programed for test aircraft #3 and #4. This would slip the completion of flight test by at least 16 months, with a similar slip in production deliveries and initial operating capability unless the risk of increased concurrency is accepted. Further, the "cost to complete" the two aircraft would not represent a savings since this cost would have to be picked up by the production program because these two aircraft are slated for operational delivery after completion of the test program. Slippage of the production program would result in total program cost increase due to breaks in the aircraft production line, a loss of learning, renegotiation with the prime contractor and with his subcontractor, and economic escalation.

BENTON K. PARTIN,
Brigadier General, USAF.

REPORT ON THE AIRBORNE WARNING AND CONTROL SYSTEMS (AWACS)

(A research paper prepared by Senator THOMAS F. EAGLETON)

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

The Airborne Warning and Control System (AWACS) aircraft, a modified Boeing 707, is being requested as part of an Air Force plan to upgrade U.S. air defenses against attack by strategic bombers. The Air Force proposed also that this surveillance and command and control platform be used in a tactical role to replace aircraft now available for battle management in air combat. The current program calls for eventual construction of 42 of these E3A aircraft, as the modified Boeing 707 is now designated, 32 for air defense applications and 10 for tactical air applications.

The AWACS program is subjected to a comprehensive analysis in the body of this study. This examination has led to the following conclusions:

1. The consensus of military opinion for some two decades, that is, since the advent of long-range bombers, has been that the benefits of constructing continental or wide-area defenses against heavy bomber attack are not commensurate with the costs.

2. There is no compelling need to improve the U.S. air defense capability, which has been in a state of secular decline for ten years as a result of the steady reduction of the Soviet bomber "threat." There are, furthermore, no signs that this trend in the Soviet strategic bomber force will be reversed, while the Peoples' Republic of China is pursuing a parallel course of reliance on intercontinental ballistic missiles for its strategic offensive weapon. The primary reason for the de-emphasis on long-range bombers is their relative slowness as compared to ballistic missiles, a slowness which permits advance warning of impending attack.

3. Even assuming that there were a need for defense against strategic bombing attacks, the AWACS platform is not militarily effective or a cost-effective solution to the problem of forward defense and command and control of manned-interceptors. Though its look-down radar clearly has advantages over existing radars, the benefits of this capability are neutralized by the extreme vulnerability of the E3A to attack by passive homing missiles. At a conservatively estimated cost of $63 million per aircraft, the AWACS is an expensive target for missiles costing a determined enemy only a fraction of that amount.

Thus it is neither cost effective in relation to the presumed threat or in relation to the investment required to counter it.

4. The 1972 ABM Treaty between the U.S.S.R. and the U.S., in essence, provides a "free ride" for ballistic missiles. There is no justification for a heavy defense against the secondary threat of bombers, when the U.S. has agreed to forgo a heavy defense against the primary threat of ICBMs. This is especially so in view of the fact that bombers would be used in a "clean-up" role, arriving over target after ICBMs have destroyed military targets, including AWACS and interceptor bases.

5. In its tactical application, AWACS is subject to the same threat. Though the Air Force claims that the AWACS would be deployed far from the air theatre, it is likely to be the center of concerted attacks by the enemy, except in those circumstances where

it can take advantage of sanctuaries in a space adjacent to the air battle—a condition which existed in Indochina but is unlikely to be repeated elsewhere.

6. In any event, the high cost of AWACS, if procured for a tactical mission alone, makes it prohibitive as an answer to the problem of tactical air battle management. Since it cannot be justified for air defense, the mission of tactical air control must be satisfied by some other system designed to cost rather than added on to an air defense system.

7. The OTH–B radar program, which is designed to provide early warning to alert AWACS aircraft, can be justified on the basis of its cost in relation to air defense needs and other benefits. Likewise, there is a continuing need to develop advanced interceptors, because of their uses beyond defending against a strategic bomber attack. These components of the over-all air defense modernization scheme merit continued research and development.

8. The AWACS platform cannot be justified in either an air defense or tactical air application. The question of providing an adequate surveillance and command and control capability requires further investigation in terms of options which meet the criteria of cost-effectiveness, survivability, and reliability.

RECOMMENDATIONS

Based on the foregoing analysis, it is recommended that Congress:

1. Delete funds for any further aircraft procurement in connection with the AWACS program.

2. Continue funding of the OTH–B radar program.

3. Reduce funding for the AWACS program to a level sufficient to provide for minimum research and development, especially on the electronics system.

4. Direct OSD and the Air Force to provide studies on the points raised in this study, specifically on all options to AWACS to fill the command and control requirement in a tactical environment.

5. Allocate funds for the study of aircraft to fill the IMI role, including the study of aircraft now in development.

I. SYSTEM DESCRIPTION AND MISSIONS

The Airborne Warning and Control System (AWACS) is part of a plan being developed by the Air Force to upgrade the U.S. continental air defense capability. The plan includes the AWACS aircraft, an Over-the-Horizon-Backscatter (OTH–B) long-range radar system, and an improved manned interceptor (IMI). Additionally, AWACS is being designed to provide a battle management capability for tactical air forces, including air surveillance, and command, control, and communications functions.

The proposed AWACS aircraft is a converted four-engine Boeing 707, redesignated E3A and modified to carry a large saucer-shaped rotodome on twin pylons above the fuselage. Housed in the aircraft would be a communications-electronics section and an air combat operations section. The AWACS platform would carry, in addition to a flight crew of four, a battle commander, a communications-electronics team of four, and an air defense operations team of eight.

Subsystems within the core configuration of the aircraft are designed to perform two functions: (1) surveillance, identification, and tracking of hostile and friendly aircraft in a specific sector or battle zone and (2) data analysis and communications for the purpose of command and control of U.S. aircraft.

The first function would be performed by radars in the rotodome, which provide a look-down capability, by ancillary radars, and by analysis and display equipment which permits continuous tracking of acquired targets. If perfected, AWACS radar capability will be its chief distinguishing feature, allowing it to discriminate low-flying aircraft from the ground-level "clutter" which interferes with normal radar operations over land and sea.

Dr. John S. Foster, Jr., former Director of Defense Research and Engineering, described this aspect of AWACS in testimony before the Senate Armed Services Committee on February 26, 1970, as follows:

"The secret of the whole system is that this radar would be able to detect aircraft coming in down low, just above the surface of the water or the ground. It would be able to discriminate between what is water or ground and what is a moving airplane. That is the heart of the whole system."

AWAC's second function is, from an equipment standpoint, essentially one of analyzing and communicating information. It involves processing and displaying data and communicating information on priority targets to central defense sectors on the ground and to the appropriate interceptor or other fighter aircraft and vectoring them to destroy incoming hostile aircraft.

Aside from its radars, AWACS, or the E3A, thus carries a sophisticated electronics package of data processing, relaying, displaying, and communicating equipment, as well as a system for active interrogation of unidentified aircraft.

The AWACS is being designed, as noted, to fulfill two missions: (1) defense of the continental U.S., and perhaps Europe, against attack by bombers, presumably armed with nuclear weapons and (2) management of friendly air forces in a tactical environment.

In its first role, for Aerospace Defense Command, AWACS is to be linked to a system of OTH–B radars which are to provide initial warning of bomber sorties while they are still distant from the U.S. (This same notification may also be provided by non-radar monitoring systems, such as electronics intelligence or communications intelligence, which will also reflect any raids.) Upon notice of impending raids or possible raids, the AWACS aircraft would fly out more than 1,000 miles and take station in order to perform its functions as an intermediate radar tracking and command and control facility. Employing its look-down radar and data processing systems, the AWACS aircraft will pick out enemy bombers, some flying low to avoid detection by normal ground-based, line-of-sight radars, and direct surface-to-air missile batteries or manned interceptors to engage them. The on-station time for AWACS established in the Selected Acquisition Report (SAR) was seven hours but it has since been reduced to five hours. Thirty-two aircraft are being requested for this air defense mission.

In its second role, for the Tactical Air Command, the AWACS platform would replace the Airborne Command and Control Center Aircraft (C–130E) presently in operation. In this mode, AWACS is seen as an alternative to or as a means of modernizing existing battle management facilities—ground-based or airborne—such as the C–130E, the Navy's new E2C, or other aircraft which have been used in this role. Mission interchangeability between the air defense and tactical air modes is achieved by changing central processor software. Ten aircraft are being requested for the tactical role.

The justification for AWACS in a tactical air environment is largely based on the experience of the Air Force in the Vietnam War, in which pilots of interdiction fighter-bombers operating from Thailand encountered orientation problems while operating in hostile airspace over North Vietnam, beyond the reach of U.S. ground control facilities.

To counter this lack of surveillance and control capability, the Air Force equipped a number of aircraft with radars, data processing equipment, and communications facilities to provide forward area assistance to the fighter-bombers. Additionally, photographic and electronic surveillance was conducted by drones or manned aircraft prior to U.S. raids on North Vietnam and this information was provided to pilots to give them a more complete picture of the environment they were entering, including the deployment of hostile fighter squadrons, radars, and missile batteries, as well as the terrain.

Because this system grew up piecemeal as a response to unanticipated and changing tactical conditions, it was not designed to meet the ordinary cost-effectiveness criteria which govern modern U.S. weapons systems. Development Concept Paper No. 5 approved the development of the AWACS platform for air defense but deferred the decision on AWACS in a tactical role. It was not until Revision 1 to DCP No. 5 was issued in February, 1970 that a tactical role was approved for the system. At the same time, the total quantity was reduced from 64 to 42 aircraft.

Since the approval of AWACS as a tactical system, the Air Force has given special emphasis to this role, raising it to the level of a requirement equal in significance to that of air defense. Asked whether greater stress was being laid on the tactical role of AWACS as opposed to the bomber defense role, an Air Force spokesman gave the following reply in Senate testimony on the Defense Procurement Bill in February, 1970:

"Last year there was general agreement within OSD and the Air Force that AWACS was required for its tactical application as well as for its role in air defense of CONUS. . . . A recent revision to the DCP No. 5 recognizes the need of AWACS for both tactical applications and air defense. This revision is not a deemphasis of the air defense role but is a formal recognition of equal importance of the tactical role for AWACS."

The revision to DCP No. 5 was based on a cost-effectiveness comparison of AWACS to the make-shift system which had grown up under battle conditions in Indochina. Naturally, AWACS showed advantages from a cost standpoint, especially if it was already going to be purchased in large numbers for air defense.

II. SYSTEM EVALUATION

A. The Evolution of Air Defense

The current impetus for building AWACS stems from a decline in the U.S. air defense posture, a condition which will be addressed further on. The beginnings of the AWACS concept, however, dates back ten years to 1963 when the requirement for a look-down radar capability was first established. Advances in radar technology since that time made a reality of this concept and look-down radars are now being incorporated in numerous other aircraft types, including the F–15, which has been proposed along with other aircraft for the improved manned interceptor role.

Yet AWACS must be considered in the context of the evolution of air defense as a whole. Air defense customarily signifies the protection of broad or continental land masses from attack by bombers armed with either "gravity" nuclear bombs or "stand-off" weapons which permit launching of warheads while the aircraft remains distant from the target.

Prior to the advent of intercontinental ballistic missiles, bombers constituted the primary strategic offensive force for nuclear nations. Even in the early period of the bomber era, when radars were less sophisticated and bombers had greater range limitations, it was generally conceded to be impossible to develop an air defense system that was near leak-proof. Furthermore, an attempt to achieve even an approximation of a leak-proof system was considered to be prohibitively expensive and not worth the cost, especially in view of the advantages of the offense over the defense.

As Air Force Chief of Staff General Hoyt S. Vandenburg expressed it to the House Appropriations Committee in 1953:

"There is a law of diminishing returns that applies to air defense. Any defense system that stopped 25% of the attackers is highly capable. Our greatest defensive and offensive weapon is our strategic force."

General Vandenburg's advice was not heeded, however, and by the end of 1953, Congress had approved funds for the construction of a massive or "thick" air defense sytem. The heart or brain of this heavy air defense package was a tracking and data processing facility called SAGE, an acronym for "semi-automatic ground environment." The sensory capacity of the U.S. air defense system lay in its radar network, including the Pine Tree and Distant Early Warning lines to the north, the radars mounted in Texas towers in coastal waters and in radar picket ships (DERs) in the open ocean, and the early airborne warning aircraft, such as the EC–121.

At each of the SAGE facilities, a four-story radar control building housed 14-ton computers used to record the tracks of enemy aircraft by processing inputs from the external radars. Command and control operations were based at the facility as well, to give target direction to interceptor squadrons.

By 1962, 33 SAGE sites were in operation around the U.S. That was the peak year for SAGE and it was the beginning of an overall deemphasis in the U.S. air defense force. There were several reasons for the ensuing cutback, not least of which was the advent of the missile age. SAGE, a four-story, above-ground facility, was highly vulnerable to missile attack.

There were other factors, however, which made a reduction in the number of costly SAGE sites advisable. Defense planners found that the early SAGE system had several weaknesses, summarized briefly below:

1. The SAGE computers did not have the capacity to process all radar inputs and the software system was easily baffled by the slightest variation of flight pattern.

2. A low-level detection capability was practically non-existent.

3. SAGE was highly vulnerable to missile attack or sabotage—a grenade thrown from outside the perimeter fence could incapacitate the entire system.

4. Manning the SAGE facilities became difficult because of the high turnover rate among highly-trained technicians, which caused high training costs.

In 1963, therefore, the Air Defense Command, as it was then named, began a slow process of phased reduction. In the same year, the Air Force requested its first appropriation for what was in time to become AWACS. By 1971, the retitled Aerospace Defense Command had eliminated all but seven SAGE sites and these remaining sites were operating at less than full capacity. In fiscal year 1970 alone, the first full year of the Nixon Administration, the following cuts were made in air defense: 14 fighter-interceptor squadrons, 41 Nike missile batteries, 49 airborne early warning aircraft, 29 search radars, 17 gap-filler radars.

According to testimoney by Admiral Thomas Moorer, Chairman of the Joint Chiefs of Staff, before the House Armed Services Committee in January, 1972, U.S. continental air defense had been reduced by 60% over the previous decade.

In effect, then, the United States has probably had only a moderately effective capacity for monitoring enemy bombers and directing interceptors or surface-to-air missile batteries against a strategic bomber attack in the years since General Vandenburg first warned Congress of the exorbitant cost and minimal return gained from air defense. It is unknown whether the U.S. even reached 25% maximum suggested by General Vandenburg, since the U.S. pre-eminence in strategic offensive systems (bombers, ICBMs and SLBMs) and a generally defensive and cautious Soviet military strategy obviated the necessity for testing the system in actual battle conditions.

An incident in 1969 nevertheless elicited a strong reaction from civilians who believe that air-tight or heavy defense of the skies is feasible or desirable. A Cuban MIG–17 flew undetected to Homestead Air Force Base in Florida, landing while the President's aircraft, Air Force One, was parked nearby. The pilot, who was defecting from Cuba, flew his aircraft at extremely low altitudes, thus escaping radar detection.

In October, 1971, another Cuban plane, carrying 21 sugar technicians, flew undetected across the Gulf of Mexico and landed at New Orleans. On this occasion, no effort was made to avoid detection by U.S. radars. Apparently no such effort was necessary.

Rep. F. Edward Hébert, Chairman of the House Armed Services Committee, criticized the condition of U.S air defense in the following statement:

"Since our potential enemies know of the gaping holes in our air defenses, I think it is high time that the American people were let in on this open secret."

The Defense Department defended itself against Congressman Hébert's charge that weaknesses in the U.S. air defense system, especially in the southern sector, constituted a threat to national survival. A Defense Department spokesman declared that: "A potential attack on the southeastern United States is not a great likelihood." Asked whether there was any way the Soviet Union could launch a surprise bomber attack on the United States, he replied, "No."

As for improvements in the existing system, Admiral Moorer, in testimony before the House Armed Services Committee, made the following comment, echoing the views of General Vandenburg two decades before:

"I think that you are always going to have the possibility that a single plane flying on the deck can penetrate almost any system that you could develop . . . It would be very expensive indeed to build up a system in this area to have a 100% leak-proof system. It would be very expensive for the purpose of intercepting one or two aircraft a year."

The Air Force attempted to satisfy Congressman Hébert's demands that the southeastern United States be provided with protection by increasing radar coverage and interceptors in that sector, though military planners continue to discount the possibility of an attack from that azimuth.

At the same time, however, the Air Force gave a high priority to the "modernization" of the Aerospace Defense Command, a modernization which includes procurement of AWACS, OTH–B, and an IMI. The Air Force holds that these three systems are an integral package required by ADC and that none of the components of the system would operate successfully without the other two.

The justification provided by the Air Force for its modernization program rest, it should be noted, on studies which were structured to lead a favorable decision on the program. Cost-effectiveness studies compared AWACS with existing air defense systems. On this basis, and assuming again the need for air defense at all, AWACS emerged as *relatively* cost-effective. In order to justify the assumption of a need for a defense against bombers, the Backfire medium-range bomber was made to appear in intelligence estimates as a possible new threat to the continental United States.

In addition to the cost-effectiveness analysis, the Air Force also prepared several routine Development Concept Papers on the general question of air defense. The first DCP presented four options. The first option proposed a reduction in air defense with no modernization. The three remaining options all included both the AWACS platform and the OTH-B radar. The cost of these four options was then compared to cost of operating the existing air defense system, i.e., the SAGE system.

The first or reduction option was summarily rejected. The remaining three, when compared with the expensive and early SAGE system, showed the benefits of modernization through procurement of AWACS and OTH-B, since no other alternative was addressed. The requirement for AWACS was thus built into the consideration of options. Other possible options for a surface ground control system or other modes of airborne operation were simply eliminated from the beginning.

The effect of this type of approach to the problem is reflected in the following quotation from a GAO study, which apparently accepted the Air Force operational requirement for command and control definition of its operational requirement for command and control in terms that made AWACS an inescapable conclusion:

"Although the Air Force and the Department of Defense studied and analyzed the cost and effectiveness of AWACS, these studies compared the AWACS to existing systems that AWACS was designed to replace. A cost effectiveness study in the classical sense was not possible because *no other system could meet the operational requirement.*" (emphasis added)

B. Evaluation of the Current "Threat"

The decision by the Air Force to lay special emphasis on AWACS and the associated systems—a decision which appears to run counter to two decades of military thinking about air defense—seems even more curious in view of the present bomber "threat" to the U.S. By its own admission, the Air Force is not attempting to deal with occurrences such as the undetected landings of the two Cuban aircrafts. Its decision would be rational only in the light of a substantial increase in the bomber "threat." A review of this "threat" indicates that just the reverse is true.

The Soviet manned bomber capability has diminished significantly over the past decade and more, apparently in consequence of a high-level decision to forego long-range bombers in favor of ICBMs. According to the Department of Defense, the Soviet Union in 1960 had a total of 1,260 medium and long-range bombers and tankers. By 1965, that number had declined to 1,040 and today it is estimated to be some 900.

More importantly, the Soviet long-range bomber fleet has declined from 215 in 1965 to 195 in 1973. Most of this decline is attributable to the retirement of aging bombers from the long-range force. While it is evident that the Soviets are not scrapping their force, it is equally evident that they are not augmenting it.

In his March, 1973 posture statement, then Secretary of Defense Elliot Richardson said of the Soviet long-range bomber force:

"The Soviet intercontinental heavy bomber force remains, as it has for the last few years, at approximately 195 aircraft, including about 50 tankers and several reconnaissance aircraft."

At present, the Soviet inventory includes from 125–145 Bear and Bison long-range bombers and about 40 long-range Bison tankers. These bombers have been in service since 1956 and today they average 17 years in age. Neither the Bear nor the Bison has the range, speed, and weapons load of their American counterpart, the B–52 and were described by the Department of Defense as "distinctly inferior," even in the mid-1960's. The Defense Department says that it has no evidence that the Soviets intend to deploy a new heavy bomber, analogous to the B–52 or the proposed B–1, in the near future.

The Soviets have, however, continued testing of a new, swing-wing, medium-range

bomber, nicknamed Backfire. During his tenure as Secretary of Defense, Elliot Richardson was publicly skeptical about the threat to the U.S. posed by Backfire if deployed in numbers.

Mr. Richardson conceded that Backfire's ability to bomb the United States "cannot be ruled out," but in testimony before the Senate Armed Services Committee he stated that, "the weight of the evidence favors the view that it is best suited for peripheral attacks" in areas adjoining the Soviet Union, not against the United States.

Backfire does have an inflight refueling capacity and, according to Admiral Moorer, "could prove to be an effective intercontinental bomber" under special conditions. More importantly, this worst-case supposition fails to answer one over-riding question: if the Soviets desire to improve their long-range strategic bombing capacity, why do they then not build a long-range bomber?

The evidence on Backfire thus indicates strongly that it was built to provide the Soviets with a medium-range bomber to be used against a possible Chinese threat. Hence, the Soviet long-range bomber fleet remains in its diminished state and the threat to U.S. national security is likewise minimized.

Neither the Soviets nor the Chinese are concentrating on the development of a new long-range bomber program. Strategic analysts consider that the Peoples' Republic of China is emulating the Soviet Union at least to the extent of concentrating on strategic rocket forces rather than manned bombers.

In 1965, then Secretary of Defense Robert S. McNamara, in testimony before the Senate Armed Services Committee, noted:

"Our present system for defense against manned bomber attack was designed a decade ago when it was estimated that the Soviets would build a force capable of attacking the United States with many hundreds of long-range aircraft. This threat did not develop as estimated. Instead, the major threat confronting the United States consists of the Soviet ICBM and submarine-launched ballistic missile forces."

Mr. McNamara's analysis continues to hold true today, prompting hard questions as to why the U.S. is about to embark on a costly new air defense scheme. The *principal* reason for the decade-long decline in U.S. air defense is the decline in the bomber "threat" against which such air defense is directed; it is not, as has been suggested, the prior claim on the Defense Department dollar of Vietnam requirements, which became significant only *after* ADC began its phase-down. Neither the widely separated landings of the Cuban planes, which pose no threat to U.S. security, nor the new Soviet medium-range bomber provide sufficient justification for so expensive a system as AWACS or for reversing a long-standing policy of light air defense against a remote and ever less realistic contingency.

If AWACS cannot be justified for the purpose of air defense, then it becomes extremely difficult to justify it on a cost-effectiveness basis for tactical purposes. In short, it would be cost-effective for tactical missions only if it is going to be procured in large lots for air defense, which would drive the per-unit cost down.

As regards the tactical justification for AWACS, no argument based on a specific "threat" has been advanced, though Air Force testimony before the Congress in 1972 stressed its use in possible European and Middle Eastern contingencies. The Air Force claims, however, that AWACS can be deployed "at any level of military action ranging from a show of force through general war."

AWACS is being proferred as a more cost-effective system than the make-shift arrangements developed in response to unforeseen conditions encountered in Indochina. It is being developed in advance of the final decision or even knowledge of the capabilities on the Improved Manned Interceptor. Though the Air Force claims that this system will be viable in any foreseeable war, it is in fact being designed to meet the conditions of the past rather than those of the future—in both its tactical and strategic roles. I will dictate rather than respond to the capabilities of the IMI, which may take advantage of further advances in radar technology that would substantially obviate the advantages of AWACS.

Regardless of the Air Force experience in Vietnam, the following questions need to be answered:

What other options exist that could be "designed from the ground up" for the tactical air environment?

Are they more or less cost-effective than AWACS?

How was the requirement for ten AWACS for tactical battle management generated, in view of the assumed U.S. withdrawal from air operations in Southeast Asia by the time the first aircraft would become available? What air wars, theaters, or contingencies does the Air Force plan to deploy AWACS in and is it the relevant system for all such eventualities?

Are ten AWACS enough, given the reduction in on-station time from five to seven hours? Or is ten just the first of an anticipated series of AWACS "buys" for tactical applications?

Will AWACS be an effective system or the most effective system for battle management under all conditions and as advances are made in the capabilities of surface radars and radars carried aboard fighters and fighter-bombers?

C. Technical evaluation

The two principal functions performed by the AWACS aircraft, as previously noted, are the detection and tracking of hostile aircraft and the vectoring of aircraft to intercept and destroy them.

Since the battle management function can be as readily performed by ground controllers in either fixed-base or mobile facilities—given the same data inputs—the feature which distinguishes the AWACS concept from current ground or airborne command and control systems is the "forward observer" capability that it gains from the look-down radar. This radar permits target acquisition in advance of surface, line of sight radars and greater target discrimination than is foreseen for the OTH–B radar.

This advantage is achieved, however, at the risk of considerable vulnerability. In fact, the hazards run may be of such magnitude as to literally "wipe out" any potential advantages. Thus, AWACS' greatest strengths are also its greatest weaknesses.

Because of its radars—which emit strong impulses in all directions—and because of its proximity to the scene of any aerial engagement, AWACS is extremely vulnerable to radar-homing missiles, such as analogs to the U.S. passive-homing Hound Dog II or Shrike missiles. Although defense intelligence estimates hold that the U.S.S.R. does not now have such a missile in development, the technology is available for such development and the Soviets or other potential adversaries could exploit it on a "quick fix" basis, if driven to do so by the deployment of AWACS.

The Air Force contends that AWACS will be stationed, in a tactical mode, far away from the air theatre; yet it will become the obvious point of attack for an enemy threatened by U.S. tactical aircraft. And it must be presumed that such an enemy will be able to deploy a heavier and more sophisticated air defense system than North Vietnam used against U.S. pilots in the Indochina air war. Hence, the air war is very likely to center about the AWACS aircraft, as the weakest point in the U.S. command and control system, unless it is able to operate from sanctuaries, such as the airspace over an adjoining neutral country—an unlikely possibility or at least one that cannot be counted on.

Even if not hit by enemy missiles, the AWACS aircraft with its sophisticated electronic equipment is highly vulnerable to the effects of near-by explosions, especially nuclear detonations with their associated X-rays, which would accompany any full-scale strategic attack. Without downing the aircraft, such electromagnetic emissions could render inoperative much of the critical data analysis and communications equipment required to make AWACS a viable system.

Given the vulnerability of AWACS to the kinds of threats described above, it would appear necessary to have some sort of back-up capability to take over control of interceptors in those sectors where AWACS aircraft are downed or inoperative. Because there would be no time for replacement aircraft to take station, such a back-up capability would presumably have to be ground based. While military planners concur in the prudence of such redundancy in designing highly complex weapons systems, there is no realistic back-up capability for the AWACS system as it now exists. Nor has the Air Force proposed one, perhaps from a concern that acknowledging the need for a back-up capability or system would undermine support for AWACS.

Another question which must be decided in any realistic assessment of AWACS is whether it is cost-effective in comparison to defense against it. This involves consideration of the cost differential between AWACS and any counter-measures. Here the vulnerability of AWACS is illustrated in cold, hard cash, for the cost to any adversary of equipping his bombers with "radar-busting" missiles effective against AWACS is very slight as compared to the cost of each AWACS aircraft to the U.S. The AWACS is thus a very high-priced target for relatively low-cost, state-of-the-art missiles. To offset any advantage the U.S. derives from this expensive system, an adversary need only invest a proportionally small amount in stand-off missiles which may already be a part of his aircraft weapons package. In short, AWACS can be neutralized cheaply, depending on the size, character, and effectiveness of the electronic-countermeasures (ECM) package it carries and depending on the ability of a determined adversary to overwhelm that ECM capability with "radar-busting" missiles. Any increase in the ECM package to defend AWACS involves, of course, a reduction in the system's capacity to perform its primary mission of aerial surveillance and battle management.

Other questions arise in connection with AWACS tactical mission. If it is used to offset the kinds of difficulties encountered by U.S. pilots in Indochina, then it will presumably be launched prior to raids by U.S. fighter-bombers, in order to be on station in time to direct these aircraft and assist them in carrying out their attack mission. Such early launching provides the adversary with a warning of impending attack and permits him to alert his own air defense forces, including missile batteries and interceptors which could be used to knock down the AWACS aircraft. Even if not destroyed itself, the AWACS aircraft is going to have a difficult time managing U.S. aircraft. The AWACS can use "jamming," "masking," and other electronic countermeasures to confuse enemy radars, missiles, and interceptors, but such ECM techniques would themselves provide a warning of impending attack while not necessarily making the AWACS invulnerable. They also entail, as noted, a sacrifice in the mission payload of the AWACS aircraft.

If, on the other hand, AWACS is deployed in a defensive tactical situation, as might occur in Europe, it is questionable whether it could be launched in time or possesses the

time-to-station capability necessary to be of use in the critical opening phases of an enemy fighter-bomber attack. The enemy, having the advantage inherent in the offense, could take measures necessary to destroy AWACS on the ground or to have fighters prepositioned to intercept AWACS en route to the scene of battle.

A further question on AWACS centers on deployment doctrine. Current planning in the air defense role is for AWACS aircraft to take station some 1,000 miles from its home airfield. This would place it well ahead of the operating range of current or planned interceptors, which have a maximum combat radius of 350 miles, if recovered at other than home airfields. This disparity in operating ranges means that AWACS will be well out in front of any possible protective cover and hence unable to avail itself of fighter cover to overcome its vulnerability.

Moreover, it would appear that the AWACS would have to be deployed in some sort of "saw-tooth" pattern, with distant aircraft operating somewhat in the fashion of the old radar picket ships and passing tracking data to AWACS aircraft closer in and better able therefore to manage the interceptors. If adopted, this type of defensive array would seem to require more AWACS aircraft than are currently being requested for air defense.

The complexity and sensitivity of AWACS' internal electronics systems is attested to by the fact that Air Force planning calls for a team of four communications-electronics technicians to be an integral part of each AWACS crew. The tasks of these airmen, in addition to operating much of this equipment, include serving as technical controllers and maintaining the equipment in a ready status—switching to back-up systems, replacing malfunctioning equipment modules with operational spares carried on board, and making on-the-spot repairs when possible. Although all of the technical problems with the AWACS electronics package have not yet been overcome, it poses, when and if perfected, hard questions about system reliability.

Given the difficulties inherent in maintaining so complex an electronics system in a state of readiness under the limitations imposed by an airborne platform, it must be supposed, on the basis of probability curves, that some portion of this package in one or more aircraft will malfunction under operational conditions. Should an irreparable malfunction occur in a critical component or components of the system, the AWACS aircraft would lose the capability to perform one or more of its several interrelated tasks, diminishing its effectiveness. In such an event, an air defense sector would be left uncovered, partially covered, or would have to be assigned to another AWACS platform, perhaps creating problems of system overlead, until a replacement aircraft could take up station.

It requires no worst-case hypothesis to anticipate these occurrences. The Air Force has taken them into account in trying to develop an electronics package that will be as trouble-free as possible and will possess a back-up capability. Since no system will be 100% trouble-free, especially in an airborne platform, the possibility exists that one or more AWACS aircraft will be inoperative or have a seriously reduced operating capability even before encountering combat conditions. Thus the following questions need to be answered—

What measures are being taken in designing the equipment package to increase system reliability, to protect it from heat and vibration, and to provide a back-up capability?

What system reliability standard does the Air Force expect to achieve with AWACS, i.e. what per cent of the air defense fleet will be fully operational when it arrives on station under alert conditions?

What progress had been made to date in achieving this reliability level?

What measures are planned to offset system failures—shifting coverage to other AWACS platforms, holding aircraft in reserve to fill gaps as they develop, etc.?

The Air Force has not explained precisely what deployment doctrine would be adopted. However, all options that would take advantage of the AWACS concept and capabilities, as well as allow for its limitations, would appear to require more aircraft than are presently being planned, even assuming that AWACS is used only for point defense (cities, military targets, industrial complexes) rather than area defense and even assuming that AWACS is not utilized in full-time patrol operations.

For example, under alert conditions, AWACS aircraft may have to remain on station for extended periods. On-station time without inflight refueling has been cut from the desired seven hours to five by the recent decision to equip AWACS with four TF–33 P–7 engines, instead of eight of the developmental TF–34 engines which are not now in inventory. Though desirable from a cost standpoint, this 29% reduction in on-station time represents a serious reduction in AWACS' effectiveness.

The on-station time can be increased either by inflight refueling, the preferred option, or by rotating AWACS aircraft. The former option would be 'tanker-expensive,' perhaps necessitating the procurement of additional tankers, while the latter option would require more AWACS aircraft to achieve the same level of on-station time. The latter, moreover, would be less efficient in that on-station time would be still further shortened for each aircraft by the time required to deploy and recover.

In short, to be militarily effective, the AWACS program will likely require many more aircraft than are now contemplated. Even if more are procured, it will remain only a "part-time" system, unless aircraft are deployed on expensive, full-time patrols, and it will still not provide a "leak-proof" defense or a guaranteed battle management capability.

It is worth pointing out in this regard that the ground support equipment and facilities needed to maintain the exotic electronics systems aboard the AWACS platforms would negate wide air base dispersal, unless these expensive facilities were provided at a large number of sites. Hence, the 32 aircraft would likely be "bedded down" on no more than 3 or 4 bases and, with only five hour on-station capability, this situation could mean even more reduced AWACS coverage or increased vulnerability to being destroyed on the ground.

A remaining question about AWACS concerns the phasing of this program with the other facets of the modernization plan, especially the OTH–B radar. In its 1973 report on AWACS, the Government Accounting Office criticized the Air Force for failing to time-phase the OTH–B program with AWACS, noting that:

"The OTH–B has been in the validation phase for about 30 months as a result of apparent indecision as to the priority of the program. This indecision centers over several issues which include the validity of the manned bomber threat; whether there is sufficient and valid test data to demonstrate the system will work; and whether modification to existing systems would suffice. Consequently, the entire program is being reassessed."

Since the anticipated AWACS acquisition schedule does not coincide with the OTH–B schedule, the possibility exists that the Air Force could begin production of the AWACS aircraft without certain knowledge that the vital "tip-off" system, i.e., OTH–B, is going to be ready, adequate or even feasible. Equally important is the consideration of the manned bomber threat. If there is question about the validity of this threat which would obviate the necessity for OTH–B, then it would seem equally to obviate the necessity for AWACS.

The foregoing analysis bears out the testimony of General Vandenburg and Admiral Moorer that the expense associated with any attempt to achieve meaningful air defense is prohibitive, while the gains to be drawn from such an attempt are at best minimal. The advantages of the offense simply overwhelm any benefits that might accrue from so vulnerable and costly a system as AWACS. Nor does AWACS, in a tactical mode, offer sufficient advantages to make it worthwhile procuring the system for that purpose alone.

In order to assure its effectiveness in a tactical application, three AWACS will apparently have to be deployed to obtain optimum coverage of a given area. In a letter dated March 20, 1972, the Secretary of the Air Force provided information concerning the look-down detector capability of AWACS and noted the following:

"They (referring to the radar systems) will be able to do very effective strobing and when two or more AWACS are combined, the triangulation effect will be superior to today's state of the art radars."

Thus, not one but two or more of these expensive aircraft would be exposed to the enemy to achieve the desired coverage of a given sector, thereby increasing several-fold the risks of loss to enemy missiles of interceptors.

An increased electronics surveillance capability is being built into the coming generation of U.S. fighter-bombers and tactical aircraft. Presumably, this capability will be enhanced in any follow-on generation of tactical aircraft. While it is not expected or even desirable that these aircraft could operate without central command and control, it is necessary to ask whether the AWACS aircraft will sufficiently supplement the surveillance capability of future ground installations and tactical aircraft to make it worth the expense. If AWACS can provide only minimal additional protection and direction to the next generation of fighter-bombers, as contrasted with ground surveillance and air control facilities, then its justification is even further undermined.

D. Strategic deterrence evaluation

Any decision to go ahead with AWACS also implies certain views about nuclear strategy, views which appear to run counter to our previous thinking on this subject. It seems to imply, for example, that a first-strike against the U.S. would come in the form of or be spearheaded by a bomber attack, rather than by missiles.

For many years, however, it has been assumed that the putative first-strike would be led by missiles, with bombers being held in reserve by an adversary for use, if at all, in a back-up or mop-up capacity. This planning assumption is based on the fact that, on the average, bombers staging from the U.S.S.R. would require some 8–12 hours, depending on course, altitude, and speed, to reach target; hence, any nuclear attack spear-pointed by bombers could be easily detected (either through ground communications or aerial reconnaissance) as the bombers departed their airfields, thus leaving considerable time to prepare defenses against them.

The assumption that a first strike would be led by bombers is unwarranted in view of (1) the declining force levels for Soviet long-range bombers, (2) by the decision of both the Soviet Union and the Peoples' Republic of China to concentrate on medium-range bombers for peripheral threats and missiles for distant threats, and (3) by the obvious logic of attack imposed by the much

shorter time-to-target of ICBM's and SLBM's, as compared with bombers. The diminishing viability of the long-range bomber as a nuclear strike weapon should be as evident to the U.S. as it is to its hypothetical adversaries.

Yet there is another, equally compelling reason for questioning the utility of expensive defenses against a minimal and declining "threat." It is found in the SALT Agreements concluded by the U.S. and the U.S.S.R. a year ago.

In the ABM Treaty, the United States and the Soviet Union agreed to a policy of deterrence based on the mutual vulnerability of each power to the threat of a destructive missile attack. If the U.S. is willing to limit anti-missile defenses to two sites only, then it is equally justified in remaining open to the far less likely threat of a bomber attack.

If offensive missiles are thus to have a "free ride" to their targets in support of a policy of mutual assured destruction, then there is no adequate justification for the U.S. spending huge sums of money to deny a free ride to bombers, when there is every indication that the putative adversary has neither the forces nor the intent to employ this kind of weapon against the U.S. Nuclear war scenarios ordinarily are based on the expectation that bombers will play a "clean-up" role in the wake of a missile attack; thus, if the U.S. accepts vulnerability to these missiles, it is unlikely that there will be any OTH-B radars or AWACS aircraft to respond to the later bomber raids in any case.

III. ECONOMIC EVALUATION

The Air Force in the FY 1974 budget request estimates the total cost of the AWACS platform to be $2,534.7 billion for a fleet of 42 aircraft, after changing from an eight to a four-engine configuration, with consequent reductions in cost. The year-by-year cost of AWACS, as estimated by the Air Force, is presented in the table below.

COST DATA

[Millions]

	Fiscal year 1971 and prior	Fiscal year 1972	Fiscal year 1973	Fiscal year 1974	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1978	Total program
ACFT QTY	(Cumulative)	2.0	4.0	4.0	27.0	42.0			42.0
Program acquisition cost	178.9	139.3	194.2	209.5	1,067.1	641.4	92.9	11.4	2,534.7

Not included in this table is the $25.7 million cost of the Overland Radar Technology studies required to develop the radars for AWACS. Further, the General Accounting Office, in its March, 1972 study, noted that the Air Force had failed to identify $65.6 million in peripheral, below-the-line-item or hidden costs for AWACS.

Assuming that no other hidden costs are uncovered, that no overruns are experienced, that the inflation rate returns to the low level used by DoD in its cost calculations, and that no cost-impact engineering changes are ordered over the life of the program, the per unit program cost of the AWACS platform will amount to $63 million for procurement of 42. This figure does not, of course, include the costs of the associated OTH-B and IMI programs or any new backup system.

Furthermore, these conservatively estimated cost projections for AWACS do not include the additional costs in operations and maintenance (O&M) funds for keeping the AWACS fleet in service or retaining a back-up capability, SAGE or whatever. Although estimates of these O&M costs were developed in order to compare (favorably but perhaps unfairly) AWACS to the early generation SAGE system, they have not been provided in an updated or unclassified form.

Historically, such costs have been extremely high for sensitive electronics systems even when mounted in stable surface installations. Experience with other sophisticated, airborne electronics packages, such as the sensor aircraft employed by the Navy and the Air Force in Vietnam (EC-121M, CO141, etc.), indicates that, despite and in part because of special measures taken to protect equipment against engine vibrations, heat, etc., the O&M cost of such systems is very high, thus adding substantially to the total cost of the system over its lifetime.

Hence, though attempts have been made to reduce AWACS costs chiefly by changing the engine specifications and some of the communications equipment to provide for use of items now in inventory, the acquisition and O&M costs will remain high even under the most optimistic cost-growth assumptions.

The conservatively estimated acquisition price-tag of $63 million for each AWACS platform represents a significant capital investment in absolute terms. It looms even larger when the cost of each aircraft is measured against the cost of developing a missile capable of neutralizing it, probably no more than a few hundred thousand dollars per missile.

More significantly still, the total program cost of AWACS, including both acquisition and O&M costs, is very high relative to its incremental contribution to the national security and relative to the steadily diminishing bomber "threat." If the AWACS platform could provide "air-tight" defense against bombers, the relative cost would still be high but perhaps justifiable. Yet the prevailing opinion is that it cannot provide leak-proof defense; hence, the cost of the program becomes even more difficult to justify.

As a tactical system, the AWACS or E3A aircraft will not stand alone; that is, the cost of procuring this system in limited numbers for tactical purposes alone would climb astronomically. Though the Air Force, in testimony before the Senate Armed Services Committee in 1972 and again in 1973, did much to stress the applicability of AWACS in a hypothetical European combat environment, providing overlays to show the possible AWACS coverage of that theatre, the system is again being matched against a threat which is declining in political terms. If AWACS cannot be justified for the purposes of strategic air defense of the U.S., then it is difficult to rationalize its procurement, at a significantly higher cost, for tactical application alone.

Although the Air Force has made commendable efforts to control the cost of AWACS, the system nevertheless fails to meet basic cost-effectiveness criteria when measured against the urgency of the "threat" and the cost of defending against AWACS.

IV. CONCLUSIONS

The principal factors to be considered in any decision to fund the modernization of the U.S. air defense capability are set forth below. Each element of the analysis must be considered in relation to the others.

1. The degree and nature of the strategic bomber threat from any adversary.

2. The limitations inherent in trying to devise effective wide area defense against air attack.

3. The reliability and vulnerability of any system proposed to enhance air defense.

4. The costs associated with any such system.

5. The alternative applications and justifications of such systems, i.e., the contribution of OTH-B to civil air traffic control, the contribution of AWACS to tactical air battle management, or the other combat roles of an improved manned interceptor.

6. The necessity for defense against strategic bomber attacks in view of the agreement to minimize ballistic missile defenses.

In conceptual terms, there is, as the Air Force contends, a requirement in strategic air defense for early warning, command and control, and interception. This does not mean, as the Air Force also contends, that AWACS is the best response to the command and control requirement or that it is indispensable to air defense. Its expense, its vulnerability, and its reliability make it the weak link in the air defense modernization scheme.

Assuming first that there is a need for heavy air defense against bomber attacks, the Air Force should be tasked to develop a command and control system that will meet the criteria of survivability (including adequate back-up capability), low-cost and system reliability.

If, on the other hand, the assumption of a need for heavy bomber defense is relaxed, then each of the three modernization proposals must be justified on the basis of its alternative uses.

The OTH-B, by bouncing radar impulses in series off the ionosphere, is potentially capable of detecting low-flying aircraft over three million square miles of territory, as well as low-trajectory submarine-launched cruise missiles. It would also, if perfected, improve civil air ground control facilities. The current estimate of the program acquisition cost of the OTH-B system—$131 million—represents a relatively small expenditure for so many potential gains.

The need for a manned interceptor, preferably improved if such improvements can be attained at a tolerable cost, is similarly justifiable. In addition, the IMI would have a tactical application.

AWACS, however, cannot be justified alone on the basis of its alternative mission, tactical air battle management, for it is not cost-effective and remains vulnerable to state-of-the-art defenses. A tactical air command and control system should be designed to cost, rather than being added to an air defense system which cannot be justified in its own right.

The utility of manned interceptors and OTH-B can thus in some measure by judged independently of AWACS, despite the Air Force assertion that AWACS is indispensable to the other two. However, the converse is not true, that is, AWACS cannot be considered in an air defense role independently of OTH-B and manned interceptors, since it depends on the OTH-B for early warning and on the fighter for interception. While it is correct to say that some form of control is indispensable to the effective use of interceptors, that form of control need not be AWACS.

Since it is dependent on the OTH-B and manned interceptors, AWACS or an alternative system should not be pursued such a way that the Department of Defense is committed to it before the capabilities of OTH-B and the manned interceptor are well known. The present program involves just such a commitment, as GAO studies have shown.

In 1973, the Air Force was provided fund-

ing to permit the construction of two more AWACS aircraft, beyond the two already procured for the radar competition between Hughes and Westinghouse, which was won by Westinghouse. Although purchase of the follow-on aircraft does not formally constitute a production decision, such a purchase, bringing the total number of expensive preproduction aircraft to four, would represent a strong and perhaps unalterable commitment to production by the Defense Department and the Air Force.

It seems apparent, though, that there remain enough unanswered questions about AWACS, even in the minds of DoD and Air Force officials, to reappraise the problem of command and control for air combat. Such a reappraisal must consider:

1. The need for air defense against bombers.
2. Other options for surveillance and command and control and their costs.
3. The performance characteristics of improved interceptors.
4. The successful completion of the OTH–B program and its performance characteristics.

RECOMMENDATIONS

Based on the foregoing analysis, it is recommended that Congress:

1. Delete funds for any further aircraft procurement in connection with the AWACS program.
2. Continue funding of the OTH–B radar program.
3. Reduce funding for the AWACS program to a level sufficient to provide for minimum research and development, especially on the electronics system.
4. Direct OSD and the Air Force to provide studies on the points raised in this study, specifically on all options to AWACS to fill the command and control requirement in a tactical environment.
5. Allocate funds for the study of aircraft to fill the IMI role, including the study of aircraft now in development.

MIDWEST AND NORTHEAST RAIL SYSTEM DEVELOPMENT ACT—AMENDMENT

AMENDMENT NO. 456

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

THE MIDWEST AND NORTHEAST RAIL SYSTEM DEVELOPMENT ACT

Mr. PEARSON. Mr. President, I am submitting, for myself and Senator BEALL, an amendment in the nature of a substitute to S. 2188 as reported by the Committee on Commerce. I ask that this amendment be printed and held at the desk pending Senate consideration of S. 2188.

Mr. President, seven railroads are in reorganization in the Northeast. Four of those railroads have pending before their bankruptcy courts petitions to authorize the cessation of service in October. The situation calls for prompt action by the Congress. However, the action that is taken by the Congress also should be adequately responsive to the situation.

S. 2188, as reported by the committee, neither provides a solution to the Northeast rail problem nor does it establish a mechanism which affords any promise of arriving at an appropriate solution. Instead, it would devote an additional year to a study, and delay until the end of that year crucial decisions as to the implementation of a plan of action.

I believe we must go further than adopting the piecemeal approach offered by the reported bill. We must establish new procedures which will enable the various parties concerned to work together toward a solution. I have talked to people who rely on the railroads to handle their shipments, to representatives of concerned communities, and to others who believe as I do that it is not enough to provide for a further study, but that we must also lay out a plan of action.

The problem that confronts us is immense and complex, but this should not deter us from facing up to it. A lack of decisiveness and the failure to adopt implementing legislation now would lead to far more problems than the possible imperfections of a positive program. Besides, as the implementing process proceeds, the Commerce Committee can keep a watchful eye on events.

Mr. President, my amendment in the nature of a substitute to S. 2188 provides the needed follow-on to the planning process contained in the reported bill. In addition, it substitutes a more effective planning process by securing broad participation by various interested parties. My amendment further narrows the focus of the planning to restructuring only those bankrupt, rather than all, railroads in the Northeast.

In brief, the amendment creates a new Federal National Railway Association to prepare and submit to Congress for approval a rail service plan for the Northeast which will permit the operation of financially self-sustaining rail service in the region. The preparation of this final service plan would be preceded by planning inputs from the Secretary of Transportation and the Interstate Commerce Commission. Procedures would be implemented to obtain input from the public. To provide for the operation of the restructured system, a new Northeast Rail Corporation would be created.

During the planning process, negotiations would be carried out with bankrupt railroads for the acquisition of rail assets needed for the implementation of the plan. And there would be court review of these agreements to insure fair treatment for the creditors of the bankrupt railroads. In addition, agreements would be negotiated on a new working agreement for employees to be hired by the new Corporation. A seven-member Commission would be established to monitor those negotiations and recommend appropriate benefits through Federal legislation on other means to be afforded to employees of the bankrupts who may not be hired by the Corporation.

The most important feature of my amendment is that it would set in motion this year a procedure by which all involved parties can work together toward a solution of the crisis. By providing for representation on the board of the new Federal National Railway Association of Government, industry, and other interest groups, and by establishing procedure for broad Government and public participation in the development of a service plan, the amendment provides for balanced input and control in devising a solution to the problem. In addition, it emphasizes the need to restructure a viable rail system for the Northeast and seeks to minimize Government financing.

Mr. President, the measure which I am today offering also contains, as a separate title, the "Local Rail Services Act of 1973." This title provides the States, local, and regional authorities with a viable opportunity to maintain local rail services on those lines which are deemed by the States to be essential.

Under this title, the Secretary of Transportation is authorized to reimburse State, local or regional authorities for 70 percent of the cost of an operating subsidy which would be required to make rail service compensatory on a line of a railroad which would otherwise be abandoned.

The Local Rail Services Act was initially considered by the Senate Committee on Commerce in the last Congress. I offered this measure in committee as an amendment to S. 2362—92d Congress, 1st session—the Surface Transportation Act of 1971. The committee embraced the proposal on a rollcall vote of 14 to 1. Because small communities not only in the Northeast, but throughout the United States, are concerned about abandonment, this title will provide the opportunity for maintenance of essential local rail services under a cost-share system of cooperation between the States and the Federal Government.

Under the terms of my proposal the Local Rail Services Act contains an authorization of appropriations of $50 million per year for the Federal share of the cost in maintaining essential local rail service. This title is nondiscriminatory: all States will have an opportunity to salvage services on those lines which, in the absence of Federal and State assistance, would be abandoned, either under the terms of the Northeast reorganization program or the Interstate Commerce Act.

At the present time, the Commission has announced a nationwide moratorium on abandonment of light-density branch line service pending litigation with respect to environmental impact statements on abandonment applications by railroads. I would hope that the Local Rail Service Act of 1973, incorporated in my amendment as title VII, will be enacted before abandonment authority to branch line services to small, isolated communities is restored by the Commission.

It is only fair to permit States to determine whether essentially local rail services are needed to maintain a balanced and viable transportation system within their jurisdiction. If a State makes an affirmative determination of essentiality in respect to branch line service, and if that State is willing to assume a reasonable proportion of the cost of maintaining such service, then the Federal interest in promoting a strong economy and a balanced national transportation system should justify Federal participation in overcoming operating deficits on those lines.

Mr. President, I request that the text of my amendment in the nature of a substitute to S. 2188, as reported by the

Committee on Commerce, be inserted in the RECORD immediately following these remarks.

I further request that a section-by-section analysis be printed in the RECORD immediately following the text of the amendment.

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

AMENDMENT NO. 456 (IN THE NATURE OF A SUBSTITUTE)

Strike all after the enacting clause and insert the following in lieu thereof:

TITLE I—SHORT TITLE, ETC.

SHORT TITLE

SEC. 101. This Act may be cited as the "Northeast Rail System Restructuring Act".

FINDINGS AND PURPOSE

SEC. 102. (a) The Congress hereby finds and declares that—

(1) Rail transportation service in the Northeast region of the United States is threatened with cessation or significant curtailment;

(2) Prompt action is needed to avoid an abrupt shutdown of most of the bankrupt carriers in that region;

(3) Nationalization of rail freight operations is undesirable and unnecessary to the establishment of a viable rail system in the Northeast region; and

(4) Provision should be made for the establishment of a streamlined rail system in the Northeast region free of the financial encumberances of the railroads in reorganization and which would operate over systems designed on the basis of economic viability.

(b) It is the purpose of this Act to facilitate the restructuring of the present rail system in the Northeast region by—

(1) Creating a new Federal National Railway Association to prepare and submit to Congress for approval a rail service plan for the Northeast region which will permit the operation of financially self-sustaining rail service in the region; and

(2) Creating a new Northeast Rail Corporation to operate a restructured rail system comprised of rail lines acquired principally from railroads in reorganization.

DEFINITIONS

SEC. 103. As used in this Act—

(1) "Association" means the Federal National Railway Association established in title II of this Act.

(2) "Commission" means the Interstate Commerce Commission.

(3) "Corporation" means the Northeast Railroad Corporation authorized to be established under title IV of this Act and, unless the context otherwise requires, includes the incorporators.

(4) "Northeast region" means the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Ohio, Indiana, Michigan, Illinois, the District of Columbia, and those portions of contiguous States in which are located facilities owned and operated by railroads doing business primarily in the aforementioned jurisdictions.

(5) "Railroad" means a common carrier by railroad as defined in section 1 (3) of part I of the Interstate Commerce Act.

(6) "Railroad in reorganization" means a railroad operating primarily in the Northeast region undergoing reorganization in a proceeding under section 77 of the Bankruptcy Act (11 U.S.C. 205).

(7) "Secretary" means the Secretary of Transportation.

(8) "Service plan" means the plan for the operation of rail service to be prepared under title III of this Act.

(9) "State" means a State of the United States or the District of Columbia.

TITLE II—FEDERAL NATIONAL RAILWAY ASSOCIATION

ESTABLISHMENT OF THE ASSOCIATION

SEC. 201. There is hereby established a body corporate to be known as the "Federal National Railway Association". The Association shall be a not-for-profit corporation. The Association shall have succession until dissolved by Act of Congress. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof.

GENERAL POWERS

SEC. 202. (a) The Association, in order to achieve the objectives and to carry out the purposes of title III of this Act, is authorized to plan, initiate, contract for or undertake studies and research in respect of rail service and facilities in the Northeast region in order to prepare the regional plan contemplated under title III of this Act.

(b) To carry out its purposes, the Association shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act.

DIRECTORS AND OFFICERS

SEC. 203. (a) The Association shall have a board of nine directors consisting of individuals who are citizens of the United States and an executive committee consisting of the Chairman of the Association who shall be appointed by the President of the United States with the advice and consent of the Senate, the Secretary, and the Chairman of the Commission. There shall be four ex officio members of the Board: the Secretary, the Chairman of the Association, the Federal Railroad Administrator, and the Chairman of the Federal Reserve Board. Five other members of the board shall be appointed by the President of the United States with the advice and consent of the Senate as follows: one shall be a representative of shippers by rail; one shall be a representative of railroads; one shall be a representative of Governors of States within the northeast region; one shall be a representative of railway labor organizations; and one shall be a representative of cities and communities in the northeast region. Except for the members of the board representing railway labor organizations and railroads, no director may have any direct or indirect employment of financial relationship with any railroad during the time that he serves on the board. Each of the directors not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the board he attends. In addition, each director shall be reimbursed for necessary travel and subsistence expenses incurred in attending meetings of the board.

(b) The board of directors is empowered to adopt and amend bylaws governing the operation of the Association.

(c) The Association shall have such officers as may be appointed by the Chairman and approved by the board. The rates of compensation of all officers shall be fixed by the board. No officer of the association may have any direct or indirect employment or financial relationship with any railroad during the time of his employment by the Association or may have had at any time any such relationship with any railroad in reorganization on the date of enactment of this Act.

AUTHORIZATIONS

SEC. 204. (a) There is authorized to be appropriated to the Secretary in fiscal year 1974, to remain available until expended—

(1) $40,000,000 for payment to the Association for the purpose of meeting its necessary expenses and to the Corporation for the purpose of meeting expenses necessarily incurred in its organization.

(2) Such sums as are necessary for planning and for administrative expenses incident to carrying out his functions under this Act.

Payments shall be made under paragraph (1) of this subsection on such terms and conditions and pursuant to such regulations as the Secretary deems necessary or appropriate.

(b) There is authorized to be appropriated to the Commission such sums as are necessary to carry out its functions under this Act.

APPLICABILITY OF OTHER LAWS

SEC. 205. The following laws do not apply to the Association or to the Corporation, or to any transactions under this Act, including those pursuant to section 501(d), prior to the date rail service is implemented by the corporation under this Act:

(1) The Interstate Commerce Act (49 U.S.C. 1 et seq.)

(2) To the extent inconsistent with this Act, section 77 of the bankruptcy Act;

(3) Federal and State antitrust laws;

(4) To the extent inconsistent with this Act, the Railway Labor Act (45 U.S.C. 151 et seq.), and the National Labor Relations Act (29 U.S.C. 151 et seq.); and

(5) Any State law pertaining to the economic regulation of railroads, including laws pertaining to the consolidation or merger of railroads.

TITLE III—NORTHEAST REGIONAL RAIL SYSTEM

PRELIMINARY REPORT ON CORE RAIL SERVICE

SEC. 301. (a) Within thirty days after the date of enactment of this Act, the Secretary shall prepare a preliminary report containing his recommendations for the identification of geographic zones in the Northeast region within and between which rail freight service shall be provided, and the minimum number of railroads that shall provide such service. The Secretary may use as a basis for the establishment of the zones standard metropolitan statistical areas used in the last United States census, groups of those areas, counties, or groups of counties having similar economic characteristics, such as mining, manufacturing, and agricultural activities. In determining whether service shall be provided, the Secretary shall take into consideration—

(1) the objective of financially self-sustaining rail service;

(2) long-term economic efficiency in the use of transportation resources;

(3) rail traffic presently generated within the zones;

(4) possible near-term changes in rail traffic that may result from such factors as population shifts and changes in manufacturing, agriculture, mining, and consumption, and the probable costs of alternative transportation;

(5) the objective of enhancing environmental quality;

(6) the importance of preserving self-sustaining rail service competition in markets with heavy rail traffic;

(7) the potential for achieving efficiencies and serving shippers through the joint use of facilities, and intermodal connections and substitutions; and

(8) the need for efficient transportation service by the consumers, shippers, small communities, cities, and geographic zones presently served.

In preparing the preliminary report, the Secretary shall also take into consideration the requirements for commuter and intercity passenger rail service in the Northeast region.

(b) Upon completion of the preliminary report required by subsection (a) of this section, the Secretary shall submit the report to the Commission; make the report available to interested parties, the States and their public utility commissions, local gov-

ernments, and consumer interest groups; and publish the report in the Federal Register.

REVIEW BY THE NORTHEAST SERVICES PLANNING OFFICE

SEC. 302. (a) There is hereby established in the Commission a new Northeast Rail Services Planning Office (referred to hereinafter as the "Office"). The Office shall be administered by a Director appointed by the Chairman of the Commission with the concurrence of at least five members of the Commission. The Office shall cease to exist upon the completion of its duties under this section.

(b)(1) The Director shall be compensated at a rate to be set by the Chairman of the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but at a rate not in excess of the maximum rate of GS–18 of the General Schedule under section 5332 of such title.

(2) The Director is responsible to and shall report to the Chairman of the Commission and is authorized, with the concurrence of the Chairman, to appoint, fix the compensation and assign the duties of employees of the Office without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and to procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code, but at rates not to exceed $250 a day for qualified experts. Each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States is authorized and directed to furnish to the Director upon written request made by the Director, on a reimbursable basis or otherwise, such assistance as the Director deems necessary to carry out his functions and the duties of the Office under this Act including, but not limited to, transfer of personnel with their consent and without prejudice to their position and rating.

(c) Within thirty days after the Secretary completes the preliminary report on Core rail service required by section 301 of this Act, interested persons may submit to the Director written comments, data, and arguments on the report. In addition, the Director shall afford an opportunity for informal public hearings on the report at at least twelve different locations in the northeast region.

(d) Within ninety days after the date of enactment of this Act, the Director shall, after affording due consideration to the relevant matter submitted in writing or presented at the informal hearings, submit to the executive committee of the Association his recommendations for the preparation of a final report on Core rail service together with a summary of the recommendations of those who contributed comments on the preliminary report and his reasons for not adopting such recommendations.

FINAL REPORT

SEC. 303. Within one hundred and twenty days after the date of enactment of this Act, the executive committee of the Association shall issue a final report on Core rail service consistent with the criteria in section 301 of this Act.

INVENTORY OF RAIL FACILITIES

SEC. 304. (a) Within one hundred and eighty days after the date of enactment of this Act, each railroad in the Northeast region shall, under such regulations as the Secretary may prescribe, compile and submit to the Secretary, the Chairman of the Association, the Chairman of the Commission, and the Corporation data respecting the physical and operating characteristics of its plant.

(b) Each railroad in reorganization shall provide such additional information as may be required by the Secretary, the Chairman of the Association, and the Chairman of the Commission in carrying out their functions under this Act.

(c) The Secretary, the Chairman of the Association, and the Commission may obtain information by subpoena. In case of contumacy by, or a refusal to obey a subpoena served upon a railroad under this section, the district courts of the United States, upon application by the Attorney General upon request of the Secretary, the Chairman of the Association, or the Chairman of the Commission, shall have jurisdiction to issue an order requiring the railroad to produce the information, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

PREPARATION OF PRELIMINARY SERVICE PLAN

SEC. 305. Within three hundred days after the date of enactment of this Act, the executive committee of the Association shall prepare, submit to the Commission, and make available to interested persons a preliminary plan for the operation of rail services provided by railroads in reorganization and other railroads with which the Chairman of the Association may negotiate agreements under section 306 of this Act on behalf of the corporation. The plan shall identify those rail lines which the corporation shall operate and those lines which it shall not operate. The plan shall also specify the method of operation proposed for each service, including, but not limited to, operation by the corporation or operation by another carrier under lease or through purchase. The plan shall be consistent with and shall include substantially all the rail service envisioned in the final report issued under section 303 of this Act.

NEGOTIATION OF AGREEMENTS

SEC. 306. (a) The Chairman of the association shall, in a manner consistent with the service plan, enter into executory agreements on behalf of the Corporation—

(1) with any railroad in the Northeast region for acquisition of rail assets in return for stock of the Corporation as provided by section 403 of this Act;

(2) where appropriate, with third parties, including railroads and State and local governments, for the transfer to such parties of any right, interest, service, or privilege contracted for under paragraph (1) of this subsection;

(3) with representatives of railroad employees to be hired by the Corporation respecting rates of pay, working conditions, employee protection, and associated matters;

(4) where possible, with State and local governments, shippers, and other persons for the continuation of unprofitable service which such persons agree to subsidize;

(5) with financial institutions for financing needed for the improvement or modernization of plant and equipment and for other purposes; and

(6) with the National Railroad Passenger Corporation and commuter agencies for the continuation of rail passenger services provided by these entities.

(b) Executory agreement entered into under this section shall not be binding upon the parties involved if action taken by the Association or the Congress under this title, or by the courts, or by the Association under title V of this Act precludes the Corporation from beginning or providing for the beginning, of rail service under title V as provided pursuant to the service plan approved under this title.

REVIEW BY THE COMMISSION

SEC. 307. Upon receipt of the preliminary service plan prepared under section 305 of this Act, the Commission shall afford an opportunity for informal public hearings on the plan at at least twelve different locations in the Northeast region and afford interested persons an opportunity to submit written comments thereon. Within sixty days after receipt of the preliminary service plan, the Commission shall, after affording due consideration to the relevant matter submitted, submit to the executive committee of the Association recommendations consistent with the criteria in section 301 of this Act for the preparation of a final service plan together with a summary of the recommendations of those who contributed comments on the preliminary plan and its reasons for not adopting such recommendations.

PREPARATION OF FINAL PLAN

SEC. 308. Within sixty days after receipt of the recommendations of the Commission, the executive committee of the Association shall prepare and submit for approval to the board of directors of the Association a final service plan. Within thirty days after receipt of the final plan, the board of directors shall by a majority vote of all its members approve a final service plan which is financially self-sustaining, feasible, and is consistent with and includes substantially all the rail service envisioned in the final report issued under section 302 of this Act. The Chairman of the Association shall renegotiate agreements entered into under section 307 of this Act as necessary to insure they are consistent with the final plan approved by the board of directors.

REVIEW OF THE CONGRESS

SEC. 309. On the date the board of directors approves the service plan under section 308 of this Act, it shall submit the service plan simultaneously to the Speaker of the House of Representatives and the President of the Senate. The service plan shall be deemed approved by the Congress unless, within thirty days after the date of its submission, the Congress, by a majority vote of both Houses, rejects it.

TITLE IV—NORTHEAST RAIL CORPORATION

ESTABLISHMENT OF THE CORPORATION

SEC. 401. There is authorized and directed to be established a body corporate to be known as the "Northeast Rail Corporation." The Corporation shall be a for-profit corporation. The Corporation shall not be an agency or establishment of the United States Government. It shall be subject to the provisions of this Act, and to the extent not inconsistent with this Act, to applicable State laws. The Secretary, the Chairman of the Association, and the Chairman of the Commission shall be the incorporators of the corporation and shall also serve as its initial board of directors until the shares of common stock of the Corporation are issued. The incorporators and initial directors shall take whatever actions are necessary to establish the corporation, including the filing in any State of articles of incorporation and the adoption of bylaws.

GENERAL POWERS OF THE CORPORATION

SEC. 402. To carry out the functions and purposes of this Act, the Corporation and any corporation it creates under this Act shall have, in addition to the powers vested in the Corporation under this Act, the powers conferred under the laws of the State or States in which they are incorporated and the usual powers of a railroad under the laws of any State in which they operate.

SPECIAL POWERS AND FUNCTIONS OF THE CORPORATION

SEC. 403. In order to carry out the service plan and agreements prepared under title III of this Act, the Corporation is authorized to—

(1) issue and allocate common and preferred stock to railroads in reorganization or other railroads entering into agreements

with the Corporation under title III of this Act based upon the consideration provided by the railroads under such agreements;

(2) manage, operate, or contract for the operation of railroad service consistent with the provisions of this Act;

(3) sell or lease all or part of its assets in a manner consistent with the service plan approved under title III of this Act;

(4) create and transfer or assign any rights and assets it may acquire to an additional corporation or corporations to operate railroad service as provided by the service plan approved under title III of this Act.

TITLE V—COURT REVIEW AND IMPLEMENTATION OF SERVICE PLAN

COURT REVIEW OF AGREEMENTS

SEC. 501. (a) On the date the board of directors submits the service plan to the Congress under section 309 of this Act, the trustees shall submit for approval to the appropriate reorganization courts the agreements negotiated under section 306 of this Act under which the corporation is to acquire the assets of railroads in reorganization.

(b) Upon or in anticipation of the submission of the agreements by the trustees for approval by the reorganization courts under subsection (a) of this section, an application may be made by any party in interest, including, but not limited to, the corporation or trustees or creditors of the railroads in reorganization, to the judicial panel on multidistrict litigation authorized by section 1407 of title 28, United States Code, for the transfer to any district court of all proceedings respecting the review of the agreements. The transfer shall be made by the panel to the district court which the panel determines is most convenient to the parties and will promote the just and efficient conduct of the review. The consolidated proceedings shall be conducted by a judge selected by the panel who is not assigned to any proceeding under section 77 of the Bankruptcy Act involving any railroad in reorganization. The judge to whom the proceedings are assigned may exercise the powers of a district judge in any district for the purpose of conducting the consolidated proceedings. No proceedings for review of any order of the panel under this subsection may be permitted. The panel may prescribe rules for the conduct of its functions under this subsection.

(c) The sole issues before the court under subsection (a) or (b) of this section shall be whether (1) the agreements are in the best interests of the debtor's estate; and (2) in approving the service plan, the board of directors of the association considered its overall environmental consequences in compliance with the policies of the National Environmental Policy Act of 1969; as amended (42 U.S.C. 4321 et seq.). The court shall issue its decision within 90 days after the receipt of the agreements under subsection (a) of this section. The court may not approve any agreements hereunder if the Congress rejects the service plan under section 309 of this Act. Court decisions under this section and section 502(a) of this Act shall not be reviewable in any court.

(d) Not later than ten days after the board of directors approves the service plan under title III of this Act, any corporation may petition the judge conducting a proceeding under subsection (b) of this section to approve agreements it has negotiated with railroads in reorganization for the acquisition of their assets pursuant to a plan for the operation of rail services in the northeast region. If the judge finds that (1) the agreements are in the best interests of the debtor's estate: and (2) the petitioner's plan is substantially the same as the service plan approved by the Congress under section 309 of this Act and preserves a proper level of rail service competition, he shall, within the time prescribed in subsection (c) of this section for the review of agreements negotiated by the Chairman of the Association, approve the agreements. If the judge approves the agreements, the petitioner shall be deemed to be the "Corporation" for the purposes of title VI of this Act.

APPRAISAL OF ACTION OF COURTS; ASSUMPTION OF SERVICE

SEC. 502. (a) Within fifteen days after all of the decisions of the courts are issued under section 501 of this Act, the executive committee of the Association shall appraise the impact of the decisions and determine whether the decisions of the courts would permit the implementation of a viable service plan. If the executive committee determines that the decisions of the courts would not permit the implementation of a viable service plan, the Corporation shall take whatever steps are necessary to wind up its affairs and terminate its existence. If the executive committee determines that the decisions of the courts would permit the implementation of a viable service plan, the corporation, to the extent permissible under the decisions of the courts, shall within sixty days after the executive committee determines that the decisions of the courts would permit the implementation of a viable service plan begin or provide for the beginning of rail service. Agreements with railroads in reorganization revised in light of the decision of a court under section 501 of this Act shall be submitted for approval to that court by the trustees and the court shall issue its decision thereon as soon as practicable. The sole issue before the court under this subsection with respect to agreements under which the Corporation is to acquire assets of bankrupt railroads shall be whether the agreements are in the best interests of the debtor's estate.

(b) If the board of directors of the Association fails to approve the service plan under title III of this Act, or it is determined under this section that the decisions of the courts preclude the implementation of a viable service plan, the Association shall submit to the Congress as soon as practicable a report of the activities under this Act and its recommendations as to any additional legislation it considers appropriate.

COURT REVIEW OF ACTIONS

SEC. 503. Except as provided in section 501 of this Act, action or inaction under this Act of the Secretary, the Commission, or the Association, or any director, member, officer, committee, or subordinate unit of any of them, shall not be reviewable in any court.

TITLE VI—DISCONTINUANCE OF SERVICE

GENERAL

SEC. 601. (a) Except as otherwise provided in this title, on and after the date the Corporation begins rail service under section 502 of this Act, the Corporation shall be deemed a common carrier by railroad within the meaning of section 1(3) of the Interstate Commerce Act and shall be subject to the Interstate Commerce Act.

(b) For the purposes of this title, the term "corporation" includes any corporation established by the Corporation to provide rail service included in the service plan approved under this Act. However, it does not include an entity or properties owned by the Corporation but managed or operated by another railroad.

DISCONTINUANCE OF THE OPERATION OF SERVICE

SEC. 602. (a) Except as otherwise provided under section 603 of this Act, after providing sixty days' notice to State Governors and publishing notice in accordance with section 1(19) of the Interstate Commerce Act, (1) any railroad in reorganization may abandon the operation of any rail service within any zone as defined by the Secretary under section 301 of this Act for which rail service is not designated in the final report issued under section 303 of this Act; (2) any railroad in reorganization which agrees to transfer rail assets to the Corporation under section 306 of this Act and thereafter transfers any rail assets to the Corporation under section 502, or any other railroad which agrees to transfer a substantial part of its rail assets to the corporation under section 306 of this Act and thereafter transfers any rail assets to the corporation under section 502, may abandon the operation of any rail service not included in the service plan approved under title III of this Act.

(b) Any railroad in reorganization or any other railroad which does not agree to transfer rail assets to the Corporation under section 306 of this Act but thereafter transfers rail assets to the Corporation, or any railroad (other than a railroad in reorganization) which agrees to transfer less than a substantial part of its rail assets to the Corporation under section 306 of this Act and thereafter transfers assets to the Corporation under section 502, may abandon the operation of any rail service provided over those assets on the date that the Corporation by contract or otherwise begins rail service thereon.

(c) Except as provided under section 603 of this Act, during the first two years of providing service, the Corporation may abandon the operation of any rail service following changed market or other conditions or a natural disaster and after providing sixty days' notice to State Governors and publishing notice in accordance with section 1 (19) of the Interstate Commerce Act if the Secretary finds in writing, after hearing in accordance with section 553 of title 5, United States Code, that there is not any reasonable prospect that the service can become self-sustaining under efficient and economical management.

ABANDONMENT OF LINES

SEC. 603. (a) If a rail line used for service discontinued under subsection (a) or (c) of section 602 of this Act is no longer required by the entity which provided the service, the line may be abandoned if the entity holds open for not less than one hundred and twenty days after the discontinuance of service an offer to sell the rail line intact for railroad purposes or to contract with any person, including a State or local government, for the continuation of rail service thereon on terms and conditions that insure that the entity does not incur any losses as a result of the provision of the service.

COMMISSION REVIEW

(b) Upon application by any State, local or regional authority within the notice period provided for in section 602(a) of this title setting forth the basis for its interest in subsidizing any line or lines of railroad which would be permitted to be abandoned under this section and its plan for effecting such subsidy, the Commission shall undertake an investigation to determine and quantify: (1) the need for continuance of such service, (2) the availability of alternative transportation and, (3) the probable future cost associated with, (a) acquisition, (b) rehabilitation to a level appropriate for safe operations, and (c) future operating losses of the line or lines of railroad covered by the application. Such findings shall be made in writing within 60 days of the date of receipt of the application and may be used as evidence of the facts covered thereby in connection with applications to the Secretary for reimbursement as provided for in title VII of this Act.

TITLE VII—LOCAL RAIL SERVICES ACT OF 1973

SUBSIDY

SEC. 701. (a) The Secretary is authorized to reimburse a State or a local or regional authority for 70 per centum of the amount paid by such State, local, or regional author-

ity as operating subsidy to continue service on a rail line or lines that would otherwise have been abandoned. In determining whether to make such reimbursement the Secretary shall consider the need for such service and the impact of the abandonment of such service on the communities affected, the practicability of the plan of operating subsidy, the amount of subsidy in relation to the benefits to be derived therefrom, and the availability of alternative transportation at reasonable cost.

(b) Within three months from the date of enactment of this title, the Secretary shall prescribe regulations governing the procedure for application by a State, or a local or regional authority for reimbursement of operating subsidies, criteria to be used in deciding upon such applications, and terms and conditions required of all contracts or other arrangements for operating subsidy.

(c) If the Secretary finds that an operating subsidy contract or other arrangement as submitted fails to comply with his regulations, he shall advise the State, or a local or regional authority and afford it a period of not to exceed fifteen days within which to bring such contract into conformity with such regulations.

(d) An operating subsidy contract between a State, or a local or regional authority and the Corporation or a railroad may not exceed a term of two years. At the end of such term a State, or a local or regional authority may apply to the Secretary for continued reimbursement under the terms of a new contract. If a contract expires and a new contract is not made, the Corporation or the railroad may abandon the line after 30 days from the date of expiration of such contract.

(e) The Secretary shall not reimburse a State, or a local or regional authority for operating subsidy paid to the Corporation or a railroad unless requisite legislation has been adopted extending authority to the Governor or other appropriate State, local or regional official or agency to perform its obligations in accordance with the terms of this title and regulations issued by the Secretary.

(f) Upon approval of an operating subsidy contract or other arrangement by the Secretary, the United States shall become obligated to pay out of sums not otherwise obligated in the general fund of the Treasury, an amount equal to 70 per centum of moneys paid to the Corporation or a railroad pursuant to such contract or arrangement upon the receipt of proof satisfactory to him that the payment for which reimbursement is sought has been made by the State or a local or regional authority. Such payments shall be made to the States, or local or regional authorities by the Secretary pursuant to regulations prescribed by him. The Secretary shall not be authorized to obligate the United States for amounts in excess of $50,000,000 in any fiscal year.

CAPITAL IMPROVEMENTS

SEC. 702. The initial costs of restoring or upgrading rail properties to such condition as necessary for the provision of service may not be included in an operating subsidy contract or other arrangement. Such capital costs may, however, be prorated over the life of such line or facilities and such prorated cost may be included as part of the cost of an operating subsidy contract or other arrangement.

TITLE VIII—NORTHEAST RAIL INDUSTRIAL RELATIONS COMMISSION

CREATION OF THE COMMISSION

SEC. 801. There is hereby created a Northeast Rail Industrial Relations Commission, herein referred to as the NRIRC. The NRIRC shall be composed of seven members appointed by the President of the United States with the advice and consent of the Senate as follows: two shall be representatives of railroad labor; two shall be representatives of railroad management; and three, one of which the President shall designate as chairman, shall be persons who have never been affiliated either with railroad labor or railroad management. The NRIRC shall cease to exist sixty days after the date of the submission of its report to the President and the Congress under section 804(a) of this Act.

FUNCTIONS AND DUTIES

SEC. 802. (a) The purpose of the NRIRC is (1) to assist the Chairman of the Association and representatives of railroad employees to be hired by the corporation to reach agreements under section 306(a)(3) of this Act; and (2) to formulate recommendations respecting appropriate benefits (including relocation assistance) to be afforded those employees of railroads in reorganization who are not to be hired by the Corporation on or prior to the date the Corporation implements rail service under this Act and, as required by section 804(a) of this Act, to forward those recommendations to the President and the Congress.

(b) In carrying out its functions and duties under subsection (a)(1) of this section, the NRIRC shall—

(1) Keep apprised of the progress of negotiations and report thereon periodically to the Secretary of Labor and the Secretary of Transportation; and

(2) At the request of the parties to the negotiations and where the NRIRC agrees that such action would be useful, use its best efforts, by mediation, to bring the parties into agreement on disputed issues.

(c) In carrying out its functions and duties under subsection (a)(2) of this section, the NRIRC shall—

(1) Identify, collect, and preserve necessary personnel data and records;

(2) Obtain through the conduct of hearings or otherwise pertinent information and views; and

(3) Adhere to the primary objective of the establishment of a viable corporation under title IV of this Act; and

(4) Limit benefits to lump-sum severance payments, relocation assistance, and lump-sum incentives to early retirement.

ADMINISTRATIVE PROVISIONS

SEC. 804. (a) Each member of the NRIRC shall, while serving on the business of the NRIRC, receive compensation at a rate fixed by the President, but not exceeding $300 per day. In addition, each member shall be reimbursed for necessary travel and subsistence expenses incidental to serving the business of the NRIRC.

(b) The NRIRC is authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, to appoint, fix the compensation for, and assign the duties of such personnel as may be necessary to carry out the functions of the NRIRC, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 by section 5332 of such title.

(c) The NRIRC is authorized to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates not to exceed $250 per day.

(d) Each department, agency, and instrumentality of the Government, including independent regulatory agencies, is authorized and directed to furnish to the Chairman of the NRIRC upon written request made by the Chairman, on a reimbursable basis or otherwise, such assistance or information as the Chairman deems necessary to carry out the duties and functions of the NRIRC, including the transfer of personnel with their consent and without prejudice to their position and rating.

(e) There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

REPORTS

SEC. 804. (a) The NRIRC shall submit to the President of the United States and to the Congress a report describing (1) the results of the negotiations on new working agreements referred to in section 802(a)(1) of this Act and its recommendations for the solution of any unresolved matter precluding the consummation of such agreements; (2) the recommendations formulated under section 802(a)(2) of this Act; and (3) its other actviities under this Act. The report shall be submitted on or before the date the executive committee of the Association submits for approval to the board of directors of the Association a final service plan under section 308 of this Act.

(b) Within thirty days after receipt of the report from the NRIRC, the President shall approve, reject, or modify the recommendations of the NRIRC and submit to the Congress a report of such action together with such recommendations as to related legislatiton as he may deem necessary.

TITLE IX—MISCELLANEOUS

SEPARABILITIY

SEC. 901. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ACCESS TO RECORDS

SEC. 902. The corporation and the association shall keep such records as the Secretary may prescribe which disclose the amount and the disposition by the corporation and the association of payments received under section 204 of this Act. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the corporation and the association that are pertinent to payments received under section 204.

STATE OR LOCAL TAXATION

SEC. 903. Nothing in this Act shall preclude a State or local jurisdiction from imposing, in accordance with the laws of such State or local jurisdiction, any valid, nondiscriminatory tax on the corporation.

SECTION-BY-SECTION ANALYSIS OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 2188

TITLE I—SHORT TITLE, ETC.

This title contains definitions and Congressional findings and purpose.

TITLE II—FEDERAL NATIONAL RAILWAY ASSOCIATION

Sections 201 and 202—Establish a new Federal National Railway Association, a not-for-profit corporation empowered to prepare and submit to Congress for approval a rail service plan for the northeast region which will permit the operation of financially self-sustaining rail service in the region.

Section 203—Outlines the managerial structure of the Association. The Association would have a nine-man board of directors consisting of a chairman appointed by the President, three ex officio members (the Secretary of Transportation, the Federal Railroad Administrator, and the Chairman of the Federal Reserve Board), and five members appointed by the President who would represent, respectively, shippers by rail, railroads, Governors of States within the northeast region. The Association also would have an executive committee consisting of the Chairman of the Association, the Secretary of Transportation, and the Chairman of the Interstate Commerce Commission.

Section 204—Authorizes the appropriation of $40 million to meet the planning expenses of the Association and the organizational ex-

penses of the northeast Rail Corporation established in title IV.

Section 205—Makes inapplicable to transactions under the bill the Interstate Commerce Act and other laws which are inconsistent with the provisions of the bill.

TITLE III—NORTHEAST REGIONAL RAIL SYSTEM

Sections 301 through 303—Establish procedure for the preparation within 120 days after the enactment of the bill of a report on Core rail service for the northeast region. After the preparation of a preliminary report by the Secretary of Transportation, a new Planning Office to be established in the Interstate Commerce Commission would hold hearings on the report and submit its recommendations thereon to the Secretary and the ICC Chairman who would prepare a final report. The Chairman of the Association would settle disagreements by the Secretary and ICC Chairman as to the content of the final report.

Section 304—Provides for the inventory of rail facilities in the northeast region.

Sections 305 through 309—Establish procedure for the preparation of a service plan for the northeast region outlining the details for the operation of rail services. Within 300 days after the enactment of the bill, the executive committee of the association would prepare a preliminary service plan. Thereafter, the ICC would hold informal hearings on the plan and submit its recommendations thereon back to the executive committee. The executive committee would then prepare a final plan for the approval of the full board of directors of the Association. Thereafter, the Congress would be afforded the opportunity to reject the plan. If both Houses of Congress failed to reject the plan within 30 days after its receipt, the plan would be deemed approved. During the time prescribed for the preparation of the service plan, the Chairman of the Association would negotiate agreements, on behalf of the Northeast Rail Corporation and in a manner consistent with the service plan, (1) with bankrupt railroads for the acquisition of rail assets in return for stock of the Corporation; (2) with representatives of railroad employees to be hired by the corporation; (3) with financial institutions for financial assistance needed for plant improvement; and (4) with the National Railroad Passenger corporation and commuter agencies for the continuation of rail passenger service provided by these entities.

TITLE IV—NORTHEAST RAIL CORPORATION

Section 401 through 403 establish a for-profit Northeast Rail Corporation to operate or contract for the operation of rail service consistent with the provisions of the bill and to create additional corporations to operate such service as provided by the service plan.

TITLE V—COURT REVIEW AND IMPLEMENTATION OF SERVICE PLAN

Section 501—Provides for court review of the agreements negotiated by the Chairman of the Association under which the Corporation would acquire the assets of railroads in reorganization. It establishes procedure for the consolidation of such actions in a single district court and precludes further court review of its decisions. The principle issue before the court under this section would be whether the agreements are in the best interests of the debtor's estate.

Section 502—Calls upon the executive committee of the Association to determine whether the court decisions under section 501 would permit the implementation of a viable service plan and, if so, for the Corporation to begin or provide for the beginning of rail service within 60 days.

Section 503—Precludes court review of actions under the bill by the Secretary, the ICC, or the Association.

TITLE VI—DISCONTINUANCE OF SERVICE

Sections 601 through 603—Establish special procedures for the discontinuance of service and the abandonment of lines by railroads which transfer assets to the Corporation and by the Corporation itself during its first two years of operations. The procedures insure that State and local governments and others will have the opportunity to purchase the lines for rail purposes or contract for the continuation of rail services thereon on terms and conditions that would insure that the railroad does not incur any losses as a resit of the provision of the service.

TITLE VII—LOCAL RAIL SERVICE ACT OF 1973

Sections 701–702—These sections establish a new program to be administered by the Secretary of Transportation. The Secretary would be authorized to obligate the United States to pay 70 per centum of the cost of subsidizing railroad deficit operations on lines which, in the absence of the subsidy, would be abandoned either under the provisions of this act or the Interstate Commerce Act. In order to preserve rail service on a line to be abandoned, a State, local or regional authority must contract with either the Corporation or a railroad for the continuation of services. The State, local or regional authority would be obligated to pay the railroad for the losses sustained, but the Secretary would be authorized to reimburse the State, local or regional authority for 70 per centum of its obligation.

Title VII is Nationwide in scope. It is designed to provide a viable alternative to States, localities and regional authorities who would lose rail service via abandonment in the absence of a program for subsidizing the service. The criteria used by the Secretary in deciding whether to reimburse a State, local or regional authority for 70 per centum of its subsidy cost would be promulgated by the Secretary pursuant to statutory guidelines set forth in the title.

TITLE VIII—NORTHEAST RAIL INDUSTRIAL RELATIONS COMMISSION

Section 801—Creates a Northeast Rail Industrial Relations Commission composed of seven presidential appointees, two of which would be representatives of railroad labor and two of which would be representatives of railroad management.

Section 802—Outlines the following functions of the Commission: (1) to assist the chairman of the association (acting on behalf of the Corporation) and the representatives of railroad employees to be hired by the Corporation to reach a new working agreement; and (2) to formulate and submit to the President and the Congress recommendations respecting appropriate benefits to be afforded to employees of railroads in reorganization who are not to be hired by the Corporation.

Section 803—Contains administrative provisions applicable to the operations of the Commission.

Section 804—Requires the President to approve, reject, or modify the recommendations contained in the Commission's report and thereafter to submit to the Congress a report of such action together with such recommendations as to related legislation as he deems necessary.

TITLE IX—MISCELLANEOUS

This title contains provisions on separability, audit, and a provision permitting nondiscriminatory State and local taxation.

REFORM OF CONGRESSIONAL PROCEDURES—AMENDMENT

AMENDMENT NO. 457

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. JAVITS (for himself and Mr. MONDALE) submitted an amendment intended to be proposed by them jointly to the bill (S. 1541) to provide for the reform of congressional expenditures and the national debt; to create a budget committee in each House; to create a congressional office of the budget; and for other purposes.

Mr. JAVITS. Mr. President, I introduce for myself and Mr. MONDALE as an amendment to S. 1541, the "Congressional Budgetary Procedures Act of 1973," now before the Committee on Government Operations, my proposal for the establishment of an Office of Goals and Priorities Analysis.

This proposal was included by me in December 1969 as a part of S. 5, a bill sponsored by Senator MONDALE, principally for the establishment of a Council of Social Advisers.

It was passed by the Senate as a part of S. 5 on September 10, 1970, and September 5, 1972, and is included in S. 5 as reported by the Committee on Labor and Public Welfare on June 18, 1973, and now under consideration by the full Senate. Under the proposal there would be established in the Congress an independent and autonomous unit which would be responsible for submitting an annual report to the Congress setting forth goals and priorities in the general context of needs, costs, available resources, and program effectiveness. The national priorities report would include, but not be limited to:

First, an analysis, in terms of national priorities of the program in the annual budget submitted by the President.

Second, an examination of resources available to the Nation, the foreseeable costs and expected benefits of existing and proposed Federal programs, and the resource and cost implications of alternative sets of national priorities.

Third, recommendations concerning spending priorities among Federal programs and courses of action, including the identification of those programs and courses of action which should be given greatest priority and those which could more properly be deferred.

Mr. President, events have now established suitable framework for this proposal. It is an idea whose time has come.

We had a Joint Committee on Budget Control headed by the Senator from Arkansas (Mr. MCCLELLAN).

We were appalled by the inability to put on and administer a ceiling on the budget ourselves. It was reported—and while I differ with some of it, on the whole it was an admirable effort to begin to deal with that question.

At that point, a legislative standing committee—the Government Operations Committee—on which I serve quite properly, to implement those recommendations.

The Committee on Government Operations is now considering legislation to implement the recommendations—S. 1541, the Congressional Budgetary Procedures Act of 1973—as it is being reported from the Subcommittee on Budgeting, Management, and Expenditures on which Senator METCALF is the chairman and the ranking member is the Senator from Ohio (Mr. SAXBE).

Mr. President, the Committee on Labor and Public Welfare report on S. 5 states:

The Committee recognizes that the Joint Study Committee on Budget Contract established by Public Law 92–599 (October 27, 1972) has recommended the creation of

House and Senate Committees on the Budget with a joint staff, and that these Committees could perform many of the functions envisioned for the Office of Goals and Priorities Analysis under Title II. Legislation to implement the Joint Study Committee's recommendations and similar initiatives are now being considered by the Senate Committee on Government Operations and by the appropriate committees in the House.

In connection with the Senate's consideration of S. 5, the Committee will work with members of these and other concerned committees and joint committees to ensure that Title II is reviewed in light of these and other related developments.

To that end, I have consulted with the chairman and the ranking minority members of the Committee on Government Operations and of the Subcommittee on Budgeting, Management, and Expenditures, as well as with Senator MONDALE, and I am taking title II out of S. 5 and introducing title II as amended as an amendment to S. 1541, the Congressional Budget Procedures Act of 1973, to be further considered by the Committee on Government Operations. having already been approved by the Committee on Labor and Public Welfare, today.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD excerpts from the report of the Senate Committee on Labor and Public Welfare (93–324) regarding title II, including an explanation of needs, testimony before the Committee on Labor and Public Welfare, as well as a section-by-section analysis of this title II.

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

EXCERPTS FROM REPORT OF SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Title II.—While the Council of Social Advisers is designed as an agent of the White House, dealing with the general social health of the Nation, the Office of Goals and Priorities Analysis would be an arm of the Congress, serving it in its examination of budget proposals, program costs and effectiveness, appropriations, and the national priorities revealed in this spending.

The appropriations process is the vital mechanism through which the Congress seeks to reflect its views on budgetary priorities. But there remains a great need to equip Congress with the kind of manpower, data and technology that would furnish it with the information necessary if it is to fully examine and evaluate each appropriations measure, separately and in view of all other appropriations measures, will regard to the relative needs of the Nation. The Office would not supplant the efforts of the Appropriations Committees to determine the Nation's expenditures. Rather, it would further explain, coordinate and compare the various budgetary proposals so as to provide the overview so necessary to responsible fiscal planning. The program information it would collect and interpret would be made available to other committees and individual Members of Congress.

These services should, in concert with the other work of the Office, serve to improve the legislative process. Too often, despite the excellent work of the Appropriations Committees, congressional procedures result in each appropriation's being considered separately and in a piecemeal fashion.

In committees—on the floor—and in conference, over a period of months, the Government's spending priorities take shape. Yet this is done in virtual ignorance of total alternative budgets by which other priorities might be expressed. Revisions and amendments are made, often on the floor of the Senate, each of which affects a vast range of alternatives. Yet these alternatives are seldom really identified. An appropriation increase, for example may be offered with the very best of intentions, but with no clear idea of what other equally worthwhile projects are precluded by this additional expenditure.

Currently, the Congress has only one complete, coherent budget with which to work—that submitted by the President. There is no reason, of course, why the Congress should feel obliged to accept this budget, item by item. And the Congress doesn't. The new Office would, in providing Congress with hard cost-benefit and sound, need-projection data, improve the chances that the deletions, additions, and other revisions of the budget would occur as a result of informed and considered analysis of the merits of each budget proposal, and of how all spending decisions influence, and are influenced by, the total economy.

It was the opinion of the committee that the Congress needed its own office to provide this kind of ongoing analysis and to generate comprehensive budget alternatives which could be examined in a totality. The executive branch is quite well equipped to function in such matters. With the Domestic Council and the Office of Management and Budget, and with the extensive facilities of the National Security Council, the Council of Environmental Quality, and the Council of Economic Advisers, the White House alone (not to mention the departments and agencies) is formidably equipped to present a given budget and make its case.

Meanwhile, the Congress—coequal in policymaking, and supposedly preeminent in the control over spending—has far too little resources, even in its Appropriations Committees, and has no established mechanism to help individual Senate or congressional staffs examine the national priority judgments reflected in the budget. The President said, when announcing his proposal to establish the Domestic Council and the Office of Management and Budget: "A President whose programs are carefully coordinated, whose information system keeps him adequately informed and whose organizational assignments are plainly set out, can delegate authority with security and confidence." Certainly the Congress, the branch of Government which shares with the Executive the responsibility to determine national priorities and delegate authority, should be so organized and informed. Such an office in the Congress could do much to stem the growing erosion of congressional power and give substance to the admittedly ill-defined contentions about national priorities, peace and growth dividends, and fiscal responsibility.

The last day of hearings, March 13, 1970, was devoted to discussion of title II. The witnesses were Senator Charles Percy, Mr. Charles J. Zwick, former Bureau of the Budget Director, and Mr. Joseph W. Barr, former Secretary of the Treasury.

Mr. Barr and Senator Percy testified that the Office of Goals and Priorities Analysis would serve to resolve the problems Congress presently endures by virtue of the piecemeal fashion in which it debates and funds national goals and priorities.

Senator Percy attributed the problem to the way the legislative process is set up:

Each bill and appropriation is handled separately with no real attention given as to how each piece of legislation fits into an overall framework of need and resources available.

All three witnesses agreed that Congress is also handicapped by the shortage of manpower, technological resources, and information necessary to make priority decisions regarding national program and policy design.

Senator Percy testified that "the Congress needs an independent office to provide Congress with independent counsel and advice in economic and financial areas in lieu of Congress falling back upon data provided by the executive branch. Or, what is worse, to operate in the dark." He found it incredible that Congress, where decisions of nationally important consequences are made, has neither the corps of people nor the minimum technological assistance that was available to him in making relatively minor decisions when he was in industry.

Senator Percy noted that the executive already surpasses the Congress in the development of a computer-based program management and evaluation and information system. He suggested that Congress avail itself of computer services so that it could, at least, request from the appropriate executive departments the tapes which have the data, upon which the executive budgets and 5-year plans have been based, and thus equip the office with the added ability to analyze the total budget and performance from a baseline (not just from the prior year) and search every line item if necessary.

Mr. ZWICK testified on the need for both the Council of Social Advisers and the congressional Office of Goals and Priorities Analysis to do "an effective cross examination" of recommendations from the executive branch. He felt that the new Executive reorganization made such tools all the more essential. First, the Director of the Office of Management and Budget would, according to the White House, no longer be involved in policy formulation and, therefore, the Director would be less able to testify on the underlying policy and priorities. Second, the Domestic Council would, under the cloak of Executive privilege, not be available to inform the Congress.

Senator Mondale and Mr. Barr agreed that the tools of S. 5 would not only restore some balance between the executive and legislative branches, but would also improve the quality of work in the executive branch. The Senator pointed to the "suboptimization" which increasingly characterizes a proliferating executive branch and which is never really challenged to answer the difficult question of overall priorities. With a more effective and informed challenge coming from the Congress, both branches should benefit from the result.

HEARINGS: 92D CONGRESS

In July 1971, a hearing was held on the bill, S. 5, in the identical form to that which was passed by the Senate on September 10, 1970. The bill was now known as the "Full Opportunity and National Goals and Priorities Act."

Testimony favoring the bill was received from Mr. Sol M. Linowitz, chairman of the National Urban Coalition, Prof. Raymond A. Bauer, professor of business administration at Harvard University and Dr. Nicholas J. Demerath III, executive officer of the American Sociological Association. A statement in support of the bill was also submitted by Mr. David F. Linowes, a partner in the firm of Laventhol, Krekstein, Horwath & Horwath.

Testimony generally supporting the objectives of the bill was presented by Hon. William Proxmire, a U.S. Senator from Wisconsin, and by Dr. Dwight A. Ink, Assistant Director of the Office of Management and Budget. These two witnesses, however, opposed enactment of the bill, principally on the grounds that they believed the functions provided for in the bill were already being performed—or should be performed—by different organizational units.

The witnesses who recommended enactment of the bill offered convincing testimony as to the need for the legislation, the appro-

priateness of the structures and processes to be established, and the feasibility of successful implementation—provided only that sufficient time would be allowed for the new arrangements to be developed and nurtured. Professor Bauer, for example, stressed that we should allow a new Council of Social Advisers some 10 to 15 years to reach maturity. But, he said, "it is better to start now."

Mr. Linowitz emphasized the great disparity in resources available to the President and to the Congress in developing the "major contours" of the Federal Budget. He said:

The Congressional Office of Goals and Priorities created by S. 5 would provide Senators and Representatives with the means to analyze the budget as a whole for the first time.

Referring to title I of the bill, Mr. Linowitz observed:

Finally, Congress currently is compelled to operate without the social data required to choose rationally between alternative resource uses, to evaluate program effectiveness, and to formulate a comprehensive public policy. The Council of Social Advisers and the annual social report of the President authorized in title I of the act, would, we believe, help to fill this information vacuum.

TITLE II

Section 201.—This section declares a finding of the Congress that the Congress needs more information and data upon which to base decisions affecting national priorities and budget alternatives.

Section 202.—This section establishes within the Congress an Office of Goals and Priorities Analysis. The Director and Assistant Director of the Office are to be appointed jointly by the majority leader in the Senate and the Speaker of the House, and shall have compensation equal to that of the Comptroller General and assistant Comptroller General. This section also sets their terms of office, provides for their removal, and declares professional qualification without regard to political affiliation to be the requirements for all professional staff members including the Director and Assistant Director.

Section 203.—This section relates the functions of the Office to those measures and appropriations which may come before the Congress; calls for a report on national goals and priorities to be submitted to the respective Committees on Appropriations, the Joint Economic Committee, and other interested committees. This section also states service to individual members to be a function of the Office in providing requested information or analyses relevant to an informed determination of national goals and priorities.

Section 204.—This section grants the Office certain authority for carrying out its functions; directs departments and agencies of the executive branch and independent agencies with specific mention of the General Accounting Office and the Office of Management and Budget, to furnish such information and assistance as is possible; and brings the staff of the Office of Goals and Priorities Analysis under section 2107 of title V of the United States Code.

Section 205.—This section calls for hearings on the national goals and priorities report by the Joint Economic Committee.

Section 206.—This section establishes the Secretary of the Senate as the disburser for the funds appropriated for the Office.

VETERANS' ADMINISTRATION ACCOUNTABILITY ACT OF 1973—AMENDMENT

AMENDMENT NO. 458

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

PRESIDENTIAL APPOINTMENT OF VA OFFICIALS

Mr. CRANSTON. Mr. President, I submit for printing an amendment to S. 1076, the proposed "VA Accountability Act of 1973," of which I am a cosponsor with Senator HARTKE, chairman of the Senate Veterans' Affairs Committee. I am delighted to be joined by Senator HARTKE and Senator RANDOLPH in sponsorship of this amendment to require that future appointments to the post of VA Deputy Administrator, Chief Medical Director, and Chief Benefits Director be made by the President subject to Senate approval.

Mr. President, there are currently 542 statutory positions required to be filled by Presidential appointment, by and with the advice and consent of the Senate. In determining why certain positions are subject to Senate confirmation, it seems pertinent to examine the size of the particular agency's budget, the number of employees under its jurisdiction, and the number of potential beneficiaries that the agency serves. Presumably, an agency with a large budget and a large number of employees, as well as a large population for which it is responsible, will have more positions requiring Senate approval than a smaller agency.

In view of this, Mr. President, let us look at the situation of the Veterans' Administration. Right now, in an agency spending more than $12.5 billion, employing almost 200,000 people, and potentially providing benefits to 29 million veterans, only one official, the Administrator of Veterans' Affairs, is so appointed and so accountable. By comparison, the Department of Housing and Urban Development employs approximately 16,000 people and spends a little over $5 billion, but has 7 statutory positions subject to Senate approval. And the ACTION Agency, with less than 2,000 employees, and a budget of approximately $165 million, has 6 positions requiring confirmation by the Senate.

The General Services Administration, which employs slightly more than 4,000 people and spends approximately $826 million has, like the VA, only one Presidentially appointed position requiring Senate approval. While I recognize the valuable services that this agency provides—largely to other Federal agencies—it does not have 29 million potential beneficiaries, as is the case with the Veterans' Administration.

Mr. President, these examples indicate a serious discrepancy regarding the accountability of the principal VA officials, which the amendment we are submitting would rectify. I wish to make it very clear, however, that this amendment explicitly would not apply to the incumbents in these positions. Retroactive confirmation by the Senate of the persons presently in the positions of VA Deputy Administrator, Chief Medical Director, and Chief Benefits Director is not required by this amendment.

Mr. President, I ask unanimous consent that the full text of this amendment be set forth in the RECORD at this point.

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

At the end of the bill add a new section as follows:

SEC. 6. (a) The first sentence of section 210(d) of title 38, United States Code, is amended to read as follows: "There shall be in the Veterans' Administration a Deputy Administrator of Veterans' Affairs who shall be appointed by the President by and with the advice and consent of the Senate.".

(b) Section 210 of title 38, United States Code, is further amended by adding at the end thereof a new subsection as follows:

"(e) There shall be in the Veterans' Administration a Chief Benefits Director who shall be appointed by the President by and with the advice and consent of the Senate. The Chief Benefits Director shall administer, under the supervision and control of the Administrator, the programs provided for under chapters 11, 13, 15, 19, 21, 23, 31, 34, 35, 37, and 39 of this title, and shall perform such other functions as the Administrator shall designate."

(c) The first sentence of section 4101(a) of title 38, United States Code, is amended by inserting "who shall be appointed by the President by and with the advice and consent of the Senate" after "Chief Medical Director".

(d) The provisions of sections 210(d) and 4101(a) of title 38, United States Code (as amended by this section), insofar as such provisions require the advice and consent of the Senate to the appointment of individuals to the offices of Deputy Administrator of Veterans' Affairs of the Veterans' Administration and Chief Medical Director of the Department of Medicine and Surgery, Veterans' Administration, shall not apply in the case of individuals holding those offices, respectively, on the date of enactment of this Act for so long as such individuals continue to hold such offices. The provisions of section 210(e) of such title (as added by this section), insofar as such provisions require the advice and consent of the Senate to the appointment of any individual to the office of Chief Benefits Director of the Veterans' Administration, shall not apply with respect to the first appointment to such office, if the individual so appointed is the individual holding the administratively created office of Chief Benefits Director of the Veterans' Administration on the date of the enactment of this Act.

AMATEUR ATHLETIC ACT OF 1973—AMENDMENT

AMENDMENT NO. 459

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

Mr. TUNNEY. Mr. President, on June 27, 1973, the Senate Commerce Committee voted to report the Amateur Athletic Act of 1973, a bill designed to protect the rights of our amateur athletes in athletic competition, and to provide the foundation for better training, better coaching, and better facilities for amateur athletes.

Today, I have reported the bill as ordered reported by the Commerce Committee on behalf of myself and Senators PEARSON, COOK, GRAVEL, MAGNUSON, and THURMOND.

This bill is the result of many months of work by all the Senators involved. It is the result of 3 days of hearings in May on four bills which were combined to produce the omnibus bill which has been introduced today, with the report of the Commerce Committee accompanying it. It is, we believe, a giant step forward in protecting the interests of amateur athletes.

In the weeks since the Commerce Committee reported the legislation, there has been a barrage of criticism and innuendo unleashed by the existing sports bureaucracies in this country. Much of the criticism has been the result of misinterpretation, or misinformation on the parts of those concerned. We believe that

those misinterpretations, whether innocent or conscious, will disappear as the true facts concerning our purposes are made clear.

There were, in addition to the exaggerations and misinformation, reasonable questions raised by knowledgeable sports observers and by some of our colleagues. In an attempt to strengthen the legislation and to accommodate the questions which have been legitimately raised concerning this legislation, we have changed and attempted to clarify certain parts of the bill. Accordingly, I now introduce an amendment in the nature of a substitute, on behalf of myself, and Senators PEARSON, COOK, MAGNUSON, GRAVEL, and THURMOND. This amendment is designed to eliminate any confusion as to our purposes or as to the scope of the bill, and I would like to briefly review some of the main substantive changes which we have made in this amendment.

The bill has been reorganized into three titles. The first title contains definitions which should serve to clarify and focus the purposes of the bill.

"International competition" is defined in the amendment in such a way as to indicate that only officially sanctioned competitions between nations as recognized by chartered sports associations are included. This definition is motivated by the recognition that there is a certain amount of informal competition between groups in the United States and other countries. High schools in the United States, for example, have regular games in sports such as football and ice hockey with teams from Canadian high schools. It is not the intention of the sponsors that such comptition be considered within the definition of international competition under this bill.

The amendment adds a definition of "restricted competition," a competition which is conducted for athletes of one class. This would include, for example, college athletes, high school athletes, Armed Forces athletes, YMCA athletes, and the like. This definition was added to eliminate confusion concerning the bill's impact on interscholastic and intercollegiate competition. The bill, under sections 201–204, has no effect on such competition. This is a key misconception which must be cleared up. The colleges and high schools have done an effective job to date in running their programs of interscholastic and intercollegiate competition and we do not intend to interfere with that administration.

Indeed, under the divisions established under sections 206 and 207, and under the National Sports Development Foundation proposed in title III of the bill, we hope to aid those programs by offering research and financial support to their activities on a voluntary acceptance basis.

"Sport" is defined in the bill in a manner which will make clear that the chartering and sanctioning provisions of sections 201–204 are designed to apply only to sports which are presently on the Olympic program, and to sports which eventually become a part of the Olympics. The limitation of the restructuring provisions of this amendment to Olympic sports, rather than including all amateur sports, such as tennis and golf, is a recognition of the fact that non-Olympic sports have significantly different international structures in many cases, a different international competitive focus, and different internal rules, such as those relating to "open competition."

The section defining "sport" contains language to make it clear that the Board can redefine the categories of sports in which events are conducted at the Olympic games—

Such other categories as may be subsequently included in such program or *as might be defined by the Board as appropriate for a charter under the provisions of this Act.*

This will give the flexibility to the Board to grant charters in sports which have not necessarily been recognized as separate in the Olympic games or by the international sports governing bodies if the Board felt that the sports in question could profit from such a redefinition. Thus, if the Board felt it justifiable, it could award charters for "water polo," as distinct from what has been traditionally termed "acquatics," or for "long-distance running," as apart from what has been traditionally been termed "athletics." The chartered groups in such redefined sports would then have the responsibility for applying to the appropriate international sports governing body for a franchise to conduct competition in such a sport in the United States.

"Unrestricted competition" has been redefined in section (15) of section 101 of the amended bill to comport with the definition of "restricted competition." It cannot be sufficiently emphasized that the concept of "unrestricted competition" is at the heart of structural reform as contemplated under this bill, and that, in context, such competition is a small though important part of the overall amateur athletic picture in this country.

The other substantive changes in the bill which have been made are all contained in sections 201–204 relating to the functions and administration of the Amateur Sports Board and the chartered sports associations which will operate pursuant to the Board's granting of charters.

Section 202(e) now contains a list of some of the functions which chartered sports associations will be expected to carry out as a result of being recognized as the U.S. choice as the governing body in any particular Olympic sport. This list is not intended to be exhaustive, but is an attempt to more specifically describe some of the activities of these groups, based on past experience and future expectations about the role of a competent, well-administered sports group in promoting a sport.

The enumeration of these functions in no sense is intended to convey the idea that sports associations are the only group responsible for promoting sports. Indeed, it is the intention of the sponsors of this legislation that healthy competition between groups sponsoring and conducting athletic events and development programs should flourish as a result of this bill.

In section 203, the amendment contains new provisions relating to mediation of disputes between chartered sports associations, and sports organizations, other sports associations or individual athletes. As amended, this is now a two-step process, in which the board is to attempt to mediate any such disputes, and with the consent of the disputants, is authorized to render binding decisions.

The provision of a permanent group to mediate athletic disputes is one of the very significant innovations of this bill. Too often in the past, athletes and competitions have suffered because of mindless wrangling between feuding groups. Now, the opportunity is present for mediation in all disputes and for binding decisions if the parties consent. For the first time, there will be an objective body, one of whose main goals will be the settlement of athletic disputes, and whose mandate is to seek such resolution and mediation. In this respect, we feel that the two-step process now included offers real prospects for both limited and full-scale mediation.

The most important substantive amendment contained in this amendment is in section 204(d). It recognizes, for the first time, the right of amateur athletes to compete in unrestricted competitions sanctioned by the appropriate sports association. This means that athletes will no longer be pawns in jurisdictional disputes between warring athletic bureaucracies. It will mean an end to the time when an athlete risks his eligibility for future interscholastic, intercollegiate or international competition merely because he competes in an unrestricted competition. We will no longer have to get 58 members of the United States Senate to sign a letter to qualify college basketball players for an international competition against the Soviet Union.

This section will insure that the decision on where and when to compete rests in the hands of the athlete—and that is as it should be. We believe that the amateur athlete receives enough advice and information from his family, friends, coaches, and others that he is capable of making decisions which are in his best interests, both athletically and on the whole.

We recognize that educational institutions, both colleges and high schools, have certain legitimate interests which they may seek to protect by formulating rules limiting athletes in competing when such competition interferes with a valid educational function. Therefore, the only allowable exception to the athlete's right to compete is a denial based on rules which are reasonable and related to education.

However, if a school or college wishes to enforce such rules, the burden is on the institution to appear before the Board and demonstrate to the Board's satisfaction that the rule is reasonable, related to the educational development of such athletes, and was published before the denial of the right to compete. This placing of the burden on the institution enables the athlete to presume that he will be able to compete, while giving a school the chance to come forward and justify its rules.

The substantive changes which we

have made in the amended legislation make it a stronger bill. I and my colleagues are eager to strengthen this bill in any way that will further protect the legitimate interests of those involved in amateur athletics, especially athletes.

We believe that this bill will usher in a new era of athletic freedom and reason. We believe that it will strengthen the competitive ethic which lies at the heart of athletic involvement.

Finally, we believe that, though this legislation is being considered by a legislative body of the Federal Government, it will lessen, rather than increase the political aspect of sport by returning the focus to its proper place—the sacrifice and dedication of the individual athlete striving to exceed his personal goals. I firmly believe that we should deemphasize the natonalistic aspects of sport, and I believe that this legislation will be an effective way to do that.

Millions of Americans who dedicate large parts of their lives to the pursuit of sporting excellence will be profoundly affected by this legislation, and that effect will be all to the good. It will insure that those who compete stand as the centerpiece of our Olympic sports.

Howard Cosell, the noted sportscaster for the American Broadcasting Co., has succinctly and effectively stated the case for this legislation. He has seen many of the conditions to which this bill responds and has eloquently stated the need for reform. I ask unanimous consent that his remarks on his July 16 radio broadcast, "Speaking of Sports," be inserted in the RECORD at this point.

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

HOWARD COSELL SPEAKING OF SPORTS

Hello again everyone, this is Howard Cosell speaking of sports.

Senator John Tunney of California came to New York today. He came to head up a press conference conducted for the benefit of sports journalists—in the hope of explaining to them what the Amateur Athletic bill of 1973, a proposed piece of legislation reported out by the Senate Commerce Committee to the Senate floor, is all about.

He came to answer ignorant charges that the bill, if passed, would provide government domination of amateur sports.

Anybody who's read the bill would know otherwise.

Anybody who's read the bill would know that it's concerned with the development of long-term training facilities that would improve the lot of our young athletes.

Anybody who's read the bill would know that it's aimed at preventing such vicissitudes of fate—ugly vicissitudes of fate—as a youngster trying to hitchhike from Pennsylvania to Oregon at his own expense to participate in the Olympic trials.

Anybody who's read the bill would know that it's concerned with trying to insure that our young athletes, if they're of Jewish persuasion, can participate in the Macabee Games—that our young athletes, if they be Chris Dunn, the high jumper of Colgate, can leap in a competition against the Russians.

Anybody who's read the bill would know that the concern is with the coaching of our Olympic team, and the various mishaps that occurred there, such as stripping a 15-year old California of a gold medal he had won.

Such as seeing that our runners got to the starting blocks on time, when we were the only nation of 132 that failed to do so.

Anybody who's read the bill would know that the bill's concerned with preventing debacles such as the loss to Russia in basketball under the most inexplicable circumstances.

Instead, Senator Tunney has been reading what you and I have been reading—by writers who haven't read the bill, who don't know anything about it, that the bill would provide for government intervention.

I know of no more important matter on the sports agenda of this country than the passage of that bill.

The Amateur Athletic bill of 1973 will be passed.

And it's high time.

Mr. TUNNEY. Mr. President, the Amateur Athletic Act of 1973 has already generated significant support among athletes and coaches. Those who are most profoundly affected by our efforts to reform amateur athletics are foursquare in support of those efforts. As an example, I have today released a statement signed by 48 present and past Olympic athletes indicating their support for the purposes of our bill. Because I believe that this statement is indicative of the widespread support that this measure enjoys among athletes, I ask unanimous consent that the text of the statement of support, and the names of the athletes who have signed this statement be printed at this point in the RECORD.

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

STATEMENT OF OLYMPIC ATHLETES

We, the undersigned Olympic athletes, believe strongly in the ideals and goals contained in the words "Olympic athlete." As athletes, we are committed to a striving for excellence in our sports that we know is encouraged by free, open, and robust participation at all levels. As Olympians, we believe that international competitions at the highest levels do foster honest respect and a sense of brotherhood among all peoples.

Therefore, we believe that too much cannot be done to encourage the development of all sports at all levels and for all ages. We often wonder whether in fact too little is being done. The pleasures of participation should not be denied to anyone because of inefficiency or infighting. For only if there is a broad and deep program of participation will we be able to rise toward Olympus.

It is for these reasons that we welcome the recent efforts designed to foster the development of sports by insuring the participation of athletes. The proposed legislation of the Amateur Athletic Act of 1973, recently reported by the Senate Commerce Committee, is such an effort. This legislation alone is not the solution; there is no single solution. But it is a well-conceived beginning, and it deserves to become a first step.

Wade Bell—1968; Track & Field.
Rink Babka—1960, 1964; Track & Field.
Pat Bank—1960, 1964; Pentathlon.
Carl Borack—1972; Fencing.
Doris Brown—1968, 1972; Track & Field.
Michael Burton—1964, 1968, 1972; Swimming.
Sherry Calvert—1972; Track & Field.
Suzie Chaffee—1968; Skiing.
Sherm Chavoor—1972; Womens' Swimming Coach.
Wayne Collett—1972; Track & Field.
Harold Connolly—1956, 1960, 1964, 1968; Track & Field.
Olga Connolly—1956, 1960, 1964, 1968, 1972; Track & Field.
Ellie Daniel—1968, 1972; Swimming.
Donna De Varona—1960, 1964; Swimming.
Russ Hodge—1964; Track & Field.
Paul Hoffman—1968, 1972; Rowing.
Rafer Johnson—1960; Track & Field.
Marilyn King—1972; Pentathlon.
Micki King—1964, 1968, 1972; Diving.
J. Cleve Livingston—1968, 1972; Rowing.
Michael Livingston—1968, 1972; Rowing.
Tom McMillen—1972; Basketball.
Cathy Rigby Mason—1972; Gymnastics.
Randy Matson—1964, 1968; Track & Field.
Michael Manley—1972; Track & Field.
Charles Mays—1968; Track & Field.
Steve Metburn—1972; Fencing.
Billy Mills—1964; Track & Field.
Ken Moore—1968, 1972; Marathon.
Al Oerter—1956, 1960, 1964, 1968; Track & Field.
Brian Oldfield—1972; Track & Field.
Jeanne Omelenchuk—1960, 1968, 1972; Speed Skating.
Ken Okada—1972; Judo.
Nancy Owen—1972; Volleyball.
Steve Prefontaine—1972; Track & Field.
Browning Ross—1948, 1952; Track & Field.
Wilma Rudolph—1960; Track & Field.
Jim Ryun—1968, 1972; Track & Field.
Steve Savage—1972; Track & Field.
Kathy Schmidt—1972; Track & Field.
Don Schollander—1964, 1968; Swimming.
Bob Seagren—1968, 1972; Track & Field.
Jim Seymour—1972; Track & Field.
Jay Silvester—1964, 1968, 1972; Track & Field.
Art Walker—1968, 1972; Track & Field.
Edward Williams—1968; Biathlon.
George Woods—1968, 1972; Track & Field.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the full text of the amendment in the nature of a substitute which I have introduced be printed in the RECORD at this point,

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

AMENDMENT NO. 459

Strike all after the enacting clause and insert in lieu thereof the following:
"That this Act may be cited as the 'Amateur Athletic Act of 1973'.

"TITLE I—GENERAL PROVISIONS

"DECLARATION OF POLICY

"SEC. 101. (a) FINDINGS.—The Congress hereby finds and declares that—

"(1) Amateur athletic activity, including competition, and physical fitness are valuable in the development of individuals and the strengthening of the Nation.

"(2) International competition between amateur athletes contributes to international peace and understanding.

"(3) The full potential benefits of amateur athletic competition have not been realized because various private organizations in the United States have not been able to coordinate their efforts.

"(4) Organized amateur athletic competition is conducted through the use of facilities of interstate commerce or its activity which affects interstate commerce. International amateur athletic competition involving American citizens is conducted through the use of facilities of foreign commerce.

"(b) PURPOSES.—Therefore, it is hereby declared to be the purpose of the Congress to establish a Amateur Sports Board to coordinate amateur athletic competition and a National Sports Development Foundation to support and encourage athletic activity and physical fitness.

"DEFINITIONS

"SEC. 102. As used in this Act—

"(1) 'Amateur athlete' means an individual who trains for and participates in an amateur athletic competition, in accordance with such guidelines of amateurism as the Board, with due regard for international standards, may promulgate.

"(2) 'Amateur athletic competition' means a contest, event, game, meet, match, tournament, or other program in which only amateur athletes are permitted to compete.

"(3) 'Board' means the Amateur Sports Board established pursuant to section 201 of this Act.

"(4) 'Chairman' means the Chairman of the Board.

"(5) 'Chartered sports association' means a not-for-profit corporation which holds a charter granted by the Board in accordance with this Act.

"(6) 'Commission' means the United States Olympic Commission established pursuant to section 205 of this Act.

"(7) 'Foundation' means the National Sports Development Foundation established pursuant to section 301 of this Act.

"(8) 'International competition' means any organized amateur athletic competition in which individuals or teams, all of whom officially represent the United States as determined by a chartered sports organization, compete against individuals or teams of any other nation, all of whom officially represent such other nation as determined by the appropriate sports governing body of such nation.

"(9) 'President' means the president of the Foundation.

"(10) 'Restricted competition' means amateur athletic competition which is restricted to a specific class of amateur athletes, including, but not limited to, high school or collegiate athletes, members of the Armed Forces, or any other specific category of amateur athletes.

"(11) 'Sanction' means a certification of approval.

"(12) 'Sport', as used in sections 201, 202, 203, and 204 of this Act, means a category of amateur athletic competition which is a part of the program at the Olympic games including archery, athletics (track and field), basketball, boxing, canoe and kayak, cycling, fencing, soccer-football, equestrian sports, gymnastics, team handball, field hockey, judo, rowing, shooting, volleyball, weightlifting, wrestling, yachting, swimming-diving and water polo, modern pentathlon and biathlon, bobsledding, ice hockey, figure skating, speed skating, skiing, and luge, and such other categories as may subsequently be included in such program, or as might be defined by the Board as appropriate for a charter under the provisions of this Act.

"(13) 'Sports organization' means a club, federation, union, institution, association, or other group, except a chartered sports association, which sponsors or organizes any amateur athletic competition in which amateur athletes may compete if they are members of or affiliated with an institution which is a member of such group.

"(14) 'Trustees' means the board of trustees of the Foundation.

"(15) 'Unrestricted competition' means any amateur athletic competition, including international competition, in which all eligible amateur athletes may participate, but does not include restricted competition.

"TITLE II—COORDINATION OF AMATEUR ATHLETIC ACTIVITY

"AMATEUR SPORTS BOARD

"SEC. 201. (a) ESTABLISHMENT.—There is hereby established an independent agency of the United States to be known as the 'Amateur Sports Board'.

"(b) MEMBERS.—(1) The Board shall be composed of five members including a Chairman. The President of the United States shall appoint five qualified individuals to be members of the Board, by and with the advice and consent of the Senate. It is the sense of the Congress that initial appointments under this title should be made within sixty days after the date of enactment of this Act.

"(2) As used in this subsection, 'qualified individual' means an individual who is distinguished for his dedication to the highest ideals of amateur athletic competition, his freedom from bias, and his knowledge and experience in sports development in its broadest sense and who is equipped by experience, known talents, and interests to further the policy of this Act effectively, positively, and independently if appointed to be a member of the Board.

"(3) The President of the United States shall make appointments in such a way that at no time shall there be less than one member who is an amateur athlete who has engaged, within three years prior to such nomination, in international competition, and so that at no time will there be more than one member who is or has been an officer, director, or employee of the same sports organization. Due regard shall be given, in the appointment of members of the Board, to reflecting the diversity of those who engage in sports and amateur athletics, with appropriate weight given to such factors as race, age, and sex.

"(c) CHAIRMAN.—The members of the Board shall select one member to be the Chairman.

"(d) TERMS OF OFFICE.—The terms of office of the members first taking office shall expire as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, one at the end of the third year, and two at the end of the fourth year. The member selected as Chairman shall serve as Chairman until his term of office as a member expires and a successor is duly appointed. A successor to a member of the Board shall be appointed in the same manner as the original member and shall have a term of office which shall expire four years from the date of expiration of the term for which his predecessor was appointed. No member of the Board or former member of the Board, upon the expiration of his term of office, may be reappointed to another term of office as a member of the Board, except the original member who sits for one-year term.

"(e) STAFF.—The Chairman, with the concurrence of at least three other members of the Board, is authorized to—

"(1) appoint, fix the compensation, and assign the duties of an executive director, attorneys, researchers, and such other employees as the Board deems necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, provided such compensation is not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code; and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for an individual.

In making appointments under this subsection, the Chairman and Board shall include among the appointments persons determined by the Chairman to be competent in such fields of endeavor as financial management; business, corporate, or athletic management; research and development; communication and public relations; sports medicine; architectural engineering; sports education; physical education; the humanities; or the social sciences.

"(f) COMPENSATION OF MEMBERS.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties of the Board and shall receive $150 per diem when engaged in the actual performance of his duties as a member.

"(g) MISCELLANEOUS.—(1) The General Services Administration shall furnish the Board with such offices, equipment, supplies, and services as it is authorized to furnish to any other agency or instrumentality of the United States.

"(2) The Board shall have a seal which shall be judicially recognized.

"(3) Three members of the Board shall constitute a quroum for the conduct of business, except as otherwise provided by the Board by regulation.

"(4) Each office of the Board shall be open to convenient access by members of the public.

"(h) GENERAL POWERS.—(1) The Board, or any duly authorized member of the Board, may for the purpose of carrying out any of the provisions of this Act, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such evidence as the Board or such member deems advisable. Any member of the Board may administer oaths to witnesses appearing before the Board or any member. Subpenas shall be issued under the signature of the Chairman, and may be served by any person designated by the Chairman. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production of evidence may be required from any place in the United States to any designated place of such hearing.

"(2) The Board, or any duly authorized member of the Board, may—

"(A) conduct an inquiry to secure data and expressions of opinion with respect to any matter pertinent to amateur athletic activity and physical fitness, upon publication of notice of such inquiry in the Federal Register: *Provided,* That a reasonable opportunity is granted to all interested persons to present oral or written testimony and data, subject to reasonable rules and limitations promulgated by the Board; and

"(B) require, by special or general orders, sports organizations, chartered sports associations, and individuals to submit written reports and answers to such requests and questions as are propounded with respect to any matter pertinent to the jurisdiction of the Board. Each chartered sports association which undertakes any international activity shall report in detail to the Board on such activity, and shall make such reports available for inspection by the public at any office of the Board. Reports and answers required under this subparagraph shall be submitted to the Board or such duly authorized member within such reasonable period of time and in such form as the Board may determine.

"(3) In case of contumacy or refusal to obey a subpena or an order of the Board by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such district court shall, upon the request of the Chairman, have jurisdiction to issue to such person an order requiring such person to comply forthwith. Failure to obey such an order is punishable by such court as a contempt of court.

"CHARTERED SPORTS ASSOCIATION

"SEC. 202. (a) GENERAL.—The Board is authorized, pursuant to the provisions of this section, to issue charters with respect to each sport for which application is made for a charter, to a corporation which meets the requirements of this section and any applicable regulations under this section.

"(b) PREREQUISITES.—No person is eligible to receive a charter under this section unless—

"(A) it is a group that has not less than twenty-five individuals as members;

"(B) it incorporates under the laws of any State or the District of Columbia as a not-for-profit corporation having as its purpose the advancement of amateur athletic competition involving citizens of the United States or both, with respect to not more than three named sports;

"(C) in accordance with regulations issued by the Board, it submits an application to the Board requesting a charter under this section and submits a copy of the corporate charter and bylaws; the names, addresses, and occupations of all members and other persons having any financial interest in such corporation; the sport or sports in which it seeks to advance amateur athletic competition; and such additional information as the Board may request;

"(D) in accordance with regulations issued by the Board, it demonstrates to the satisfaction of the Board that—

"(i) its board of directors, executive committee, or other governing body will at all times include among its voting members not less than two individuals who are actively engaged in amateur athletic competition in the United States in the sport or sports designated in the association's charter, and that the voting power held by such individuals will not be less than 20 per centum of the total voting power held in that board, committee, or other body,

"(ii) it will at all times, to the extent consistent with rules and regulations promulgated by the Board, operate under procedures reasonably calculated to inform amateur athletes under its jurisdiction of policy matters under consideration by the corporation, and reasonably calculated to reflect in its policies the views of such athletes, and

"(iii) it will undertake to develop interest and participation in its particular sport or sports throughout the United States;

"(E) the Board makes a finding in writing that less than 40 per centum of the voting power in such corporation is controlled or subject to control, directly or indirectly, by any person which holds or controls, directly or indirectly, by itself or with an affiliate, more than 40 per centum of the voting power in any other corporation which holds, or is applying to hold, a charter under this section as a chartered sports association. An affiliate is a corporation which controls or is controlled by another corporation, or which is controlled by the same person as such other corporation, or which has any officers, directors, or executive committees in common with such corporation; and

"(F) in the case of an applicant for a charter under this section with respect to more than one sport, the Board makes a finding in writing after a hearing that—

"(i) the sports with respect to which it wishes to receive a charter are closely related and would benefit by common administration, and

"(ii) it is capable of functioning as a chartered sports association, with respect to each such sport, in the best interests of that sport and of the amateur athletes participating in such sport.

"(2) The Board may deny the application for a charter under this section of any person which is a sports organization, or which was formed out of a sports organization, if the Board determines that—

"(A) the sports organization has denied amateur athletes who were members of, or affiliated with members of, that sports organization the right to compete in any unrestricted sports competition conducted by that sports organization or any other sports organization or which was sanctioned by a chartered sports association (unless the applicant satisfies the Board that such denial was based on evidence that the person conducting such unrestricted competition did not meet the requirements of section 204 of this Act notwithstanding the sanction by such association, or was based on the application of a reasonable rule or regulation of an educational institution as provided in section 204 of this Act.); or

"(B) the sports organization violated any directive issued by the Board as a result of its mediation of a dispute pursuant to section 203 of this Act.

"(c) PROCEDURE REGARDING ISSUANCE.—(1) Prior to the issuance of any charter under this section, the Board shall hold a public hearing on the application for such charter in accordance with the provisions of section 554 of title 5, United States Code. The burden of persuasion at such hearing shall be on the applicant to establish to the satisfaction of the Board that it is fairly representative of athletes in the sport or sports for which the charter is sought and of sports organizations conducting national programs involving regularly scheduled practice and competition throughout the usual competitive season in the sport or sports concerned and that is otherwise capable of carrying out the duties of a chartered sports association. The applicant shall provide evidence that it is qualified to receive recognition by the appropriate international sports association as the United States organization responsible for certifying the amateur status of United States athletes and approving United States teams for international and related competition in its sport or sports.

"(2) The Board may at any time on its own motion or on the application of an interested party review all matters related to the activities of a chartered sports association and may take such action as it deems appropriate including, but not limited to, placing conditions upon the continuation of the association's charter or revoking the charter.

"(d) AUTHORITY OF BOARD.—The Board is authorized—

"(1) to issue regulations in accordance with the provisions of section 553 of title 5, United States Code, with respect to applications for a charter under this section; the terms and conditions upon which the Council will issue, modify, suspend, or revoke such a charter; the operation of a chartered sports association; and such other matters as the Board deems necessary;

"(2) to take such action as the Board deems necessary, with due regard to international standards, to insure that each chartered sports association complies with the terms and limitations of its charter under this section; and

"(3) to take such action as the Board deems appropriate to advance amateur athletic competition in the United States and in international competition involving citizens of the United States.

"(e) FUNCTIONS OF CHARTERED SPORTS ASSOCIATIONS.—A charter issued pursuant to this title shall grant authority to the holders of such charters to:

"(1) act as the representative of the United States to the appropriate international governing body or bodies for the sport or sports over which it has jurisdiction;

"(2) act as the representative of athletes competing in international competition in its sport or sports;

"(3) designate individuals and teams to participate in international competition and certify in accordance with international rules the amateur status of such individuals and teams;

"(4) conduct domestic competition, including but not limited to Olympic trials or national championships;

"(5) conduct domestic exhibitions with representatives of foreign nations, the purpose of which is to promote interest in its sport or sports;

"(6) to take whatever actions, consistent with rules and regulations promulgated by the Board pursuant to this Act, as may be necessary to insure the safety and well-being of athletes representing the United States in international competition in its sport or sports; and

"(7) such other authority as the Board deems appropriate to carry out the purposes of this Act.

"(f) REVOCATION.—(1) The Board is authorized to revoke any charter granted under this section if the chartered sports association is not recognized, within a reasonable period of time after such issuance, by the appropriate international sports governing body or bodies, for the sport or sports for which it has jurisdiction, as the single United States authority responsible for certifying the amateur status of United States athletes and for approving teams representing the United States for international competition in the sport or sports as to which it has been granted such charter. The authority of the Board to revoke a charter under this paragraph is distinct from its authority to revoke a charter for cause pursuant to subsection (d) of this section.

"(2) In addition to any other ground for revocation or suspension of a charter granted under this section, the Board is authorized to revoke or suspend the charter of a chartered sports association if such association denies any amateur athlete the right to compete in any unrestricted competition sanctioned by such association or any other chartered sports association (unless such association satisfies the Board that such denial was based on evidence that the person conducting such unrestricted competiton did not meet the requirements of section 204 of this Act notwithstanding the sanction by such association, or was based on the application of a reasonable rule or regulation of an educational instituion as provided in section 204 of this Act) or if such association violates any directive issued by the Board as a result of its mediation of a dispute pursuant to section 203 of this Act.

"(g) PROCEDURE.—(1) Any hearing or other proceeding with respect to the issuance, modification, revocation, or suspension of a charter issued under this section or with respect to the mediation of a dispute pursuant to section 203 of this Act shall be conducted in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code. Such hearing, proceeding, or mediation shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.

"(2) Notwithstanding paragraph (1) of this subsection, the Board is authorized, upon forty-eight hours' notice to the parties, to hear and decide a matter under such procedures as the Board deems appropriate if the Board determines that it is necessary to expedite such hearing, proceeding, or mediation in order to resolve a matter relating to an amateur athletic competition which is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision by the Board to do justice to the affected parties.

"(h) EXPIRATION.—(1) Each charter issued under this section shall expire with respect to a sport or sports which is part of the program at the Olympic winter games, on June 30 of the year in which such games are held.

"(2) Each charter issued under this section shall expire with respect to a sport or sports which is part of the program at the Olympic summer games, on December 31 of the year in which such summer games are held.

"MEDIATION

"SEC. 203. (a) GENERAL.—In case of any dispute which involves a chartered sports association and—

"(1) another chartered sports association;

"(2) a sports organization; or

"(3) an amateur athlete,

the Board or any duly authorized member of the Board shall act as mediator to conciliate and resolve such dispute. With the consent of the affected parties, the Board shall determine the issues in such dispute, and in such case the decision of the Board shall be final.

"(b) ENFORCEMENT.—Upon application of (1) the Board through its own attorneys,

(2) the Attorney General, or (3) any aggrieved person the district courts of the United States shall have jurisdiction to enjoin the commission of any acts committed in violation of any directive issued by the Board as a result of its mediation of a dispute pursuant to subsection (a) of this section.

"SANCTIONING OF UNRESTRICTED COMPETITION

"SEC. 204. (a) GENERAL.—Except as otherwise provided in this section, no unrestricted competition shall be conducted in the United States unless such competition has been sanctioned by a chartered sports association prior to such competition and a copy of such sanction in writing was transmitted to the Board. This provision shall be effective two years after the date of enactment of this Act.

"(b) WAIVER.—By unanimous vote of all of the members of the Board, the Board may waive the requirement of subsection (a) of this section upon a finding that there is no chartered sports association which can sanction such unrestricted competition in view of the time necessarily involved in planning such competition.

"(c) REQUIREMENTS FOR SANCTIONING.—A chartered sports association shall grant a request made by a sports organization or other person for its sanction for an unrestricted competition, unless such chartered sports association determines that—

"(1) appropriate steps have not been taken to protect the amateur status of athletes who will compete in such event and to protect their eligibility to compete in amateur athletic competition in the United States and in international amateur athletic competition;

"(2) appropriate provisions have not been made for validation of records which may be established during such event;

"(3) due regard is not given to any international amateur athletic requirements applicable to such event;

"(4) the event will not be conducted by competent officials and proper medical supervision will not be provided; or

"(5) the sports organization or other person conducting the event refuses to submit an audited or notarized financial report of the immediate past event.

"(d) EDUCATIONAL INSTITUTION.—No eligible amateur athlete may be denied the right to compete in any unrestricted amateur athletic competition which is sanctioned by a chartered sports association pursuant to the provisions of this section nor may any such athlete be subsequently censured or otherwise penalized for participation in any such competition: *Provided*, That a university, high school, or other educational institution may, upon written request to the Board and after a hearing at which evidence is submitted, show, to the satisfaction of the Board, that any such denial was made after notice to the affected athlete and the Board upon application of a published institutional rule which was—

"(1) adopted by such institution prior to such denial;

"(2) reasonable, and based upon the academic interests and policy of such institution with respect to the educational development of amateur athletes who are students at such institution.

"(e) ENFORCEMENT.—Upon application of (1) the Board through its own attorneys, (2) the Attorney General, or (3) any aggrieved person, the district courts of the United States shall have jurisdiction to enjoin the commission of any acts in violation of this section.

"UNITED STATES OLYMPIC COMMISSION

"SEC. 205. (a) ESTABLISHMENT.—Not later than sixty days after all five members of the Board have been appointed, the Board shall establish and designate the members of the United States Olympic Commission. The sions of this section, shall review and make recommendations regarding the participation of the United States in the Olympic games.

"(b) MEMBERS.—The Commission shall be composed of nine members, including not less than two amateur athletes who competed in the 1972 Olympic games as representatives of the United States. In designating the members, the Board shall give appropriate consideration to the representation of women and minority groups within the United States. No more than two members of the Commission may be or at any time have been officers or directors of the United States Olympic Committee, or of any national sports organization.

"(c) CHAIRMAN AND COMPENSATION OF MEMBERS.—(1) The Board shall designate one of the members of the Commission to serve as Chairman at the pleasure of the Board.

"(2) The members of the Commission shall be entitled to compensation and reimbursement on the same terms and at the same rates as members of the Board.

"(d) DUTIES.—The Commission shall review the participation of the United States in the Olympic games, and, if it recommends that such participation should be continued, shall also recommend the form of organization by means of which the United States should participate in the Olympic movement and shall present specific proposals for any legislation required to implement its recommendations. In formulating its legislative recommendations, the Commission shall take into account—

"(1) the objectives of the modern Olympic movement and the extent to which those objectives are being met;

"(2) the manner in which the Olympic games are administered, with particular attention to the views of those who participate in those games as athletes, coaches, officials, or otherwise, or who have attended such games in any other capacity;

"(3) the role which the United States Olympic Committee has played in international sports and the manner in which the United States participation in the Olympic games has been organized and administered by that Committee;

"(4) the policies which would assure the selection on a fair and equitable basis of the best qualified athletes, coaches, managers, trainers, and other officials and which would provide the maximum opportunity for persons to develop their athletic skills and participate in international athletic competition; and

"(5) the arrangements which will best protect the interests of the individual amateur athletes during the period of their training for, travel to, and participation in Olympic games.

"(e) REPORT.—The Commission shall submit to the President, Congress, and the Board a final report of its findings and recommendations not later than March 15, 1974, or one hundred and eighty days after all of the members of the Commission have been designated by the Board, whichever is earlier.

"(f) AUTHORITY OF BOARD.—The Board may review the activities of the United States Olympic Committee from time to time and may make such recommendations to the Congress, including legislative recommendations, as it deems appropriate with respect to the Olympic program for the United States.

"(g) POWERS OF COMMISSION.—The Chairman of the Commission, subject to such rules and regulations as may be adopted by the Commission and the Board, is authorized to—

"(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals; and

"(3) hold such hearings, sit and act at such times and places, and administer such oaths, as the Commission or any subcommittee or a majority of the members thereof may deem advisable.

"(h) TERMINATION.—The Commission shall cease to exist thirty days after submission of its final report.

"(i) CONFORMING AMENDMENT.—Section 12 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (64 Stat. 902; 36 U.S.C. 382), is amended by inserting after 'to Congress' the following: 'and to the Amateur Sports Board'.

"OTHER DUTIES OF BOARD

"SEC. 206. (a) DIVISION OF ATHLETIC FACILITIES.—The Board shall establish within its organization a Division of Athletic Facilities and shall appoint a Director and such other officers and employees as are necessary to carry out the functions of such division. The Division of Athletic Facilities shall, pursuant to the direction of the Board—

"(1) gather, analyze, and make available information relating to existing and potential procedures for the financing, construction, maintenance, and use of athletic facilities;

"(2) consider methods for the economical renovation, expansion, beautification, alteration, and conversion of existing athletic facilities in order to best meet the requirements of the communities in which they are located, and such methods should be directed toward the goal of developing facilities which will meet the optimum degree of flexibility, so as to provide the most economical usage within a community;

"(3) study the relationship between athletic facilities and the neighborhoods and communities in which they are located, and to recommend methods of minimizing any adverse impact of the facility on the neighborhood or community, with particular emphasis placed upon the impact of the facilities on traffic patterns, law enforcement, and adjacent or nearby housing, and commercial activities; and

"(4) provide consultant services to private interests and State or local governments which may require such assistance.

"(b) DIVISION OF SAFETY AND HEALTH.—The Board shall establish within its organization a Division of Safety and Health and shall appoint a Director and such other officers and employees as are necessary to carry out the functions of such division. The Division of Safety and Health shall, pursuant to the direction of the board—

"(1) gather, analyze, and make available information relating to safety in athletics, and make recommendations for promoting greater safety in athletic activity;

"(2) study the use of drugs and other medications in treating the injuries of athletes, and the effects of such use of drugs and other medications on the athlete during and subsequent to his athletic career;

"(3) study the techniques of physical therapy currently used for the treatment of the injuries of athletes, and encourage and promote the development of better techniques;

"(4) study the effects of athletic competition on the mental health of amateur athletes and the psychological ramifications of athletic competition, during and subsequent to their careers as amateur athletes; and

"(5) study the effectiveness of existing athletic equipment in preventing and reducing injuries resulting from athletic activities, and to make recommendations for improving the effectiveness of such equipment. Such studies shall include the safety and health factors of the facilities in and on which athletic activity is conducted, such as playing surfaces, restraining devices, and so forth.

The Director of the Division of Safety and Health of the Board shall maintain continuing liaison with the Consumer Product Safety Commission and, to the extent practicable, shall utilize the resources of such Commission to the extent consistent with the discharge of his responsibilities under this subsection. The Consumer Product Safety Commission is hereby authorized and directed to provide such information and assistance to the Board as is consistent with its own duties and responsibilities.

"(c) FOUNDATION COSTS.—The Board shall pay the costs, including salaries, incurred by the Foundation in carrying out its functions under title III of this Act. No moneys furnished by the Board to the Foundation may be transferred by the Foundation to any other person as financial assistance.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 207. There are hereby authorized to be appropriated to the Board for the purposes of this Act, other than section 204 of this Act, such sums as are necessary not to exceed $1,100,000 for the fiscal year ending June 30, 1974; not to exceed $1,100,000 for the fiscal year ending June 30, 1975; and not to exceed $1,100,000 for the fiscal year ending June 30, 1976. The sum of $750,000 for the fiscal year ending June 30, 1974, is authorized to be appropriated to the Board for the use of the Commission in carrying out the provisions of section 204 of this Act.

"TITLE III—SUPPORT AND ENCOURAGEMENT OF SPORTS AND PHYSICAL FITNESS

"NATIONAL SPORTS DEVELOPMENT FOUNDATION

"SEC. 301. (a) ESTABLISHMENT.—There is hereby established as a nongovernmental corporation of the District of Columbia, the 'National Sports Development Foundation'. The Foundation shall be under the direction of a board of trustees. To the extent not inconsistent with this title, the Foundation shall be subject to the District of Columbia Nonprofit Corporation Act (D.C. Code 29–1001 et seq.).

"(b) GENERAL AUTHORITY.—The Foundation shall have the authority to do all things necessary to carry out the provisions of this title including, but not limited to, the authority to—

"(1) make such bylaws, rules, and regulations as may be necessary for the administration of its functions under this title;

"(2) adopt an official seal which shall be judicially noticed;

"(3) sue and be sued, complain, and defend in any court of competent jurisdiction;

"(4) provide financial assistance to any organization or association, other than a corporation organized for profit, in furtherance of the purposes of this title;

"(5) contract and be contracted with; and

"(6) acquire, control, hold, lease, and dispose of such real, personal, or mixed property as may be necessary to carry out the purpose of the Foundation.

"(c) OFFICES.—The principal office of the Foundation shall be maintained in the District of Columbia or such other place as may later be determined by the Trustees, but the activities of the Foundation shall not be confined to such place but may be conducted throughout the United States. The Foundation may maintain offices at such locations as may be necessary to carry out its purposes. At all times, the Foundation shall maintain in the District of Columbia a designated agent authorized to accept service of process on behalf of the Foundation. Service upon, or notice mailed to the business address of, such agent shall be deemed service upon or notice to the Foundation.

"(d) RESTRICTIONS.—(1) No part of the assets or income of the Foundation may inure to any officer, employee, or member of the Trustees nor may any such asset or income be paid or distributed to any such person during the life of the Foundation or upon its dissolution or final liquidation. This provision shall not be construed to prohibit the payment of reasonable compensation to officers, employees, or members of the Trustees or to prohibit payment of reimbursement for actual and necessary expenditure, subject to the approval of the Trustees, from funds provided for such purposes by the Board.

"(2) The Foundation shall not make any loans to its officers, employees, or members of the Trustees.

"(3) The Foundation shall have no power to issue any shares of stock or to declare or pay any dividend to any person.

"(4) Upon the dissolution or final liquidation of the Foundation, upon discharge or satisfaction of obligations and liabilities, the remaining assets may be distributed in accordance with the determination of the Trustees and in compliance with this title, the bylaws of the Foundation, and any applicable Federal and State laws. Any remaining assets resulting from appropriations pursuant to this Act shall revert to the Treasury of the United States

"(e) DUTIES.—To the extent practicable, the Foundation shall—

"(1) promote equal opportunity for and encourage participation and excellence in athletic activity and physical fitness programs for individuals of all ages;

"(2) foster, support, and advise organizations, groups, and individuals concerned with sports and coordinate their activities voluntarily with educational and recreational programs conducted by Federal, State, and local governments;

"(3) develop and make available technical, financial, and training assistance to not-for-profit organizations and to individuals concerned with sports and physical fitness education;

"(4) promote increased athletic exchanges with foreign nations;

"(5) study and make recommendations with respect to athletic activity, including competition, and physical fitness;

"(6) to extend knowledge and facilities and the practice of sports by establishing and maintaining a data bank for the compilation, analysis and dissemination of information pertaining to all significant aspects of sports;

"(7) to sponsor or solicit useful research in such areas as sports medicine, equipment design, and performance analysis; and

"(8) sponsoring and stimulating the establishment of advanced or improved coaching, physical training, and physical education programs.

"TRUSTEES

"SEC. 302. (a) GENERAL.—The Trustees shall direct the Foundation in accordance with the provisions of this title and the policy of this Act, shall maintain and administer the Foundation, and shall execute or direct the execution of such other functions as are vested in it or the Foundation by statute or regulation under a statute.

"(b) MEMBERS.—(1) The Trustees shall consist of sixteen qualified individuals who shall be appointed by the Board.

"(2) As used in this subsection, 'qualified individual' means an individual who is distinguished for his dedication to the highest ideals of athletic competition, his freedom from bias, and his knowledge and experience in sports development and physical fitness in its broadest sense and who is equipped by experience, known talents, and interests to further the policy of this Act effectively, positively, and independently if appointed to be a member of the Trustees. Members of the Trustees shall be selected from among individuals who shall have distinguished themselves and achieved recognition by their peers in their respective fields. The Board shall select members of the Trustees in such a way that at no time shall there be less than three members who are presently or who were in the recent past participating athletes, and in such a way that the following fields shall be represented on the Trustees: financial management, business, corporate, or athletic management; research and development; the humanities; fundraising; adolescent development; sports medicine; sports education; physical education; communications and public relations; and the social sciences. In selecting members of the Trustees, due regard shall be given to reflecting the diversity of those engaged in sports, with appropriate weight given to such factors as race, age and sex.

"(c) TERMS OF OFFICE.—The terms of office of the members of the Trustees first taking office shall expire as designated by the Board at the time of appointment, two at the end of the first year, three at the end of the second year, three at the end of the third year, three at the end of the fourth year, three at the end of the fifth year, and three at the end of the sixth year. Successors to members of the Trustees shall be appointed in the same manner as the original members and shall have a term of office expiring six years from the date of expiration of the term for which their predecessors were appointed. Any member appointed to fill a vacancy on the Trustees occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. No member may be reappointed upon the expiration of his term.

"(d) CHAIRMAN.—The members of the Trustees shall select one of their members to serve as chairman of the Trustees for a period of one year.

"(e) ORGANIZATION.—The Trustees appointed initially shall take whatever steps are necessary to establish the Foundation, including the filing of articles of incorporation.

"(f) MEETINGS.—(1) The Trustees shall meet at least once each quarter at such place and at such time as shall be determined by the chairman. The chairman shall also call a meeting at any time upon the request in writing of six or more members. Each member shall receive a notice of the call of each meeting, by certified mail return receipt requested not less than fifteen days prior to the date of such meeting.

"(2) Each meeting of the Trustees shall be open to the public. Minutes shall be kept of each such meeting and made available for public inspection at the office of the Foundation in the District of Columbia and at such other offices as it may maintain. Such copies shall be available for reproduction, upon request and at reasonable charge.

"(g) QUORUM.—Eight members of the Trustees shall constitute a quorum for the transaction of affairs.

"(h) COMPENSATION.—Each member of the Trustees shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Trustees and $100 per diem when engaged in the actual performance of such duties.

"(i) PRESIDENT.—The Trustees shall appoint a qualified individual to be the President of the Foundation. The President shall serve at the pleasure of the Trustees and shall be the chief administrative officer of the Foundation. Subject to the supervision of the Trustees, the President shall manage and supervise the business of the Foundation, appoint, fix the compensation, and assign

the duties of such officers, attorneys, specialists, agents, and other employees, and consultants as he deems necessary, who are qualified to further the policy of this Act.

"(j) GENERAL POWERS.—The Trustees may solicit, accept, hold, and administer gifts, bequests, or devises of money, securities, or other property in any form or of whatever character for the benefit of the Foundation. Unless restricted by the terms of such gift, bequest, or devise, the Trustees may sell or exchange and invest or reinvest in any lawful investment such money, securities, or other property, for the benefit of the Foundation. Such moneys, securities, and other properties shall constitute a fund to be held by the Trustees in trust, and the corpus of such trust shall not be invaded by the Trustees for expenditure or transfer other than for purposes of investment so long as the total amount in such fund together with any amounts appropriated to the Trustees for such fund under section 305 of this Act does not exceed $100,000,000: *Provided*, That the Trustees may expend up to $1,000,000 each year from such fund out of such amounts not appropriated under section 305 of this Act to carry out the purposes of the Foundation until such time as the aggregate sum of all moneys, securities, and other properties received by the Trustees equals or exceeds $15,000,000. Income from such fund may be expended in the discretion of the Trustees.

"AUDIT OF TRANSACTIONS

"SEC. 303. The accounts of the Foundation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by the government of the District of Columbia. The audit shall be conducted at the place or places where the accounts of the Foundation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Foundation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit. Full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons by the Foundation. A report of such audit shall be submitted to the Congress by the Board not later than six months following the close of the fiscal year for which the audit was made. The report shall set forth the scope of the audit and shall include such statements as are necessary to present fairly the assets and liabilities of the Foundation; its surplus or deficit, with an analysis of the charges therein during the year, supplemented in reasonable detail by a statement of the income and expenses of the Foundation during the year; and the independent auditor's opinion of those statements. Such report shall be printed as a public document.

"REPORTS

"SEC. 304. The Foundation shall submit to the Congress, the Board, and the President of the United States, in January of each year, a report on its activities, including a comprehensive description of the activities and accomplishments of the Foundation during the preceding calendar year together with an evaluation of such activities and accomplishments in terms of the attainment of the policy of this Act and the duties of the Foundation. Such report may include recommendations for additional legislative or other action which the trustees may consider necessary or desirable for attaining such objectives. Such report shall not be reviewed by any officer or agency of the United States prior to submission. Such report shall be made available to interested persons and printed as a public document.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 305. For each fiscal year following the fiscal year ending June 30, 1975, there is authorized to be appropriated to the trustees for use by it in carrying out the provisions of this title an amount equal to the amount of donations, bequests, and devises of money, securities, and other property received by the trustees during the fiscal year preceding the fiscal year for which such appropriation is made, except that the total aggregate amount appropriated pursuant to this subsection shall not exceed $50,000,000."

Amend the title so as to read: "A bill to encourage and coordinate amateur athletic activity and promote physical fitness in the United States and in international competition in which American citizens participate, and for other purposes."

TERMINATION OF MINING AND MINERAL LEASING LAWS IN WILDERNESS AREAS — AMENDMENT

AMENDMENT NO. 460

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

RECORDATION OF MINING CLAIMS IN WILDERNESS AREAS

Mr. METCALF. Mr. President, the Subcommittees on Minerals, Materials and Fuels and Public Lands of the Committee on Interior and Insular Affairs recently held hearings on S. 1010, introduced by Senator JACKSON, which would amend the Wilderness Act of 1964 by precluding future mineral exploration, mineral leasing, and mining claim location.

At the outset of these hearings, which I chaired, I indicated that I intended to offer an amendment to the bill to require that all existing mining claims be recorded with the Secretary of the Interior by a specified date. The various witnesses representing both conservation groups and industry had generally favorable reactions. In order to give a broader opportunity for public review and comment before the subcommittee markup on S. 1010, I am introducing my amendment today. It provides that all mining claims within wilderness areas must be recorded by January 1, 1976. Patent applications for such claims must be filed by January 1, 1984. Failure to comply with these requirements will make the claim null and void.

I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

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

AMENDMENT NO. 460

On page 2, line 14, insert the following:

"(c) Insert at the end of paragraph (3) thereof: Any mining claims under the mining laws of the United States within the boundaries of wilderness areas must be recorded with the Secretary of the Interior by January 1, 1976. Application for patent for such mining claims must be filed by January 1, 1984. Any mining claim not recorded by January 1, 1976, or for which an application for patent is not filed by January 1, 1984, shall be conclusively presumed to be abandoned and shall be void. Such recordation or application will not render valid any claim which is not otherwise valid."

AMENDMENT OF URBAN MASS TRANSPORTATION ACT OF 1964— AMENDMENTS

AMENDMENT NO. 461

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

Mr. HART. Mr. President, I submit an amendment to S. 386, the Emergency Commuter Relief Act.

The amendment is similar in substance to S. 885, a bill which I introduced earlier in the session to provide for fare-free mass transit demonstrations.

It would serve little useful purpose to belabor the fact that mass transportation in this country has virtually ceased to exist as a viable private enterprise. Fares continue to skyrocket while ridership continues to plummet. While there are obviously a great number of reasons for the decline of mass transit, there seems to be near universal agreement that the decline must stop and that mass transit must again become a prominent means of transportation in our cities.

It is this goal that lies at the heart of S. 386 to which this amendment is proposed. The Emergency Commuter Relief Act is a recognition of the extent to which support is necessary if mass transit is to survive. The amendment I propose today carries the notion of support for mass transit one step further. It provides that the Secretary of Transportation is to enter into arrangements with cities selected by him for the demonstration of fare-free mass transportation.

The concept of fare-free transportation is certainly not new. It has been talked about for a long time and limited experimentation has taken place in cities like Rome and Commerce, Calif. Yet, there has been no sustained experiment in a major city. The purpose of the amendment is to provide financial assistance to experiment with fare-free transportation over a period of 2 years.

By conducting a sustained demonstration of fare-free transit, the Department of Transportation would then be able to study the full extent to which subsidized mass transit might be used as a tool to deal with some of our city's ills. For example, the decline of mass transit has been suggested as the cause of restrictions of the mobility of the poor, the handicapped, and the elderly in addition to members of the working middle class who formerly used buses and subways to travel to and from work, shopping, and recreation. Surprisingly, the full extent to which these propositions are true and the extent to which the ill effects could be reduced by increased mass transit use has never been fully studied. Not only would the amendment I introduce provide financial assistance for the demonstration of fare-free mass transit but would also require DOT to make these vital studies.

The authorization contained in the amendment, $60 million each for fiscal years 1974 and 1975, should provide the revenue for the demonstration of fare-free transit in a major city like Washington or Detroit plus several smaller cities. While ideally I would like to see

the demonstration of fare-free transit on a less modest scale, the funds provided should give fare-free transit a good test.

Mr. President, the Emergency Commuter Relief Act and this amendment go a long way toward equalizing the inequities that have continued to plague mass transit. I would hope the Senate would give favorable consideration to both measures.

NOTICE OF HEARINGS ON STATE TAXATION OF INTERSTATE COMMERCE

Mr. MONDALE. Mr. President, today, I am announcing that the Subcommittee on State Taxation of Interstate Commerce will hold 2 days of public hearings on September 18 and 19. These hearings will follow a 2-day roundtable discussion which will take place next week. The roundtable and the hearings should provide the subcommittee with a substantial record for their consideration of what recommendations to make to the full Finance Committee.

As I have previously pointed out the work done so far on this problem, which has been before the Congress since the early 1960's, reveals wide disagreement on several important points. Since the problem basically involves State financial matters, consensus on the part of the States and their business taxpayers as to the contents of any Federal legislation will be necessary if the hearings and subsequent subcommittee deliberations are to be productive. There are signs that some consensus is evolving among the States and the business interests most deeply involved. I hope that further steps along that road can be taken before the hearings.

I wanted to announce the hearings now to encourage those concerned about this serious problem to focus on appropriate solutions prior to appearing before the subcommittee. In that way, their presentations can provide realistic substantive proposals. Hopefully, the roundtable discussions will facilitate the process.

I think it is also important to note that much has been written about this subject in the last few years. It is not necessary to reproduce the literature in a lengthy hearing record, and therefore, the hearings will not be prolonged. I do not anticipate that additional sessions will be scheduled, and thus, I ask that potential witnesses carefully consider whether their appearance at the hearings is essential to protect their position. As much as possible, interested persons should seek to combine their statements with those of others taking the same position. Although the witness list may have to be liimted in the interest of time, I want to assure all concerned that their submissions will be carefully considered, and that the issues will be thoroughly studied before any recommendations are made to the full committee.

Mr. HANSEN. Mr. President, today I am joining with the distinguished Senator from Minnesota (Mr. MONDALE) in announcing the hearings of the Senate Finance Subcommittee on the State Taxation of Interstate Commerce which have been set for September 18 and 19.

The problems of State taxation of interstate commerce have been with us since the earliest days of the Republic. It has even been suggested that this issue is in part responsible for the post-revolutionary war movement for a stronger Union. A dispute between Maryland and Virginia over the regulation of commerce on the Potomac River led to the Annapolis Convention of 1786, the forerunner of the Constitutional Convention. The burdensome and often discriminatary levies imposed in those days on interstate commerce have since been eliminated. Today, however, instead of discriminatory taxes, we have a situation characterized by nonuniformity, burdensome and costly compliance procedures, and very substantial uncertainty as to total tax liabilities.

I have long held the belief that in most instances the Federal Government should leave the resolution of problems such as these to the States themselves. However, it may well be that these hearings will directly focus the States' attention upon the difficulties faced by interstate business operations and will precipitate State cooperation and a general consensus with respect to these problems. Such State action can only inure to the benefit of the Nation as a whole by removing some of the present burdens now placed on tax administrators, by eliminating the overlapping and voluminous amounts of paperwork required by business involved in interstate commerce, and in general by removing the remaining impediments to the free flow of commerce across State lines.

Mr. President, I ask unanimous consent that the text of the Finance Committee press release be printed at this point in the RECORD.

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

PRESS RELEASE

Senators Walter F. Mondale (D., Minn.) and Clifford P. Hansen (R., Wyo.) have jointly announced they will chair Senate hearings on proposals bearing on the state taxation of interstate commerce.

The hearings before this Subcommittee of the Senate Finance Committee will commence each day at 10:00 A.M. on September 18 and 19 in Room 2221, Dirksen Senate Office Building.

In commenting upon the problems involved in state taxation of interstate commerce, Senator Mondale, Chairman of the Subcommittee, stated:

"As I have previously pointed out, the work done so far on this problem by the Congress since the early 1960's reveals wide disagreement on several important points. Since the problem involves state financial matters, consensus on the part of the states as to the contents of any Federal legislation as well as acceptance of such provisions by business taxpayers is vitally important if our hearings and subsequent Subcommittee deliberations are to be productive.

"It appears some consensus is evolving among the states and business interests most deeply involved. I want to encourage additional efforts in this direction prior to our hearings so that the hearings can focus upon realistic substantive proposals. Hopefully, the work of the Subcommittee will help to precipitate a workable solution to the thorny issues involved in this subject which have been plaguing us for so long."

Senator Clifford P. Hansen (R., Wyo.), ranking minority member of the Subcommittee added:

"Today I am joining with the distinguished Senator from Minnesota (Mr. Mondale) in announcing the hearings of the Senate Finance Subcommittee on the State Taxation of Interstate Commerce which have been set for September 18 and 19.

"The problems of state taxation of interstate commerce have been with us since the earliest days of the Republic. It has even been suggested that this issue is in part responsible for the post-revolutionary war movement for a stronger Union. A dispute between Maryland and Virginia over the regulation of commerce on the Potomac river led to the Annapolis Convention of 1786, the forerunner of the Constitutional Convention. The burdensome and often discriminatory levies imposed in those days on interstate commerce have since been eliminated. Today, however, instead of discriminatory taxes, we have a situation characterized by non-uniformity, burdensome and costly compliance procedures, and very substantial uncertainty as to total tax liabilities.

"I have long held the belief that in most instances the Federal Government should leave the resolution of problems such as these to the states themselves. However, it may well be that these hearings will directly focus the states' attention upon the difficulties faced by interstate business operations and will precipitate state cooperation and a general consensus with respect to these problems. Such state action can only inure to the benefit of the Nation as a whole by removing some of the present burdens now placed on tax administrators, by eliminating the overlapping and voluminous amounts of paperwork required by businesses involved in interstate commerce, and in general by removing the remaining impediments to the free flow of commerce across state lines."

These hearings will consider S. 1245, cosponsored by Senators Charles McC. Mathias (R., Md.), Abraham D. Ribicoff (D., Conn.) and Hubert H. Humphrey (D., Minn.), S. 2092, sponsored by Senator Warren Magnuson (D., Wash.), and the various proposals bearing on this issue which will be brought to the attention of the Subcommittee in the statements of witnesses and other interested persons. Additional bills introduced in connection with this subject prior to the date of these hearings will also be considered.

Request to Testify.—Senators Mondale and Hansen advised that witnesses desiring to testify during this hearing must make their request to testify to Tom Vail, Chief Counsel, Committee on Finance, 2227 Dirksen Senate Office Building, Washington, D.C., not later than Friday, September 7, 1973. Witnesses will be notified as soon as possible after this cutoff date as to when they are scheduled to appear. Once the witness has been advised of the date of his appearance, it will not be possible for this date to be changed. If for some reason the witness is unable to appear on the date scheduled, he may file a written statement for the record of the hearing in lieu of a personal appearance.

Consolidated Testimony.—Senators Mondale and Hansen stated that the Subcommittee urges all witnesses who have a common position or with the same general interest to consolidate their testimony and designate a single spokesman to present their common viewpoint orally to the subcommittee. This procedure will enable the Subcommittee to receive a wider expression of views on the total bill than it might otherwise obtain. They urged very strongly that all witnesses exert a maximum effort, taking

into account the limited advance notice, to consolidate and coordinate their statements.

Legislative Reorganization Act.—In this respect, they observed that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Senators Mondale and Hansen stated that in light of this statute and in view of the large number of witnesses who desire to appear before the Subcommittee in the limited time available for the hearing, all witnesses who are scheduled to testify must comply with the following rules:

(1) All statements must be filed in advance of the day on which the witness is to appear. Witnesses scheduled to testify on Tuesday or Wednesday must file their written statements by the Friday preceding their appearance.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 50 copies must be submitted.

(4) Witnesses are not to read their written statements to the Subcommittee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for the oral summary. Witnesses who fail to comply with these rules will forfeit their privilege to testify.

Written Statements.—Witnesses who are not scheduled for oral presentation, and others who desire to present a statement to the Subcommittee, are urged to prepare a written position of their views for submission and inclusion in the printed record of the hearings. These written statements should be submitted to Tom Vail, Chief Counsel, Committee on Finance, Room 2227, Dirksen Senate Office Building not later than Friday, September 28, 1973.

NOTICE OF INFORMATION HEARINGS ON REPORT OF NATIONAL COMMISSION ON MATERIALS POLICY

Mr. METCALF. Mr. President, the National Commission on Materials Policy has filed its final report entitled "Material Needs and the Environment: Today and Tomorrow." A major theme throughout the report is the need to strike a balance between the "need to produce goods" and the "need to protect the environment." The Commission also cited the need for balance between the supply of materials and the demand for their use. Conservation, recycling, and greater efficiency were recommended as a means to achieve this goal.

The Commission's report contains a number of important recommendations about energy resources, wood, and hard minerals. Many of these recommendations deal with subjects which fall within the jurisdiction of the Subcommittee on Minerals, Materials, and Fuels which I have the privilege of chairing.

I want to inform all interested Senators and the public that the subcommittee has scheduled information hearings on the Commission's report on October 30 and 31. We want to give everyone ample time to review the report before the hearing.

ADDITIONAL STATEMENTS

REPORT ON IMPACT OF ADMINISTRATION'S BUDGET REQUEST FOR HEALTH, EDUCATION, AND WELFARE

Mr. MANSFIELD. Mr. President, on July 31, I joined with my distinguished and able colleague, Senator WARREN G. MAGNUSON, in presenting to the press the first of a series of reports on the impact of the administration's budget request for health, education, and welfare.

At the time of the conference, I indicated that there would be forthcoming additional reports as we and our respective staffs have an opportunity to assess the voluminous material and determine the facts.

So that the Members of the Senate will have benefit of our findings, I ask unanimous consent, on behalf of Senator MAGNUSON and myself, to print in the RECORD a letter from the Comptroller General of the United States, Senator MAGNUSON's and my statements, and the memorandums which provided the basis for our initial press conference.

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

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., July 20, 1973.

Hon. MIKE MANSFIELD,
Majority Leader,
U.S. Senate.

DEAR SENATOR MANSFIELD: In accordance with your April 30, 1973, request, we have obtained data from the health and education agencies of the Department of Health, Education, and Welfare (HEW), on the potential impact of an overall reduction in the health and education budgets. GAO staff have worked closely with staffs of the Labor-Health, Education, and Welfare, and Related Agencies Subcommittee and the Congressional Research Service. Because of your concern and the importance of this matter, we devoted considerable staff time to this project and gathered much material from HEW agencies and other sources showing the effect that reducing program funds would have.

We obtained information from the Office of Education and from various educational associations, such as the Council of Chief State School Officers, American Library Association, American Council on Education, National Association of Student Financial Aid Administration, National Advisory Council on Education of Disadvantaged Children, and American Vocational Association.

At the Office of Education, we gathered information on the impact of the administration's proposed cutbacks in certain education programs for fiscal year 1974, particularly the fiscal impact of education revenue sharing proposed by the Better Schools Act of 1973. We gathered program information on elementary, secondary, adult, and vocational education; impact aid; and student education for the handicapped; library resources; and educational personnel development.

For Social and Rehabilitation Service training programs in vocational rehabilitation, aging, and community services, we interviewed and obtained documentation on the impact of the proposed training reductions from various officials in the Social and Rehabilitation Service and in the Office of the Secretary, HEW. Also, we obtained comments from a number of private interest groups and universities whose programs would be affected by the proposed reductions.

At the National Institutes of Health (NIH), we gathered data reflecting the impact of the budget reductions on the research, training, and manpower programs of the 10 research institutes, the Division of Research resources, and the Bureau of Health Manpower Education. The material included long-range plans, budget justifications, correspondence, and studies. The long-range plans include 5-year projections of plans of operations for major reseach to be performed within the fiscal constraints established for NIH by HEW. We obtained each institute's preliminary budget for fiscal year 1974, which identified impacts of four different levels of funding for research, training, and manpower programs. We also obtained each institute's budget submission to the Office of Management and Budget. In addition, we collected studies of the impact of the proposed NIH budget on specific programs as well as on health professions schools.

At the Health Services and Mental Health Administration, we gathered data on the impact of the termination and reduction of Federal aid for health services and facilities on six major health programs: assistance for constructing and modernizing health facilities, regional medical programs, community mental health and neighborhood health centers, maternal and child health, and preventive health services. The data included management reports and other information pertinent to program activities and accomplishments. We also visited selected grantees and organizations administering federally aided, state-operated programs and discussed the potential impact of the loss or reduction in Federal aid with officials at these locations.

The material we gathered was assembled, indexed, and highlighted before it was delivered to the Subcommittee staff. As mentioned to the staff, time did not permit the type of detailed analysis and reporting that we would normally do; consequently, we did not attempt to draw conclusions or make recommendations. We did arrange a briefing with the Subcommittee staff, during which the material we gathered was explained and discussed.

We hope our efforts and the information gathered have been helpful to you and to the Subcommittee.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

STATEMENT OF SENATOR MIKE MANSFIELD

It is a great pleasure to be here this morning with my able colleague and good friend from the State of Washington, Senator Warren Magnuson. We intend to discuss a matter of considerable magnitude bearing on the future well being of this nation and its citizens.

One of the most important and recurring debates here in the Congress is the priorities we should set under the Federal budget. The Administration has one set of ideas, and the House of Representatives and the Senate have another. The Democratic Party has long felt that there was a need for a major adjustment in our national spending priorities. Entirely too much emphasis is repeatedly placed on hardware, weapons systems, and our far flung overseas commitments. Too little attention is being given to the human needs of our citizenry. As evidence of this point, the House Commerce Committee several days ago determined that the Administration has refused to spend in excess of $1 billion for health-related programs as authorized and appropriated by the Congress. This means that funding of programs in health, rehabilitation, mental health, drug and alcohol control, the programs of the National Institutes of Health, as well as many programs under

the Office of Education are underfunded, curtailed, abolished, or subjected to severe staff reductions. These are programs important to the well being of each and every American regardless of his status in life.

There have been a number of cutbacks in other Federal agencies, but, in my judgment, the most telling of all is in the areas of health, education, and welfare. Concern and perplexity with the true impact of the Administration's budget proposals in these categories prompted Senator Magnuson and me to turn to the Library of Congress and the General Accounting Office requesting separate and independent thorough studies of these Administration proposals. The results are discouraging when measured against the previously expressed intent of Congress in funding programs to assist the disadvantaged and less fortunate.

In my statement before the Democratic Conference on January 3, 1973, which was released to the press, I emphasized my concern with the need to develop within the Congress a budgetary expertise to assist us in analyzing proposals of the Executive Branch and in formulating programs of the Congress when Administration proposals are found lacking. This selected experiment which Senator Magnuson and I have launched clearly reenforces the critical need for the Congress to exercise legislative oversight by improving its ability to evaluate the budgeting process. This becomes essential if the Congress is to truly fulfill its Constitutional obligations and is to have any influence in the implementation of a sound set of priorities in the overall expenditure of Federal funds.

The senior Senator from Washington is an acknowledged expert in the funding of programs administered by the Department of Health, Education, and Welfare. No Member of Congress has fought more courageously for the adequate funding of these many humanitarian and worthwhile programs. Our joint effort to determine the extent of the many cutbacks in education and health categories is enlightening. I am pleased to turn to Senator Magnuson who intends to report in some detail what we have discovered in just one area of Federal spending priorities. Additional reports will be forthcoming as we and our staffs have an opportunity to determine the true facts.

STATEMENT OF SENATOR WARREN G. MAGNUSON

Several months ago, when the drastic nature of the Nixon Administration's proposed budget cuts in health and education began to sink in, Senator Mansfield and I asked the combined investigating forces of the General Accounting Office and the Library of Congress to determine the full impact of those cuts on the welfare of the American people.

We now have a preliminary report from those two agencies—and, frankly, the results are more disturbing, more shocking, really, than either I or the Majority Leader had anticipated.

Today, we are releasing several internal Nixon Administration documents concerning the fiscal 1974 budgets of the National Cancer Institute and the other National Institutes of Health. These memoranda were written at the time of the budget debate within the Administration late last year. They were written by top officials within NIH—including the former director of the institutes and the present director of the Cancer Institute.

These documents, as you will see, are both pointed and poignant. They also apparently were ignored in the Administration's callous determination to reduce federal support for health and education.

If these documents, plus the other materials we have obtained, show one thing, they show this:

Sometime last year the Office of Management and Budget, without adequate study of the impact, made what I consider a ruthless decision to decimate a long-standing federal commitment to health and education.

Only later, after the fact of that decision, was any attempt made to rationalize or justify this action. The rationalization has failed miserably—and, as we point out in some of the accompanying material, morale in NIH and throughout HEW is at an all time low.

They also show that the much-ballyhooed Conquest of Cancer program is more myth than reality. And that the research budgets to combat other dread diseases have been gutted on the pretext of maintaining that myth.

I have had more than a passing interest in health and education for many years. I can point out—with some irony—that I became chairman of the appropriations subcommittee that handles the health and education budget at the same time that Richard Nixon became President of the United States. I can also point out—with sad irony—that my subcommittee's bill has been vetoed four times since I became chairman.

I take no pride in being the most vetoed member of the United States Senate. I don't want this bill vetoed again this year. It is far too important. This bill takes care of more basic human needs than any appropriations bill handled by the Congress. But I can't buckle under to the kind of callous logic that hamstrings medical research, cuts off student aid and closes Community Mental Health Centers. I simply will not buckle under to that kind of thinking—and I don't believe my colleagues in Congress will either.

The issues of priorities in federal spending are so clean cut that I will not repeat them here.

I think Senator Mansfield might point out that a 50 per cent reduction in American troops in Europe—a long-standing and eminently reasonable proposal of his—could free all the funds necessary to maintain our commitment to the health and education of the nation. I might add that the cost of the secret bombing raids in Cambodia—just the secret and unauthorized raids—could have paid for most of the medical research which Doctors Marston and Rauscher argued so fruitlessly for in the documents we are releasing today.

I will end by asking one simple question. If this great country of ours *must* fight a war, which war should we choose—an unwinnable war in Cambodia or a winnable war against cancer? The secret raids cost $140 million. The Cancer Institute's budget requests was cut $140 million.

Assistant Chief, Health and Medical Branch, Office of Management and Budget

NOVEMBER 30, 1972.

Director, National Cancer Institute

Impact of Reduced 1974 Budget Levels on the National Cancer Program

1. I am responding to your telephone request of yesterday to highlight the deleterious effects of the 1974 National Cancer Program budget if HCI's 1974 budget request was reduced to $456 or $550 million. I must repeat what I stated in my memorandum to you on November 13, 1972: a significant decrease in the $640 million, which we have requested for 1974, will seriously limit NCI's ability to carry out the objectives the Executive and members of Congress have so often enunciated. The National Cancer Program has developed great momentum over the past 16 months, and the expectations of its staff, the scientific community, the Congress, and the informed public are great. To substantially reduce our budget request at this time will adversely affect this excellent beginning.

2. However, while we feel that a substantial budget reduction at this time would be unwise, we are attempting to comply with your request to show what effect such reduced levels would have on the national program.

3. Attachment 1 shows how these reduced amounts would be distributed by tradition budget activities. Attachment 2 gives the same information by major program areas. Examples of some of the major effects of these reduced amounts follow:

THE $550 MILLION LEVEL

Expansion of research leads in the immunologic treatment of cancer into clinical trials will be restricted. Immunodiagnosis and immunotherapy offer the most immediate promising results in the early detection and treatment of major cancers.

Each year 12,000 women die needlessly of cervical cancer because no more than 25% get Pap tests. Industrial contracts to develop equipment to automate the cytological screening of Pap tests would have to be postponed for at least a year.

Five thousand new chemicals gain entrance into the environment annually, many with cancer causing properties. While we should be increasing the number of agents screened each year, the number of new agents screened in FY 1974 would have to be reduced by 25%.

Good to excellent results—as measured by early and long-term evaluations—are being obtained in the control of 15 different cancers when four or five anticancer drugs are applied in combination, or when these drugs are used in addition to surgery, radiation therapy or with immunotherapy. We would have to delay the testing of new clinical antitumor agents in man. Instead of introducing 8 to 10 new antitumor agents into general medical practice, at best we could introduce only 5 or 6.

Combined modalities of treatment (chemotherapy, radiation, surgery and immunotherapy) for several solid tumors such as gastrointestinal cancer and cancers of the prostate and cervix need to be developed and evaluated. At the $550 million level, this important effort will be delayed.

Evidence is rapidly accumulating that four newly discovered viruses cause cancer in man. If this is true, it can lead to the development of methods for preventing specific types of cancer. These leads cannot be fully developed or studies on new viruses which may induce human malignancies cannot be mounted at the $550 million level.

If present trends continue, lung cancer will have increased 52% by the year 2000, largely due to cigarette smoking. As one answer to this problem, industrial firms have been cooperating with NCI to develop a less hazardous cigarette. These efforts could not be expanded in 1974 and some would have to be cut back or terminated.

Demographic evaluations of the new Cancer Control Program and the expanded Clinical Cancer Research Center Program will be reduced and/or delayed.

A $5 million reduction in the newly initiated Cancer Control Program will reduce its lung cancer detection and diagnosis work by 50%, reduce and/or delay the training and education of physicians in the latest advances in cancer treatment, and delay the establishment of a program for the rehabilitation of cancer patients.

Planned expansion of research efforts at the Frederick Cancer Research Center cannot be implemented.

Breast cancer is the leading cause of death among women at peak ages of risk. Combined forms of treatment—chemotherapy with radiation or surgical therapy—is the most promising approach to achieve a cure. Controlled clinical trials of combined modes of treatment will be reduced by about $2 million

The funding level for regular research grants would be $117 million which would be $1 million below the OMB submission. We believe we must maintain approximately

the same level as the $640 million budget since that budget only allows payment of 45% of competing grant approvals. We have, therefore, determined that a deep cut would be necessary in the construction program in order to preclude major reductions in the ongoing program of competing renewal and new grants.

Eighty-nine million dollars would be provided for cancer centers as compared to $97.6 million at the $640 million level. A cut of $8.6 million in the Centers Program means that 12 new cancer centers can be funded; a reduction of 11 new centers as originally planned on the basis of the requirements set forth in the National Cancer Plan.

The Fellowship Program will be reduced by 66 awards. Graduate training grants would have continued negotiated reductions 10–15% below recommended levels in order to pay 14 new awards as planned. Clinical training would also continue negotiating reductions by 10–15% and only 3 new awards would be made rather than seven.

Construction funds would be reduced from $59 million to $25 million. Of the 21 high priority construction projects to be funded, only 11 awards can be made. Programs in the areas of molecular oncology and carcinogenesis will be deferred.

$456 million level—This amount is $36 million under the 1973 Congressional appropriation. It would result in all of the reductions and delays noted above, plus the following:

All plans for expansion into patient work, both in immunotherapy and also in the highly promising field of immunologic test for cancer development, will be deferred.

Screening efforts to develop new anticancer agents would be reduced by 35% of the planned level and would hamper the flow of new drugs into general medical practice over the next 3 to 6 years.

Clinical evaluation of new antitumor drugs in patients would be reduced by 5 to 6 drugs in FY 1974, causing a delay in the agents being available to physicians.

The treatment of tumors utilizing combined modality approach (chemotherapy, radiation, surgery, and immunotherapy) would be seriously compromised because of the reduced level of research.

Recent developments in molecular biology have increased our understanding of the cancer process and have opened up new leads for the control of malignancy. Efforts to fully exploit these leads would be limited.

All plans for expansion into patient work in immunotherapy and in the highly promising field of an immunologic test for cancer development will be deferred. Basic studies in immunobiology can be increased only 15% over the 1972 level.

Research relating human viruses to known oncogenic agents or to augment immune mechanisms in animal model systems must be deferred. These studies are important as a basis for the prevention and treatment of human cancer.

A $20 million reduction in Cancer Control will result in (a) elimination of the remainder of the program for the detection and diagnosis of lung cancer, (b) early termination of some centers for the detection and diagnosis of breast cancer, and (c) further reductions and delays in training and education programs, demonstration programs in the treatment of cancer and in the establishment of a program for the rehabilitation of cancer patients.

The funding level for regular research grants would be $99 million, $19 million below the OMB submission. Rather than pay 45% of competing grant approvals, we could pay only 21%. This would mean that the important disciplines of epidemiology, immunology and radiation biology, among others, will not benefit from the needed impetus identified and called for by the National Cancer Plan.

Only $75 million could be provided for cancer centers and would just cover the minimum needed to pay for the ongoing center grants. No new awards could be made, and more specifically we could not start 8 of the planned comprehensive centers called for in the Act.

Only 6 of the 21 planned construction projects could be funded at this level. The remaining 15 would have to be dererred, and consequently, this would delay programs of critical need in the areas of viral oncology, carcinogenesis, chemotherapeutic and radiation treatment.

4. Finally, and in general summary, there will be serious deleterious impacts on our ability to conduct an effective international cancer conquest program if current and projected Federal funds are reduced substantially below Congressional authorizations at this point in the new program. The motivation and commitment of the scientific and clinical communities of this country to conduct studies of relevance and priority with effective and innovative application to man are very high. Based, to some extent, on the hope of needed long-term support, medical schools, and other institutions and excellent investigators not now in cancer research are already geared up to participate in the training, research and clinical activities of an expanded program. Commercial organizations in this country and abroad will be most reluctant to provide their own funds, facilities and people for cancer research and development. It is also likely that the governments of other countries (and their funding) will be dissuaded from "joining the United States initiative" in the fight to control cancer.

FRANK J. RAUSCHER, Jr., Ph. D.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
December 19, 1972.

FISCAL YEAR 1973 AND FISCAL YEAR 1974 OMB MARK-UP

In my comments to the Office of the Secretary accompanying the fiscal year 1974 NCI Budget, I expressed concern over the program balance in a budget that increased cancer by $208 million, heart by $28 million and the rest of biomedical research by $28 million. The situation confronting NIH in the latest mark-up would mean a program over a two-year period from fiscal year 1972 to fiscal year 1974 where cancer increases by $127 million, heart increases by $23 million, and the rest of biomedical research decreases by $111 million—this, in spite of assurances that the highly political and visible programs would not grow at the expense of the basic programs. Substantively, these basic programs are needed to feed the knowledge base of cancer; witness the significant programs this year in such areas as immunology and viral oncology. Politically, this action will coalesce all the groups that have been watching very closely the effect of the expanded cancer research effort on the rest of the biomedical research budget.

We had our opportunity to make the case on continuation of training programs. The Office of the Secretary supported this effort. The mark-up, however, instructs NIH to make no new research training commitments in fiscal years 1973 and 1974. This, of course, begins the termination of what has been an extremely productive program.

We believe that an appeal should be made either to allow the DHEW to achieve better balance among all the research programs within the $1,488 milion fiscal year 1973 mark or to provide an additional $57 million which will maintain the President's fiscal year 1973 budget across the board except for the reductions caused by the training phase out. A similarly constructed budget for fiscal year 1974 (adding in the growth to the cancer budget and subtracting the phase out in training programs as well as one-half of the General Research Support Grants) would require an additional $55 million.

The * * * will result in what is essentially a formula grant program without any leverage for Administration initiatives in the health manpower area. Unless there are plans for new legislation, this budget represents in effect abandonment of intervention in much of health manpower by the Federal Government. Further, the cuts in capitation and physician augmentation special projects again demonstrate lack of credibility in the commitment of the Government after encouraging increased enrollment and better planinng by an announced policy of support. We are concerned also with the disappearance of scholarship programs which were a major factor in providing access to the health professions from the culturally and economically deprived segments of the population. To make some recovery in maintaining leverage, moral commitments and a minimum of scholarship funds, $50 million in fiscal years 1973 and 1974 will be required.

Although the cutback in fiscal years 1973 and 1974 in absolute dollars is relatively small in the NLM budget, the impact on program is major. The ability to provide basic library services in the quality expected would be impaired as well as the DHEW initiative in the health area using satellite communications. An increase of $2.0 million would be required for both fiscal year 1973 and fiscal year 1974 to maintain the basic program.

I'm sure that you are well aware of the seriousness of the cuts to the NIH programs; the impact will be felt for many years to come. While we certainly understand the dimensions of the problems that dictated the fiscal strategies that shaped the DHEW budgets, the President should be made aware of the long-range impact that this will have to the health of the Nation.

ROBERT Q. MARSTON, M.D.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
October 6, 1972.

COMMENTS ON THE NCI 1974 BUDGET ESTIMATES

We have reviewed the 1974 budget estimate proposed by the National Cancer Institute. The NCI proposes to fund its programs at the level of the Legislative Authority of $640 million. The budget represents a rapid incremental growth function in a long-range plan leading to a $1.0 billion annual program level. The distribution of funds over the various programs within the total is compatible with the National Cancer Plan. The proposal rests on the general assumption that the NCI objectives are capable of being accomplished over the time span of the National Cancer Plan and that fiscal and manpower resources will be relatively unlimited. There are three areas of general comment concerning the budget.

First, is there a justification for the expenditure for $600 million for research and $40 million for cancer control activities in fiscal year 1972? Our review falls to identify any area which does not give some promise for improvement of our knowledge about and our ability to control cancer. Thus, although the absolute funds are great and the growth rate rapid, the NIR supports the activities proposed as likely to contribute to an all-out fight against cancer.

The second question has to do with distribution among the various NCI programs. The distribution among programs is a derivative of the National Cancer Program Plan. This plan is currently under review by the Institute of Medicine of the National Academy of Science. Modifications of the plan as a result of this review could lead to some modifications in the program distribution proposed. On the other hand, since the plan is designed to insure that every promising

avenue that seems open at present is pursued by intelligent people and since the plan was devised in consultation with a large number of scientists, this review may not have large budgetary implications. The NIR would like to call attention to and reemphasize a very strong statement made in Part three, page one of the NCI 1974 Budget Estimate.... the scientific knowledge base is the single most important factor influencing the program rate of growth and achievable progress. "Without a sound scientific * * * regardless of the magnitude of the resources applied to the program." Since I believe that a major revolution in the prevention and treatment of cancer can come only from fundamental new information flowing from basic laboratory work, I would favor that the proportion of regular research grants and research training be at an even higher level than represented in this budget.

The third question has to do with the relationship of the NCI budget to the rest of biomedical research. We are currently in the process of developing a resarch budget for all of the Institutes, except the NCI, within a very restrictive budgetary ceiling. We would be concerned with a budget that increases cancer by $208 million, heart by $23 million and the rest of biomedical research by $28 million. Such a budget would belie any assertion that cancer research growth was not at the expense of other research. More importantly from a substantive standpoint, it might well undercut the premise of significant progress in cancer research itself. For instance, the two most promising areas of cancer research today are immunology, including the studies in BCG, and the area of viral oncology. These areas originally were developed and supported to the point of potential benefit in cancer research by the programs of the National Institute of Allergy and Infectious Diseases. The comparison in funding between the two Institutes fails completely to reflect the heavy dependence of future cancer research on the continued development of more general knowledge in fields such as these, as well as fields represented in other Institutes.

From a technical budget standpoint, we find only minor problems in the pricing of the programs to be supported in 1974. In general the cost items are not significant, but the information will be made available to your staff.

In summary, we support the cancer proposal but must express concern at a budget that increases cancer by $208 million, heart by $28 million and the balance of biomedical research by $28 million. Additionally, we are also seriously concerned with the capability of the NIH to provide service and logistical support for such an effort without a commitment in 1974 and future years for central staff and facilities.

ROBERT Q. MARSTON, M.D.

WHY THE DOLLAR FALLS

Mr. HANSEN. Mr. President, I would like to commend to my colleagues' attention a recent article from the July 28 Business Week magazine entitled "Why the Dollar Falls." It is an excellent article outlining the basic problems which have arisen since the Bretton Woods agreement after World War II up to the present international monetary difficulties and the attempts which will be made to resolve these problems at the Committee of Twenty meeting here in Washington.

Some of the items mentioned as contributory factors to the dollar's decline are: an overcreation of dollars causing a huge, overabundance of dollars in all world markets; the disillusionment of present dollar holders due to the two devaluations which have already cut the par value of their holdings by 18 percent; and the international concern over present U.S. inflation rates as well as the earnestness of those in power to stop these forces of inflation before the economy becomes completely uncontrollable.

Also mentioned in this article is the present strain on the U.S. economy caused by what some experts call the present undervaluation of the U.S. dollar. Agricultural products at home and oil imports from abroad were specifically mentioned in this regard.

At recent Finance Committee hearings on the international financial crisis, several witnesses emphasized the fact that the United States has become the "breadbasket of the world." We have continually increased our agricultural output and are now at a point where we are exporting more and more of our agricultural products. This puts the United States in a very favorable bargaining position, but we must use these products as a tool for regaining our economic stability at home and abroad. U.S. citizens should not be forced to pay excessive prices for agricultural products because foreign purchasers are bidding for the available supplies with undervalued dollars.

The U.S. economy is also suffering because of our increased purchases of oil from abroad. Undervalued dollars will add to the cost of these products, could further increase our balance-of-payments deficit, and in turn might precipitate additional adjustments to the value of the dollar. It has been estimated that by the end of the year four major oil-producing states in the Arabian peninsula—Saudi Arabia, Kuwait, the Union of Arab Emirates, and Quatar—will have accumulated reserves—mainly dollars—of about $9 billion. It is also estimated that by the 1980's this figure could surpass $100 billion. If oil imports from other Middle Eastern and North African oil producing countries are also considered, the possible dollar reserves would be even larger. Such large reserves suggest a vast potential for speculation. This problem alone deserves our close attention, and every effort should be made to resolve this issue on as many fronts as possible.

Also of concern to me is the increasing takeover of U.S. companies by foreign investors. This fact was underlined in recent Finance Committee hearings on the role of institutional investors in the stock market. The stock market has suffered serious blows in the last year due to many of the same factors as those contributing to the dollar instabilty. Some stocks are presently listed at their lowest price ever—some even below book value—inviting a takeover by foreign capitalists with excess dollars to invest.

On the brighter side of the picture, however, is a report by Hobart Rowan in yesterday's Washington Post entitled "IMF Moves Toward New Money Rules." It seems as though the Committee of Twenty, meeting in Washington in this week, is rapidly reaching what it considers to be a viable agreement for the future protection of all world currencies. Consequently, international monetary reform should result from the IMF meeting in Nairobi, Kenya, this September.

We must now do all we can to resolve our balance-of-payments problem, bring stability to the dollar, and continue our role as the strongest and most powerful nation in the world. But the resolution of these international problems begins at home, and this Congress will be acting on many important pieces of legislation which will signify to the world our earnestness and determination to get to the root of these problems.

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

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

[From Business Week, July 28, 1973]

WHY THE DOLLAR FALLS

If the U.S. dollar were a corporate stock, Wall Street analysts would have no trouble explaining its continuing drop in value this year. They would note that:

Too many dollars have been created, and there is a huge, undigested balance hanging over world markets.

Holders of dollars have been bruised by two devaluations that cut the "par" value of their holdings by 18%. The steady slide of the dollar under the system of floating rates adopted last March has added to their disillusionment.

The economic prospects of the issuer (the U.S.) are clouded by inflation and the possibility of a runaway boom that could turn into recession. The management (the Administration) appears to have lost control of the economy.

Representatives of the management have made too many conflicting statements. By talking too much, they have raised serious doubts about the earnestness of their efforts to stop inflation.

Top management has become involved in a scandal that distracts its attention from economic affairs and may impair its ability to govern.

Any one of these complaints would justify putting a stock on an analyst's "sell" list. Taken collectively, they have put the dollar on the sell list of banks, corporations, and wealthy individuals all over the world. The result has been a steady decline of the dollar in terms of the amount of other currencies it can buy. For the dollar has no fixed exchange rate today. It is floating, and when currencies float, their values behave very much like stock prices.

The dollar, however, is not a stock. It is a currency—the official medium of exchange used by the biggest economy in the world, the currency in which most of the world's trade is conducted, and the currency most widely held in the reserves of other nations.

The postwar economic boom was built on the dollar. When its value changes drastically in relation to other currencies, competitive relations change. New markets open to some producers, and old markets close to others. And when the dollar is pushed down to a level far below anything justified by comparative price levels—as it is now in relation to the West German mark—trade relations are violently disrupted.

The longer the undervaluation of the dollar continues, the more the strain on the U.S. economy will build up. Foreign buyers already have bid up the prices of U.S. agricultural products, lumber, and other raw materials. This will help the U.S. balance of payments, but it will add to inflation in the U.S. economy. So will the higher prices on essential imports, particularly oil. For

the near future, the U.S. must depend heavily on petroleum imports. Under-valued dollars add to the cost.

The bargain-counter dollar, moreover, has appeared at a time when U.S. exporters are least able to take advantage of it. Gustaf Coontz, director of the U.S. Trade Center at Frankfurt, says: "We've experienced a major increase in the number of inquiries from German companies wanting to buy from American suppliers. But the problem is getting American companies to take up the interest. There is such a boom in the U.S. at present that most American companies we contact have their hands full dealing with domestic orders."

To add insult to injury, American companies may find foreign capital taking them over. At today's dollar prices, many stocks of U.S. companies are bargains to the investor who has marks or yen.

This is not a problem that can be solved by a quick international agreement to reestablish fixed exchange rates. If the rates set up by the Smithsonian agreement in December, 1971, could have been held, the central bankers of the world would have held them. They bought $20-billion trying to make those rates stick. But too many dollars came into the market. The banks had to give up and let the dollar sink. If they tried to establish a new fixed-rate structure now, they would be swamped again.

In a real sense, it is not just the dollar that is in trouble. It is all the currencies in the non-Communist world. The modern network of world banking and modern methods of transfer make it possible to mobilize attacks against a currency on a scale never imagined in the old days of boat mail and cable. So long as a currency is fully convertible into other currencies, it is theoretically possible to throw the credit-creating powers of all the banks in the world up against it, because all their deposits are convertible into that currency. This, in effect, is what happened to the dollar in 1971, 1972, and the first half of 1973. But the pendulum could swing the other way. Next time, the mark, or the franc, or the yen could be the target, with people dumping these currencies to buy undervalued dollars.

Some of the selling that has driven the dollar down has been pure speculation. Sharpshooters all over the world have seen an opportunity to borrow dollars and convert them into something else—marks have been the favorite. When the dollar hits what they think is its low, they will switch back, pay off the loan, and pocket the difference.

But that is only part of the story. Multinational corporations shifted huge balances to their foreign subsidiaries. Banks moved more money to overseas branches. U.S. importers with bills to pay in foreign currencies rushed to settle them before the dollar sank any more. And overseas buyers of U.S. goods dragged their feet on payment, hoping to get the dollars they needed at a still lower rate. It is hard to call this speculation. From the standpoint of the people involved, it looks like plain, common sense. The housewife who waits for the January white sales to buy her sheets is doing essentially the same thing.

Next week, the finance ministers of 20 nations will meet in Washington to draw the outlines of a new international monetary system, one in which the cumulation of thousands of common sense decisions will not turn into a run on the dollar or any other currency. Their target is to have something to present to the September meeting of the International Monetary Fund in Nairobi, but that probably is an unrealistic timetable. World currency markets are too upset, and confidence in the dollar is too shaky for agreement on any system now. The float will have to continue until the future of the U.S. economy is clearer and a realistic value can be put on the dollar. The most that the central bankers can do now is intervene from time to time to keep the currency markets from coming apart.

THE SOARING EAGLE

Weakness in the dollar was one thing that did not worry the financial experts who met in the rambling summer hotel at Bretton Woods, N.H., toward the end of World War II to design an international monetary system for the postwar world. Nor did it occur to anyone to worry about the dollar in the late 1940s, when the International Monetary Fund set up shop under the Bretton Woods agreement. The problem then was the dollar gap. The U.S. was the source of all good things—nylons, cigarettes, food, tools, machinery, autos. The problem was for war-wrecked Europe and Japan to find ways of scratching up dollars to pay for their imports. It took the Marshall Plan and an enormous, continuing program of U.S. aid to get the rest of the world running again.

The dollar, quite naturally, was the foundation of the international monetary system as well as its benchmark. Other countries stated the value of their currencies in terms of dollars, and then struggled—sometimes vainly—to avoid devaluation, which would raise the price of desperately needed imports. The dollar was the *numeraire*, the basic reserve currency of the system and the unit of account in its transactions. It also became the intervention currency, the one that was bought or sold when a central bank intervened to keep its currency from drifting away from its stated rate.

In addition to giving direct aid, the U.S. officially encouraged imports to build dollar earnings for foreign producers. U.S. negotiators on tariffs took it for granted that they would give more concessions than they got. The Commerce Dept. put the welcome mat out for retailers who wanted help in lining up a list of foreign suppliers.

The U.S. also encouraged overseas investment by American corporations and banks. It offered tax breaks and consular assistance to companies that wanted to set up overseas operations, and it welcomed foreign borrowers to the U.S. capital markets. National policy was to push the dollars out, never mind how.

The policy succeeded so well that it eventually destroyed the Bretton Woods system. Throughout the late 1940s and 1950s, net capital outflows from the U.S. ran about $1.5-billion a year—small potatoes by today's inflated standards but big money in those days.

By 1960, when the net liquidity balance of U.S. accounts showed a deficit of $3.7-billion, foreign bankers began to complain. Central bankers and economists read stern lectures to the U.S. on the dangers of a chronic deficit in the balance of payments. The lectures, however, were not backed up by any real pressure for change. U.S. deficits were providing the liquidity that financed the continuing expansion of world trade. Foreigners grumbled, but they banked the dollars all the same.

Protecting the dollar was an issue—though not a major one—in the 1962 election. At that time, the level of U.S. interest rates was considerably lower than rates overseas. The U.S., so the theory went, was offering the world bargain money, and this was why dollars were going out. Acting on this theory, President Kennedy imposed an interest equalization tax in 1963. Later, President Johnson imposed voluntary limits on bank lending abroad, and corporations were first asked and then ordered to hold down the expansion of overseas investment.

These restrictions slowed the visible outflow of investment dollars, but the world monetary system has a way of frustrating attempts to manipulate it. The restraints on capital exports fostered a sudden expansion of the Euro-dollar market, a curious institution that still defies attempts to analyze and measure its effects.

The Eurodollar market deals in dollar balances held by banks outside the U.S. including foreign branches of U.S. banks. These balances originate in the ordinary way—by payments for U.S. imports or long-term lending of U.S. funds overseas for investment. At the beginning of the process, each Eurodollar represents a dollar on deposit somewhere in the U.S., but the European holder does not turn it in for collection. He lends it, and the borrower redeposits it elsewhere.

Economists have argued vigorously about the extent to which Eurodollar balances are expanded by the chain of transactions that involve them, but the point is really academic. So long as dollars can be obtained—and there has been no problem about that since the 1950s—any bank overseas can make a loan denominated in dollars, confident that it can buy the dollars in the open market if any subsequent borrower asks for transfer. In effect, the theoretical limit on the size of the Eurodollar market is no less than the total lending power of all banks particiating in the market.

With access to U.S. markets limited by the interest equalization tax and bank-lending restrictions, foreign borrowers and affiliates of U.S. corporations turned to the Eurodollar market. And, as rates went up, the market drew more and more capital from all around the world, including transfers from the U.S. For the holder of a dollar balance overseas, the Eurodollar market offered an alluring alternative to investing in U.S. securities and thereby returning the money to its origin.

THE TRADE WINDS CHANGE

Through the early 1960s, the merchandise trade balance of the U.S.—the difference between export earnings and import costs—comforted anyone who was worried about the dollar. It climbed to a healthy surplus of $6.8 billion in 1964, offsetting a substantial part of the continuing capital outflows. But toward the end of the 1960s, the balance began to wobble. The Vietnam War inflation chopped into overseas markets for U.S. goods at the same time that it stimulated a surge in imports. By 1967, the merchandise surplus had shrunk to $3.8-billion. And in 1968, it was a scant $635-million. It rallied in 1970, and then—to the horror of Americans and Europeans alike—it swung into deficit in 1971, the first U.S. deficit in modern times.

Europeans pointed to the U.S. inflation rate and blamed the U.S. for irresponsible fiscal and monetary management. But inflation was only part of the story. The rebuilding of industry in Europe and Japan had increased their ability to compete with the U.S. in world markets, but the exchange rates of their currencies had not been shifted to reflect this change. West Germany and Japan, in particular, dragged their feet on revaluing the mark and the yen. They wanted undervalued currencies because this gave them a trading advantage.

The Bretton Woods system almost went to pieces in 1968. As central banks built up more dollar balances than they wanted, they kept turning them in for gold. U.S. gold reserves slipped from $23-billion in 1950 to $12-billion at the end of 1967. Private buyers in London and Zurich began to push the dollar price of gold well above the official price of $35 an oz. In early 1968, the move into gold began to look like a panic. And in mid-March, the U.S. and its leading trading partners agreed to cut official gold loose from private gold. Central banks promised they would neither buy nor sell gold in the private market. And major creditors of the U.S. quietly agreed that they would not ask for gold.

This shaky system lasted until August, 1971. Then it came apart. The continuing U.S. inflation and demand for imports drove the merchandise balance to a deficit of $917-million in the second quarter. Capital flows, both short-term and long-term, picked up speed (chart). Private holders no longer wanted dollars, and to keep their currencies

at the agreed rates foreign central banks had to soak up huge dollar balances that were dumped on the market. On Aug. 15, President Nixon declared that official dollar holdings were no longer convertible into gold. At that point, other nations stopped buying dollars to maintain official rates. This left the dollar floating.

The period of floating currencies was a time of turmoil, but one in which the trading nations of the world learned some important lessons. John Connally, then Secretary of the Treasury, toured the world arguing that U.S. trading partners—especially West Germany, and Japan—would have to revalue their currencies to make U.S. goods more attractive and U.S. imports more expensive. The U.S., he said, had to have a better break on tariffs and nontariff trade restrictions. And countries running a chronic balance-of-payments surplus had to take responsibility for bringing their trade into balance.

Just at the end of 1971, central bankers and finance ministers of the major trading nations met at the Smithsonian Institution in Washington and put a temporary system together. The U.S. devalued the dollar 8%, and Japan revalued the yen 8%. Other nations found their places somewhere in between.

THE PACT COLLAPSES

The Smithsonian agreement lasted for just a year. Then it foundered on the same rocks that had wrecked Bretton Woods. Though the U.S. got what it wanted in the way of rate readjustments, the results were slow to appear in the balance of trade. The first response of money flows to a devaluation is always likely to be perverse. Devaluation of the dollar meant that U.S. importers had to pay more dollars for the marks, yen, and francs they needed to pay their bills. And U.S. exporters got fewer dollars for the currencies they earned overseas. This pattern changes gradually as bargain prices attract foreign buyers and the higher prices discourage imports. But it takes time.

In 1972, the U.S. merchandise trade deficit jumped to almost $7-billion. Capital flows eased up in the first half of the year and then began to climb in the second half. The Smithsonian machinery obviously was in no condition to take a bad jolt.

At the opening of 1973 it got not just a jolt but a sledgehammer blow. The announcement of Phase III, with Administration officials talking loosely of "voluntarism," persuaded overseas dollar-watchers that the U.S. did not seriously intend to bring the dollar under control. And the dizzy price jumps that followed confirmed their worst fears. On top of that, the Watergate scandal raised serious questions about the stability of the U.S. government and the capacity of the Nixon Administration to run the country. That was the end of the Smithsonian agreement.

Figures on international balances and money flows are among the most unsatisfactory of all statistics. They are fragmentary, overlapping, and confusting. They put some of the most important data in the column headed "errors and omissions," which usually contained all unrecorded short-term capital flows.

Nevertheless, a look at the figures for first-quarter 1973 shows the force of the storm that hit the dollar. Short-term capital flows leaped to $7.5-billion, higher even than the crucial third quarter of 1971. And long-term flows stepped up to $2.5-billion, suggesting that a substantial amount of money in this account was not really an investment but a bet against the dollar.

Meanwhile, the price of gold in London and Zurich was soaring. The gold market is thin, and it exaggerates investors' reactions. Nevertheless, it mirrors the moods of people with money to hold for the long term. When the gold price shot to successive records, the market was saying that not only the dollar but all currencies were bad risks for the future.

The central banks bought frantically in an effort to hold the Smithsonian exchange rates. Official holdings of dollar balances climbed $10-billion in the quarter. But the central bankers were the only buyers. Everyone else wanted out. The Federal Reserve's tally of claims held by foreigners against American banks—by no means a complete measure of dollar balances—declined $1.8-billion. German bankers reported that $1-billion hit their market in a single hour in February.

In mid-February, President Nixon devalued the dollar an additional 10%. After three tumultuous weeks. European markets closed and did not reopen until mid-March. When trading resumed, the world found itself with something new: a "floating snake."

After the Smithsonian agreement, the six members of the Common Market—Germany, France, Holland, Belgium, Luxembourg, and Italy—agreed to limit the variations of their currencies to 2¼% against one another. Since the Smithsonian permitted variations within a band of 4½%, the currencies of the six nations became "a snake in a tunnel." After the March crisis, the snake was turned into a joint float against the dollar. Italy dropped out, and the three Scandinavian countries joined up.

The snake is an important part of any explanation of the curious behavior of the dollar this summer. Since May, the dollar has been losing steadily in relation to the currencies of the joint float. And this is in spite of the fact that the combination of devaluation and float has driven the dollar well below levels that can be explained by comparative-price theories.

The dollar has remained relatively stable with respect to the yen, the Canadian dollar, sterling, and the Latin American currencies. Since these account for over 40% of U.S. trade, the decline since May has had only a small effect on the trade-weighted value of the dollar.

Nevertheless, the fall of the dollar suggests that something is still seriously wrong in the money markets. And until the steady deterioration of the dollar is ended, it will be hard to set up any new international arrangements.

Part of the explanation, of course, is the extraordinary strength of the German economy and the high interest rates its money managers have imposed in an effort to damp inflation. West Germany's balance of trade is still running a hefty surplus, despite successive revaluations. And since the U.S. is only one of its customers—and not the most important—devaluation of the dollar will not automatically scale down the German surplus. In a real sense, money flows this summer have been a run into the mark, and the pressure has not been confined to the dollar. The Bundesbank has been forced to buy over 4-billion DM worth of the currencies of other members of the joint float. And the mark has moved from the bottom of the snake to the top, pulling the rest of the float with it.

POINTS OF PRESSURE

Everyone agrees that markets have been thin this summer. There is no deluge of dollars or any other currency looking for customers. As the London *Economist* tartly remarks, too much importance should not be attached to a market in which "deals of over $10-million have had to be negotiated in several bites, each at a different rate."

The fact remains that there is steady selling pressure on the dollar. Where is it coming from?

Extensive reporting in the money markets suggests that it is coming from a lot of places.

One source clearly is the leads and lags available to ordinary businessmen in paying their bills. When the dollar is sinking, U.S. importers pay promptly to get the best rate possible. Buyers of U.S. goods pay slowly, hoping to get more dollars for their marks or francs. Walter Wriston, chairman of First National City Bank, notes that there is $1 billion a day in world trade. "If businessmen delay or prepay for seven days, that is $7-billion that can shift," he says.

Louis Camu, chairman of Banque de Bruxelles, Belgium's second-largest commercial bank, points out that the impact of leads and lags can be multiplied by selling dollar receivables in the forward market. Potentially, he estimates a three-month lead and lag on German trade alone could reach about $10-billion.

Multinational companies are particularly well fixed to play the leads-and-lags game. German bankers report that multinationals with subsidiaries in Germany postponed payment of dividends to the U.S. parents late last year and early in 1973. In May, 1973, some multinationals prepaid debt due by their subsidiaries in Germany.

There are other sources: British bankers think the Arab oil sheiks have been selling dollars heavily. A Belgian banker reports some oil countries are selling their royalty receipts in the forward market. With the growing dependence of the U.S. on imported oil, this drain could prove to be chronic.

Some central banks that were not parties to the Smithsonian agreement also have been selling dollars. And although the figures are not available yet, there probably is a steady trickle from U.S. banks. In the first quarter of 1973, banks made massive transfers overseas. Loans to foreigners by U.S. banks increased $1.5-billion, and liquid claims on foreigners (largely deposits) increased $1.1-billion. But since March, the banks do not seem to have made big movements of dollars.

Some U.S. businessmen say that Nixon Administration officials have encouraged selling by their "maddeningly passive" attitude toward the under-valued dollar. Both Federal Reserve Chairman Arthur Burns and Treasury Secretary Shultz think the dollar has sunk much too far since the February devaluation, but they differ in their appraisals of the consequences. Burns, the central banker, stresses the problems the falling dollar creates for members of the money-manager fraternity overseas, and he worries about the effect on U.S. inflation. He told a Congressional committee last month: "For the longer run, thinking of a reformed international monetary system, I remain skeptical about the desirability of a general system of floating exchange rates."

Shultz tells visitors that the market is the best mechanism for setting rates in both the short term and the long term. He is not worried by the possibility that foreign buyers will take over U.S. companies, and he seems to think that if the current situation attracts foreign investment, direct or indirect, so much the better.

In any case, the U.S. made no attempt to check the fall of the dollar by intervening in the money markets until early this summer, and then the intervention was on a modest scale. To one multinational executive, this amounts to a policy of "giving the country away."

It will take months to comb out the statistics and determine just where all the selling originates. But one thing already is clear: The dollar has lost its standing as a safe investment. There is still a need for big dollar balances—to finance trade and investment all over the world. But the holders of big dollar balances—whether private individuals, corporations, or banks—no longer feel secure. Where they can, they tend to diversify, moving their assets into currencies, such as the mark and the Swiss franc, that seem more likely to appreciate than to drop. Later,

if these currencies falter, the balances will go somewhere else.

A LOOK AT THE OPTIONS

Against this backdrop, finance ministers and central bankers must now try to reach agreement on what sort of system they should set up next. What they will settle on is by no means clear, but it is possible to take a look at some of the major proposals for reform of the international money system and quote some odds on them.

Continue the float but intervene from time to time to keep the dollar in a reasonable range. This is the strategy central bankers have agreed to follow in the period immediately ahead. Europeans are making their currencies available to the U.S. through an expanded line of "swap" agreements. And the Federal Reserve has begun to intervene somewhat reluctantly to give the dollar occasional support. In the short-term, this can make life more difficult for the speculators, but it is not a long-term solution.

Return to an old-fashioned gold standard with gold at about $125 an oz. The French have been pushing for something like this, but it does not have a chance. Valuing gold at the free market price would enormously inflate the international monetary base. Almost certainly, it would intensify the inflationary trend that now threatens stability in the industrial countries. And when the inflation ran its course, no nation would be willing to go through the wringer of deflation, which is what the gold standard would require.

Reestablish official exchange rates with broad bands for fluctuations and provision for frequent adjustment. This almost surely will be part of the eventual answer. The float leaves too much room for speculative swings and short-term variations. A realistic set of rates could be supported by central bank intervention in the short-term. In cases of long-term overvaluation or undervaluation, the currency would keep moving toward a balance point. The Committee for Economic Development, a group of U.S. businessmen, strongly endorsed the principle of controlled flexibility of rates in a policy statement this week. The IMF's group of 20 is expected to come up with some variation of this plan.

Establish well-defined standards for determining when a change in official rate is necessary. Logically, this should be part and parcel of any system of official rates. One of the big troubles with Bretton Woods was the failure to provide any mechanism for precipitating an overdue change in rate—either up or down. Politicians were always unable to do what economists agreed should be done. Nations with undervalued currencies tended to resist revaluation for fear of hurting their trade. Nations with overvalued currencies often tried to tough it out instead of devaluing. Logic, however, is not the only consideration in international negotiations. There will be strong resistance from countries—France, for instance—that balk at letting any international agency make economic decisions.

Fund the dollar balances now held by central banks with long-term U.S. securities. This would be one way to solve the overhang problem, but until confidence in the dollar is rebuilt, foreign central banks are unlikely to show much enthusiasm for it. They would rather stay liquid and keep their options open. A substantial part of central-bank dollars already is invested in short-term notes. The central bankers will continue to hold these balances but they will not make a long-term commitment.

Turn the IMF into a sort of Federal Reserve System of the world. The fund's credit would become the basis of all national currencies. International balances would be settled in IMF credits. Like the Federal Reserve, the IMF would try to expand credit to provide necessary liquidity without inflation. Scholars like the idea, but the time is not yet. Each nation wants a free hand in dealing with its own economic problems. And the record of the Federal Reserve in the U.S. does not support much confidence in the ability of the IMF to achieve the ideal of growth without inflation. It is probable, however, that the Special Drawing Rights (SDRS) already issued by the IMF will be expanded and used to settle international balances. Eventually, the SDRS could become the principal reserve assets of the system.

Strengthen the ability of U.S. financial institutions to attract overseas dollars. This would involve at least two major changes. One would be to remove all controls on capital exports from the U.S. and thereby diminish the importance of the Eurodollar market. The other would be to allow U.S. commercial banks to pay interest on demand deposits. The combination would encourage foreign dollar holders to move their balances to the U.S. Much of the activity that now takes place in the Eurodollar then would shift to New York. U.S. bankers are strong for the idea. President Nixon already has promised to phase out the capital controls, but the ban on paying interst on demand deposits is likely to stay. It was imposed as part of the bank reform legislation after the 1933 collapse, and it is intended to prevent the pyramiding of deposits that took place in the 1929 boom. Congress will be wary of lifting it regardless of what the banking exports recommend.

If the U.S. in 1973 and 1974 brings its inflation under control and slows its business expansion to a sustainable pace, many of the toughest problems will solve themselves. The great problems in the international money markets today all stem from loss of confidence in the dollar. If that confidence can be restored by a strong economic performance in the U.S. the dollar will come back fast. As Otmar Emminger, deputy chairman of the Bundesbank says, "As soon as traders have something real to grasp, such as a positive balance of payments, the dollar will begin to recover."

AMERICA GOES PUBLIC

Mr. HUMPHREY. Mr. President, on September 15 from 7 p.m. to 1 a.m. e.d.t.—NBC–TV—the Democratic Party will present a nationwide telethon, "America Goes Public," as part of a massive drive to involve people in the political system. The telethon will be the culmination of 2 months of extensive grassroots activity, and will reach an estimated audience of 58 million people.

Four regional coordinators, 50 State chairmen, and a Washington, New York, Louisville, and Los Angeles staff are working full time on this effort. One million pieces of direct mail have gone out from the National Democratic Committee alone, 10,000 CWA workers have volunteered to answer telephones and record contributions in 43 regional centers telethon night, and thousands of other volunteers will leaflet door-to-door and phone home-to-home to make sure that every American is offered the chance to participate.

Last year, 400,000 people gave $10 each during the first telethon, and proved that they wanted the chance to finance their political system. Mr. President, I see this telethon as a historic attempt to give Americans that chance.

John Y. Brown, Jr., of Louisville, Ky., originated the political fundraising telethon concept, and has once again accepted the challenge of putting it together. He and his staff of young businessmen have taken time off from their other activities to work full time on this effort.

Fifty percent of the net proceeds raised within each State will be returned to that State, and pledge forms will contain a space where contributors who wish to do ongoing volunteer work with their local Democratic clubs may so indicate. For the first time, the 50 States will be working together with the national party in a comprehensive attempt to involve people—through their contributions—in a political system they feel left out of and have consequently begun to doubt.

There are no mysteries here. We mean to go directly to the people of this country, to hold rallies, county fairs, auctions and barbecues on the grassroots level, and to reach into every living room with a 6-hour prime time telethon, that America might truly go public in every sense of the word.

If all Americans—Democrats, Republicans, and Independents alike—decide to actively contribute to the party of their choice, we can truly restore democracy to the people.

Mr. President, I ask unanimous consent that the following "Background and Fact Sheet" be printed in the RECORD.

There being no objection, the background and fact sheet ordered to be printed in the RECORD, as follows:

DEMOCRATIC NATIONAL TELETHON II

BACKGROUND AND FACT SHEET

Robert Strauss, Chairman, Democratic National Committee John Y. Brown, Jr., Chairman, Democratic National Telethon II.

What is happening

Two months of grass roots activity by Democrats nationwide, to culminate in a six hour prime time Telethon, September 15.

This Year's Telethon, September 15, 1973—7 p.m.–1 a.m. EDT, NBC–TV, "America Goes Public." Broadcast live from Los Angeles. Longest prime time television spectacular in history. Anticipated audience of 58 million people. Estimated 15,000 volunteers will man telephones. Option to pledge by credit card.

September 15, 1973, "Celebrate America Day," A day of widespread participation nationwide; 100,000 volunteers. Door-to-door leafletting, reminding people "to watch" and "to give." Home-to-home telephoning, reminding people "to watch" and "to give" State dinners, and other special events.

What this is trying to do

1. Involve Americans—through their contributions—in a political system they feel left out of and have begun to doubt.

2. Prove the public will finance the political system, if given the chance.

3. Choose a constituency (the public) and a fundraising method (small contributions

4. Offer people the opportunity to take their government out of the hands of special interests.

5. Free officials from pressure to rely on special interests.

6. Build a sound base for upcoming campaigns.

7. Revitalize the Democratic Party, at the local and national level.

Some specific ways these things will be accomplished

1. 50/50 split.—Fifty percent of the net amount raised in each state will be returned to it, to be used by the state Party as it chooses.

2. Widespread activity.—Fifty state Telethon committees, 43 regional telephone centers, 15,000 CWA volunteers manning telephones Telethon night, volunteers telephoning and leafletting "to watch" and "to give" messages, and a variety of special events (rallies, bake sales, auctions, dollar dinners, TV-viewing parties, county fairs) designed to reach and include broad segments of the population.

3. Volunteer check off.—Pledge envelopes will contain a space where contributors who wish to do ongoing volunteer work with their local Democratic clubs may so indicate. Names will be forwarded to the appropriate states.

4. Participation is made easy.—Simplified contribution through credit cards, telephones, pledge forms, and return mail.

5. People are reached directly.—Door-to-door/home-to-home contact, TV reaching into the living room, 1 million pieces of direct mail sent by the National Party alone, and special groups (women, minorities, Young Democrats) activating their own channels.

6. Grassroots efforts and Telethons bring previously uninvolved people into the political system—A recent Kentucky grassroots fundraising drive raised eighty-five percent of its total from people who had never contributed before. A recent Ohio Telethon brought responses from 14,000 people—12,000 had never contributed before.

7. A professional staff of diverse political backgrounds is working full time in this attempt to involve Americans in their political system.

Who is doing what

Telethon staff is working in Washington:

John Y. Brown, Jr., National Telethon Chairman

Young Leadership Council, Democratic National Committee.

Originator, "Political Telethon" concept.

Owner, Lums Restaurants.

Owner, Ollies Trollies, International.

Original owner and Board Chairman, Kentucky Fried Chicken.

Larry Townsend, Assistant to the National Chairman Assistant to the National Chairman, DNT I.

Ron Dukes, Director of Operations, Director of Operations, DNT I.

Carroll Ladt, National Coordinator, Kentucky Telethon Coordinator, DNT I, Campaign Director, 1972 Huddleston Senate race.

Susan Eisner, Director of Communications, Communications and production, DNT I, National Coordinator, State Press Operations, 1972; McGovern Presidential race .

Kitty Halpin, Assistant to the National Coordinator, Assistant to Robert Strauss, 1971–1973.

Four regional coordinators are working in the field:

Bob Burke, The East, New England coordinator for Birch Bayh.

Pete Ellington, The South, Indiana and Kentucky coordinator for Hubert Humphrey.

Dusty Cunningham, The West, Assistant to Robert Strauss, 1971–present.

Terry Straub, The Midwest, Associate campaign consultant, Matt Reese and Associates, Washington, D.C., 1972–present.

Production staff is working in Los Angeles:

Nick Vanoff, Executive Producer, Humphrey Election Eve telecast, Emmy winner, Julie Andrews special.

Eric Lieber, Producer, Producer, two Muscular Dystrophy telethons.

Ruth Berle, Talent Coordinator, Talent Coordinator, DNT I.

What has happened to date

June 12—Robert Strauss and John Brown met with the State Chairmen in Washington to discuss plans for DNT II.

July 2—Robert Strauss and John Brown met with the State Chairmen in Chicago, to present and discuss the DNT II program.

July 18—Robert Strauss and John Brown addressed the Democratic Congressional Caucus in Washington, to present the DNT II program.

All Democratic Governors, Senators and Representatives have been sent briefing sheets and DNT II programs, and have been asked to participate in the efforts.

First batch of direct mail was sent.

What Is Happening In the States (as of August 4).

All states have held organizational meetings, and have either booked or are selecting sites for Telethon night.

Arizona plans to hold a large concert.

Alabama will hold garage sales and leaflet in every county.

California has set up a Steering Committee to plan activities which include all facets of the population, is planning a direct mail effort, will hold a large rock concert, and has appointed Telethon coordinators at the county level.

Delaware will hold a beach party the week before the Telethon, and the Governor will host a reception Telethon night.

Florida's state Telethon committee meets August 6, and eight regional events will follow.

Georgia plans informal box suppers.

Idaho plans barbecues at the county level.

Indiana has planned dollar dinners, bake sales or car washes for all ninety-two counties.

Iowa plans "Telethon booths" at county fairs.

Kansas plans events and TV parties at the county level, will man "Telethon booths" at county fairs, and is using local politicians to promote DNT II in TV spots.

Louisiana plans major fundraising dinners.

Massachusetts has scheduled pre-Telethon fundraising and promotional events.

Michigan will promote DNT II at county fairs and dinners.

North Carolina held a fundraising weekend in July, during which Larry Townsend addressed an organizational meeting and received a strong reception for DNT II. Coordinators from the western counties will meet on August 10.

New York held an organizational meeting July 28. Among others, Mayor Lindsay, Comptroller Levitt, and Assembly Leader Steingut attended.

Ohio will hold its county chairmen meeting on August 4, and plans four regional meetings, beer and pretzel parties at the precinct level, a September picnic, and at-home parties.

Pennsylvania plans events in every county, booths at county fairs, and an "American Celebration" Telethon night.

Tennessee has scheduled fundraising dinners.

Texas plans $5-a-plate barbecues in a number of cities, and will also tie efforts into Labor Day.

West Virginia will hold statewide bean dinners, and TV-viewing parties in the various counties.

Wisconsin plans a large event for Telethon eve.

Background/last year's telethon

1972: DNC Treasurer Strauss asks DNC Young Leadership Chairman Brown for ideas on retiring the $9.3 million Party debt. Brown suggests a network Telethon.

July 8–9, 1972 (ABC–TV). Democratic National Telethon I:

Live from Miami and Los Angeles, 19 hours long; 150 stars and politicians appeared; 25,000 volunteers manned phones/32 regional centers; $4 million collected from 400,000 people.

First network Telethon, first political fundraising Telethon.

First televised political fundraiser.

Longest entertainment special in television history.

First use of credit cards to collect Telethon contributions.

SPOKESMEN FOR SMALL FIRMS BROADEN CONTACT WITH INTERNAL REVENUE SERVICE ON SMALL BUSINESS TAX GUIDE AND OTHER MATTERS

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I take pleasure in reporting to this body on our committee's continuing efforts to foster constructive liaison between small businessmen and the Internal Revenue Service.

On July 9, 1973, under the sponsorship of our committee, members of 10 small business organizations and a representative of the Small Business Administration met with high Internal Revenue Service officials for a full-day series of meetings on the following matters:

First. Revision of the Tax Guide for Small Business incident to its annual republication in 1974.

Second. Distribution practices for the Tax Guide for Small Business, as well as Your Business Tax Kit and other IRS publications of interest to small business.

Third. Tax forms—their design and impact upon small business.

Fourth. Work of the Audit Division and its effects upon small business.

PARTICIPANTS IN THE MEETINGS

A list of those participating and their principal small business affiliation is set forth below:

John McGowan, Edward H. Pendergast, Jr., and Lewis A. Shattuck, of the Smaller Business Association of New England.

Leo McDonough and Tony Rossi of the Smaller Manufacturers Council of Pittsburg.

Bruce Fielding, Ted Kuchenriter, and Fred Williford, of the National Federation of Independent Business.

Stephen Klein, of the Small Business Administration.

Lawrence L. Gray, of the American Bar Association.

William A. Hagemann, Mike Horan, Dean R. Ludeman, and W. L. Rogers, of the Internal Revenue Service.

Peter Yosinoff and Phyllis Borghese of the National Society of Public Accountants.

James R. Parker of the Federal Bar Association.

Charles M. Noone of the National Association of Small Business Investment Companies.

John Mendenhall of the National Small Business Association.

Joel Forster and Mike Mintz of the American Institute of Certified Public Accountants and a member of our committee staff, Herbert L. Spira.

Anyone familiar with this field will recognize the eminent professional caliber of the individuals involved and the wealth of background, experience, accounting and legal expertise that were brought to bear in these sessions for the benefit of small businessmen and the free enterprise system.

ACTIVITY DURING 1972 AND EXPANSION THIS YEAR

During 1972, seven organizations accepted the committee's invitation to allow their experts to join with the committee to review and revise the "Tax Guide for Small Business" for the first time since its issuance as our committee

print in 1956. There was considerable progress made, both in making substantive improvements to the publication, and in developing methods for long-term cooperation. These were noted in my remarks on the Senate floor of August 17, 1972, and January 31, 1973 (CONGRESSIONAL RECORDS, pages 28676 (1972) and 2716 (1973)) and my correspondence with Secretary Shultz commending IRS personnel for their willingness to be helpful to the small business community.

In 1973, the number of organizations participating increased by half, and the scope of discussions with IRS increased fourfold. To illustrate the value of these discussions, I might just touch upon the highlights of the four meetings.

MORE THAN HALF OF THE TAX GUIDE SUGGESTIONS ACCEPTED BY IRS

As to the text of the "Tax Guide for Small Business," the April–July review by the participants resulted in approximately 155 written suggestions from which 76 were adopted by IRS on the basis of the submission—with 46 not adopted and 33 under consideration. Since several more suggestions were accepted on the basis of the July 9 discussion, the group therefore posted a batting average of over .500. I consider this to be an unqualified success.

In addition, I understand that IRS acknowledged receiving about a dozen useful suggestions from the questionnaires inserted at the beginning of the guide in 1973, at the request of our group, for mailing back to IRS.

Although IRS expressed disappointment that only 119 of the questionnaires were returned, I understand that it represents a six-fold increase over the 15 to 20 comments received on the Small Business Tax Guide during 1972. It provides some basis for learning who actually uses the guide and for what purposes. Mr. Pendergast of the Smaller Business Association of New England and others at the meeting commented that such empirical knowledge is needed to evaluate the contents of the guide relative to its actual and potential audience.

In this connection, at the request of the group, further steps are already being taken to improve this two-way communication with the guide's users. The technical publications and publications services branches will, for 1974, print a refined questionnaire on hard paper stock and backed up by a "franked," addressed mailer. This should eliminate two substantial barriers to returning the questionnaire. Distribution of this questionnaire is still in the thinking stage, but IRS presently contemplates placing it in approximately one-half the 1,000 IRS offices engaged in public sale of the guide, for insertion in the guide before sale. IRS believes this could result in a 4- to 5-fold increase in the number of replies. We shall see next year.

The revision of the guide is under the jurisdiction of the Technical Publications Branch of the Internal Revenue Service, ably directed by William Hagemann, Chief of the Technical Publications Branch; and assisted in this project by Dean Ludeman, Chief, Taxpayer Publications Branch, and W. L. Rogers, Tax Law Specialist. Mr. Hagemann announced at the meeting this branch would henceforth be divided into three sections, so that increased supervision will be available and higher quality for all such publications can result. Mr. Michael Horan of IRS, who was introduced to the group, will hereafter be giving particular attention to the Tax Guide for Small Business.

Other changes in the Tax Guide stemming from the meeting, which appear to be of some importance, are:

First. The recommendation of several condensations and eliminations, which could conserve space for more important materials;

Second. The date of the revision will be stated more explicitly for the information of the user;

Third. The language inserted last year indicating that the guide expresses the position of IRS will be given additional prominence;

Fourth. Numerical examples will be evaluated as to the accounting method used, and these examples will be keyed to filled out forms wherever possible; and

Fifth. An effort will be made to have the tone and language of the guide made friendly and suggestive throughout the publication. Mr. Fielding of the National Federation of Independent Business articulated this point well for the group.

DISTRIBUTION OF THE TAX GUIDE AND THE BUSINESS TAX KIT

Distribution practices for the guide were discussed in detail with Mr. Lee Sadler, distributions manager, publishing services branch; and Frances Ware and Gary Wiltshire of his staff.

It was reported that for the past fiscal year some 354,000 copies of the Tax Guide were sold at a cost of $0.75 each for total proceeds of $265,500. Participating in these sales are IRS offices and post offices. Additionally, camera-ready copies of the guide are sold to prospective publishers for $600 per set, and many more copies are thought to be sold commercially. IRS also distributed 112,000 copies of this year's guide to its employees for training purposes. This would indicate that a half million or more copies of the 1973 Tax Guide for Small Business were in circulation.

It also indicates several channels of distribution for the guide, each subject to different considerations of cost and utility. There are further differences between the distribution of the Small Business Tax Guide and similar publications, such as the Farmers Tax Guide, which is made available to farmers without cost.

Another item distributed to new businessmen is the "Business Tax Kit," which contains basic compliance information and forms for the small businessman.

Mr. Sadler explained this helpful package and stated that in theory each new businessman or woman is supposed to receive one. However, lawyers and accountants in our group made IRS aware that few, if any, of the businesses coming to them for assistance in launching their enterprise had ever received the kit. This seemed to be the case even though they may have submitted an application for an employer identification number, or "EI number."

EMPLOYER IDENTIFICATION NUMBERS

This led to a chain of discussions about the requirements for an "EI number" and the conditions under which business kits are furnished to new businesses.

We have identified some of the applicable regulations on "EI numbers"—such as IRS Regs. 1.6109–1 which calls for an individual to submit an application if engaged in a "trade or business" subject to the kind of taxes which arise upon hiring employees; but also refers to an "identifying number" which is prescribed for an individual and is termed an "account number." We have also obtained from IRS its Notice 137 which explains how business kits may be obtained by visiting, writing, or calling local IRS offices.

REVIEW OF THESE AREAS REQUESTED

The group noted a considerable variety of opinion on these subjects, which seems to call into question the validity of methods currently utilized to contact new and small business to encourage their compliance with Federal tax laws. Accordingly, to follow up this aspect of the meetings, I am writing the Commissioner of Internal Revenue with the request that the practices as to EI numbers, notice, and distribution of the business kit and tax guide be reviewed.

I will ask that they be prepared to discuss with this group in the future the utilization of the manifold resources of the various small business organizations represented in our group, and perhaps other national, State, or local business groups, and governmental authorities, in promoting the greatest possible access to Federal publications, and thereby generating an atmosphere most conducive to the fulfillment of recordkeeping and tax obligations.

The fact that approximately 300,000 to 400,000 new firms come into existence each year would seem to give this process considerable importance.

I shall also inquire whether the Tax Guide for Small Business might stand upon the same footing as the "Farmers Tax Guide" as far as the costs of printing and distribution are concerned.

TAX FORMS

The group next met with Erwin H. Schuler, Chief of IRS Tax Forms Coordinating Committee, and the representatives of the various Assistant IRS Commissioners and the Chief Counsel's office who make up this committee.

In this area of tax forms, the group received general introduction to the Coordinating Committee and the tax forms development branch, which seems to lay a basis for constructive work in the future. This subject, of course, is of considerable interest to me and the 26 other Senate sponsors of the Small Business Tax Simplification and Reform bill—S. 1098 and H.R. 5222. Additionally, the particular discussion for Forms 941 and 941A was pertinent to work already under way in the Government Regulations Subcommittee on Paperwork under the

direction of the Senator from New Hampshire (Mr. McINTYRE). I expect to cooperate with Senator McINTYRE in a thorough examination of the extent to which these records for wages taxable under the Federal Insurance Contribution Act can be maintained on an annual, rather than the present quarterly basis in the interest of simplifying the paperwork chores of small businessmen.

This forum allowed the group to carry forward the discussion of EI numbers, and to illuminate present practices in this important area. In addition, Mr. McGowan's comments on last year's pension disclosure forms, and their information requirements beyond the reach of most practitioners, were instructive.

WORK OF THE AUDIT DIVISION

The final meeting of the day was with Mr. Singleton Wolfe, head of the Audit Division. Mr. Wolfe provided the group with a lucid explanation of the evolution and self-examination of the Audit Division. This included the development of the "discriminate function formula" which permits use of computers to preaudit all returns using uniform national standards. He also told of team audits and of the large corporation audit program.

It seems quite relevant to the purposes of our group that the small businesses described as having "an adjusted gross income of under $10,000," make more mistakes than any other class of taxpayer. The number of enterprises in this category—5,239,000—would be sure to make this situation a major compliance problem.

I feel that the group here has come upon an area in which small business organizations and the IRS can be mutually helpful to each other and to the small business community. Mr. Wolfe's suggestion about dissemination of information on the most common mistakes was most constructive, and our committee is actively at work arranging with the Audit Division to be helpful in this area.

Under consideration in this connection is the preparation of several pages of materials perhaps accompanied by an illustration of the type used by the National Society of Public Accountants in their National Accountant Magazine of December 1972. This might possibly be suitable for printing in the publications of other organizations at the opening of next year's filing season.

IRS COOPERATION OUTSTANDING

It is my information that the cooperation on the part of all IRS personnel in the preparation and conduct of the July 9 meetings, and of the subsequent follow-up, was and continues to be exemplary. It is most heartening to me that IRS officials seem to view meetings with small business representatives as an opportunity to be helpful in the better functioning of the IRS in relation to small business.

SUMMARY

To the extent that such a constructive relationship can be fostered by our committee between small business spokesmen and the Internal Revenue Service, for the benefit of new, small and independent business firms, I feel that this will be a considerable achievement. Innumerable problems and frustrations can be avoided and the functioning of our tax and business systems can both be made more efficient. The Select Committee on Small Business deeply appreciates the time, efforts, and expertise of those individuals I have previously mentioned and others, who are making this possible.

Future developments will, of course, be reported to the Senate in due course. For the present, I am taking steps to accord appropriate recognition for the work which the small business representatives and the IRS and SBA officials are performing in behalf of the small business community and which I feel constitutes a notable public service.

THE POSITION OF HUNGARY IN MBFR NEGOTIATIONS

Mr. SCHWEIKER. Mr. President, a series of important negotiations dealing with security in Europe is new underway. We all hope they will lead to reduced tensions and improved security in Europe. Among these are the negotiations on a mutual and balanced—although there is some disagreement on this point—reduction of forces—MBFR—and the Conference on Security and Cooperation in Europe.

At the preliminary conference in Vienna on MBFR, the NATO powers made a concession on the status of Hungary in order to permit some forward movement and to permit the first formal session to be held. The compromise eliminates Hungary, clearly a Central European country, from full participation in the preliminary conference and tentatively omits her territory and the 40,000 Soviet troops stationed there from the area of potential troop reductions. We have, however, retained the right to raise the status of Hungary at the start of the main conference on October 30.

There are a number of very important reasons why a permanent elimination of Hungary would be unfortunate, and perhaps dangerous to the West. The Soviet Union would be left with a country free of MBFR controls, where it could concentrate large forces and which it could utilize as a staging and depot area. The Western Powers would have no such control-free territory left in Central Europe. This situation would also deprive the Hungarian people of the possibility for a peaceful evolution toward full political and national self-determination, since it could leave the Soviet Union free to keep large forces there indefinitely. Certainly my constituents of Hungarian descent would view with distaste such a situation, and I doubt whether the citizens of Hungary would be much happier.

The implications of control-free presence of Soviet forces in Hungary after a preliminary MBFR agreement would also create quite serious problems from the military standpoint, and could well preclude any but a completely symbolic reduction.

A number of my colleagues in the Senate and in the House have pointed out this difficulty in our initial negotiating posture, and I am certain it comes as no great surprise to the administration. I would, therefore, urge and expect that our negotiators will take a much firmer position on this issue in subsequent negotiations.

COMMON CAUSE

Mr. MONDALE. Mr. President, last Friday an outstanding column by Marquis Childs appeared in the St. Paul Pioneer Press. Entitled "Common Cause—An Attempt To Restore Decency," this article describes the work of Common Cause and John Gardner in seeking to rebuild public faith in our democracy.

Every recent public opinion poll shows that cynicism and apathy have increased dramatically as a result of the corruption and lawlessness revealed in connection with the Watergate affair. But the polls do not show that more and more people are looking for a way in which they can do something about the serious abuses that have been uncovered, and increasingly they are turning to Common Cause.

This citizens' lobby, headed by John Gardner, has drawn widespread public support for its positive response in working to clean up our political system. One area that Common Cause has been especially concerned about is the way in which political campaigns are financed—a system—John Gardner has in my view accurately termed "a national disgrace."

I commend to my colleagues in the Senate this excellent article about Common Cause and John Gardner of whom Marquis Childs says:

> In his academic excellence Gardner eloquently sets the hallmarks for wise and enlightened conduct in public and private life.
>
> Soft-spoken, with none of the outward aggressiveness of the crusader, Gardner in a half-dozen fields is proof that good guys can win.

In their efforts to build a better system of campaign financing and to make all of our political institutions fully accountable to the people, the membership of Common Cause and John Gardner reaffirm the spirit of our democracy and renew the deepest source of America's great strength.

Mr. President, that my colleagues in the Senate may have an opportunity to read Marquis Childs' excellent column, I ask unanimous consent that it be printed in full in the RECORD.

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

[From the St. Paul Pioneer Press, July 27, 1973]

COMMON CAUSE—AN ATTEMPT TO RESTORE DECENCY

(By Marquis Childs)

WASHINGTON.—Increasing numbers of Americans are beginning to ask what they can do about the mess in Washington. Between cynicism at the daily harvest of revelations—all politicians are a bunch of crooks and chiselers—and boredom or amusement at the showing of the Washington scandals of 1973 are those looking for a way to restore government.

One avenue they are turning to is Common Cause. In June the organization picked up nearly 12,000 new members who paid $15 each to be part of the citizens' lobby.

Letters from all across the country sent to John Gardner, the founder and director of Common Cause, express hope tempered in many instances with doubts about what anyone can do.

Ranging from handwritten scrawls to typewritten letters on engraved stationery, they express the earnest conviction that something must soon be done to stop the rot in the American system.

"We would hope," says one thoughtful writer from Beverly Hills, "that the whole outmoded 18th-century idea of electing a President and keeping him in office through four years, no matter what, could possibly be changed.

"Our system, while still keeping our primary Constitution, can be altered to have a government fall and a new President elected if anything like Watergate ever happens again."

"Every time I've started to write this check," says a writer from Scarborough, N.Y., "it has seemed so insignificant compared to the millions poured into the Nixon Administration's attempt to destroy our fair Republic that I've just put it aside and written another ineffectual letter to my Congressman. . . . Now we seem to have a reprieve, perhaps only momentary, in which we may be able to help our beautiful land renew itself."

"Many of us have felt utterly frustrated over our inability to influence the course of political events in our beloved country," says an American writing from South America. "The Watergate spectacle is appalling and yet may prove to be the catalyst for sweeping reforms. . . . Those of us who live abroad in our various assignments are perhaps particularly sensitive to deterioration in the moral tone of our national government. . . ."

Many who write cite with approval the suit filed by Common Cause last September charging a violation of the Federal Corrupt Practices Act by the Republican Finance Committee and Treasurer Maurice Stans.

The chief objective is to force the committee to file the secret report of the list of donors who, prior to April 7 of last year, insisted on anonymity.

On that list are some of America's biggest corporations. Gardner charges that it is the supreme illustration of the corruption of money in politics today.

The Republican defendants are moving to delay trial of the suit and in the meantime the list is sealed with a strict injunction that its disclosure would be in contempt of court.

John Gardner is a singularly American phenomenon. As president of the Carnegie Foundation, following a career in business, he was a registered Republican when President Lyndon Johnson made him Secretary of Health, Education and Welfare.

Disillusioned with the Johnson policies, he resigned to become head of the Urban Coalition and later to found Common Cause.

His critics dismiss him as a do-gooder, with the Republicans accusing him of being a covert ally of the Democratic Party. But do-gooders, whether that is used as a term of opprobrium or merely descriptive, have helped to make American history since the beginning of the Republic.

In his academic excellence Gardner eloquently sets the hallmarks for wise and enlightened conduct in public and private life.

Soft-spoken, with none of the outward aggressiveness of the crusader, Gardner in a half-dozen fields is proof that good guys can win.

He sometimes appears like Charlie Brown in "Peanuts," bearing the woes of the world or at least the woes of his ball team on his shoulders. But in his own quiet way he is a tough, unrelenting fighter for what he believes to be the right.

A fair criticism of Common Cause is that it is largely confined to the middle and upper middle, with no roots in the mass of voters. The total membership is just under 225,000. This means the influence it can exert is limited.

Yet the members are highly articulate men and women who believe they can promote the good not just of themselves but the common cause of all Americans.

GEN. SAMUEL C. PHILLIPS OF WYOMING

Mr. HANSEN. Mr. President, I commend the Senate for the confirmation this week of the President's nomination promoting Samuel C. Phillips to the rank of general.

Sam Phillips is a man of whom we can be proud, for his dedicated service to our country, and for his competence. He is a distinguished military leader, whose command abilities are recognized and respected not only in this country, but in military circles throughout the world. In Wyoming, we proudly call him our native son.

As 1 of 14 four-star generals in the Air Force, General Phillips has assumed command at Andrews Air Force Base of the Air Force Systems Command—one of our Nation's most important defense units, charged with the mission of developing and acquiring the most up-to-date and effective weapons systems for the Air Force. His preceding assignment was Director of the National Security Agency at Fort Meade.

The General takes over the systems command at a critical time in our Air Force's history, when that branch of our military services must continue to play its crucial role in providing the balance of power in the world that assures freedom in the free world. With the consent of Congress, the Air Force will be developing the B–1 bomber aircraft as a replacement weapon for the B–52. The B–1 will have a longer range and be able to carry a greater payload, and it will have the capability for greater penetration—giving it usefulness in either conventional or nuclear application, thereby adding to the deterrent arsenal of our Nation. The Air Force also requires development of fighter aircraft that can assure air superiority from the late 1970's through the 1980's, and the X–15 fighter aircraft has the credentials for this role.

The fiscal year 1974 Air Force budget seeks $6 million for new intercontinental ballistic missiles—ICBM—technology. It is essential to our Nation, that we have the very best technology in missiles, and that we have a continuing program of research in this area. In Wyoming, we are also proud that Cheyenne is the home of one of the Nation's key Minuteman installations—Warren Air Force Base. From personal observation, I can assure you that the men at Warren are alert and ready.

Because it is probable that Sam Phillips will be coming to see many of us in the Senate, with purposefulness to plead the cause of insuring that this Nation continues second to none in defense capabilities, I will take this opportunity to outline some facts of his life and distinguished career so that those who have not had the privilege of meeting him will know something about the caliber of man he is when they do.

We try to downplay it in Wyoming, but Sam was born in Springerville, Ariz. With all due respect to my distinguished colleagues from Arizona, Sam soon remedied that, and is a graduate of the public schools in Cheyenne, Wyo. He graduated from the University of Wyoming at Laramie in electrical engineering in 1942, and received his commission at that time through the Reserve Officer Training Corps at Wyoming. He also holds a master's degree in electrical engineering from the University of Michigan.

He became a pilot in 1943 and served with distinction during World War II in the European Theater of Operations, receiving the Distinguished Flying Cross twice, eight Air Medals. and the French Croix de Guerre. He served in assignments in Germany following the war.

Since 1950, after completion of studies at Michigan, Sam Phillips served in a number of research and development assignments, including electronics officer with the nuclear experiments at Eniwetok during Operation Greenhouse, and project officer assignments with B–52 aircraft, and Falcon and Bomarc missile programs.

As chief of logstics for the 7th Air Division of the Strategic Air Command, he participated in the writing of the international agreement with Great Britain for deployment and use of the Thor intermediate range ballistic missile, receiving the Legion of Merit.

He subsequently served as director of the Minuteman program, and in 1964 was assigned to the National Aeronautics and Space Administration as director of the Apollo manned lunar landing program. In 1969, General Phillips assummed command of the Space and Missile Systems Organization of the Air Force Systems Command.

The general also has the good fortune to be married to a charming lady from Cheyenne, the former Betty Anne Brown, and they have three lovely daughters, Dana, Janie, and Kathleen.

THE CONGRESSIONAL RESEARCH SERVICE

Mr. PELL. Mr. President, the Senate Subcommittee on Education will be considering various legislative means for improving Federal aid to education this year. Because of the great interest in general issues of Federal aid and the school finance problems experienced by many States, I have asked the Congressional Research Service of the Library of Congress to undertake two major projects to help us in carrying out our legislative responsibilities. The first of these projects, which is now nearing completion, was the preparation of individual background studies on 11 school finance topics of interest to the subcommittee. Studies were prepared by CRS analysts in such areas as: equality of educational opportunity; the relationship between expenditures and educational quality; current State school finance programs and recent reforms; tax support for education and possibilities for reform; legal challenges to current school finance systems; the governance of education; urban and rural

schools and their special needs; the Federal interest in nonpublic schools; the Supreme Court and aid to nonpublic schools; and others.

The second project which the Congressional Research Service has undertaken at my request is the development of an automated capacity to estimate the distributional effects of different aid formulas which the subcommittee will be studying. This model, when completed, will enable the subcommittee to have detailed information on hand during its deliberations. This project represents a new area of endeavor for the Congressional Research Service which, in order to fulfill the subcommittee's request, has been assisted by a contractor in designing a model and constructing the educational data bank necessary for making analyses. Due to the assistance of Mr. Lester Jayson and his administrative staff, this contractual arrangement for the early stages of the project was effected efficiently and in a manner which has enabled the project to proceed on a sound and timely basis.

I look forward to sharing some of the information and analyses made possible by the work of the Library of Congress' Congressional Research Service with my distinguished colleagues of the Senate in the months ahead.

RESOLUTIONS BY NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA

Mr. DOMENICI. Mr. President, I would like at this time to call the attention of my colleagues to the resolutions adopted by the National League of Families of American Prisoners and Missing in Southeast Asia at the League's fourth annual meeting held recently in Washington, D.C. At that meeting, more than 500 wives and parents of Americans who are still listed as prisoners-of-war or missing-in-action expressed their deep concern and their understandable frustration over the inability of our Government to obtain a satisfactory "accounting" of approximately 1,300 missing men, an accounting which was one of the central provisions contained in the Paris peace agreement, an agreement signed 6 months ago.

While it is obvious, Mr. President, that the accounting has been sabotaged by the North Vietnamese by their utter disregard of their obligations under the agreements, it is also apparent that without the weight of strong public awareness and official Government diligence, this accounting will never become a reality. We must not, we cannot let this happen. These men, in the service of their country, and these families, in dependence on and love for these men, are due more than the effort this country has thus far undertaken in their behalf to determine with as much certainty as is humanly possible their true status. I would go even further than that, Mr. President—this Nation cannot and should not continue to expect its citizens to serve its needs and requirements if in that service those citizens somehow lose or are allowed to be deprived of their fundamental human rights.

I say to my colleagues, read these resolutions. After so doing, I am sure they will agree with me that the resolutions ask for only those things which, by common decency and civilized custom, are due these men and their families. This body must make itself a part of the effort to fulfill the legitimate needs set forth in these resolutions.

Mr. President, I ask unanimous consent that the Resolution be printed in the RECORD.

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

NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA—RESOLUTIONS

1. The League urges the President to press for additional information from the Democratic Republic of Vietnam (North Vietnam) the Pathet Lao, the Khymer Rouge and the Viet Cong, concerning all Americans who are still missing; that the case of each man carried in missing status be judged on an individual basis, and that where discrepancies exist, the Government of the United States will pursue every feasible avenue of investigation, and that where the information is conclusive as to the circumstances surrounding the incident, statuses be reviewed and charged in accordance with the preponderance of information.

2. Resolved that prior to a status change, a review may be initiated by the wife, children, parents, brothers, sisters, and thereafter, there must be an opportunity for the family members to participate in the review and final decision based on the evidence and information considered.

3. The League shall use every means at its disposal to prevent the changing of status on any missing-in-action personnel until Article 8 (B) of the Paris Agreement is fully implemented.

The League endorses as an acceptable procedure for changing a status, the following:

At the request of a family member (wife, parent, child) a review will be held before any status is changed.

The appropriate service secretary shall not change a status to MIA of those presently carried as POW, and

When U.S. inspection teams have received all required assistance from the DRV, PRG, Pathet, etc., for the purpose of discharging their responsibilities and thus enabling them to make recommendations to the appropriate service secretary concerning status changes, the following procedures shall prevail:

(a) change to POW if MIA is found to be alive.

(b) change to KIA if remains are found that can be positively identified.

(c) change to PFOD if remains are not recoverable but now information warrants a change.

4. The League is opposed to any and all presumptive findings of death in Southeast Asia until after our search teams have been permitted to enter all areas of South Vietnam, North Vietnam, Laos and Cambodia, complete their searches in all said areas, and make their reports.

5. The League strongly recommends that all United States Government officials (military and civilian) immediately cease using such phrases as:

"All POWs returned", "We have no evidence of any POWs still alive in Southeast Asia", and "our involvement in Southeast Asia is over with", and speak instead in terms of the discrepancies in the accounting of our POW/MIAs.

6. The League shall initiate and continue a massive letter writing campaign to acquaint and solicit support of the media on the MIA issue. This shall include: (a) discrepancies, (b) military efforts to account for MIAs, (c) lack of cooperation by the DRV, PPRG, Pathet Lao, and Khymer Rouge, which prevents full accounting.

7. The League strongly recommends that the Defense Department, all four services, and the State Department adopt uniform procedures for all aspects of accounting including notification or processing of information to next-of-kin.

8. The League strongly recommends that DOD keep each individual family (both primary and secondary next-of-kin) fully informed of new and continuing procedures being used to account for each man, such as: visits to site of incident and whether or not information is uncovered.

9. The League strongly requests that families receive regular status reports through service newsletters on activities of the Joint Casualty Resolution Center.

10. The League shall inquire as to what department, team or organization in Southeast Asia is actively seeking further information on the possibility of locating missing Americans who are still alive, and whether General Kingston has a counterpart charged with such responsibilities.

11. The League shall pursue a vigorous policy of opposing any U.S. aid for reconstruction of NVN until the North Vietnamese have assisted the U.S. Government in obtaining the return of all living POWs and the fullest possible accounting of all Americans who are missing in action in Southeast Asia.

12. The League shall establish a liaison office in Southeast Asia to be manned by our own concerned members in order to achieve on-the-spot results and action for our missing men.

13. The League's Board of Directors shall contact DOD regarding the practice some casualty sections have indulged in of recording statements made by family members that are not pertinent to the man himself; the inclusion of certain observations made by the family members in the record by the Casualty officers tend to read differently than was intended.

14. The League shall undertake a mass media compaign to include a documentary of those individuals missing-in-action or captive in Southeast Asia; this project should begin no later than 1 August. The documentary should be requested of a major network sympathetic to our cause.

15. The League's Board of Directors is hereby directed to respectfully request that all representatives and senators take a public position on the MIA issue. We suggest that the Congress use their mailing, local newspaper column, and all other means at every opportunity to speak out positively on the MIA subject and that the vote on HR-271 Bill be a roll-call vote.

16. We unanimously recommend that the League send letters and fact sheets to all members of Congress by return receipt requested, and also undertake a bulk mailing (cards) campaign to our elected officials.

17. The League requests that President Nixon appoint an individual at the White House Executive Staff level whose primary responsibility will be to carry out the President's pledge for the complete accounting of our missing men.

18. The League proposes that a village-to-village campaign project be started on a national level. This should be implemented through letter writing from a humanitarian standpoint on behalf of each man missing in Southeast Asia.

19. The League's Board of Directors is instructed to contact Congressman Huber to introduce a (second) bill similar to HR-271 on Laos, Cambodia, and the People's Republic of China.

20. Resolved that the current retiring National Coordinator be an ex-official member of the Board of Directors for one year.

21. The "most favored nation" Bill for

Russia is now before the House Ways and Means Committee (chaired by Wilbur Mills). The League is instructed to request an Amendment asking Russia to influence North Vietnam to abide by and implement the Paris Agreement of 27 January 1973.

22. The League urges all international brotherhoods of Unions to refuse to load or unload, manufacture or otherwise handle cargo and any and all commodities destined for countries having friendly relations with North Vietnam until North Vietnam accounts for and returns (or causes to be accounted for and returned) all living Americans previously carried as POW or MIA.

23. The League requests an open hearing by the Senate Foreign Relations Committee before 15 August with witnesses to include a Laos returnee released by North Vietnam and a returnee who was held by the PRG, so that the Committee and public may be made aware of the number of men still unaccounted for in those areas.

24. The League respectfully requests the Governments of China and USSR to exhaust all efforts available through their good relations with North Vietnam, PRG, Khymer Rouge, and Pathet Lao to seek the release and accounting of all missing in action and prisoners of war. And that, this resolution be delivered personally to the representatives of the Governments of Russia and China located in the United States, or, if refused, to leaders in Peking and Moscow with the news media present.

25. The League requests the State Department and the Defense Department to permit returnees to publicly reveal all information they have about missing men who were not repatriated (i.e., names written on walls, men seen at one time). The League firmly believes that families and the public have the right to know this information.

26. The League is dissatisfied with the inactivity of the United States Government and North Vietnam in providing the Joint Casualty Resolution Center the rights of overflight and entry into all of Southeast Asia. The League demands that all efforts be exhausted to make all parties (the Governments of U.S., DRV, PRG, Pathet Lao and Khymer Rouge) aware of the fact that American POWs must be released or satisfactorily accounted for and the missing accounted for within six months.

27. The League strongly opposes the granting of "most favored nation" status for trade with the United States to either Russia or China until these two countries have assisted in bringing the war in Southeast Asia to an end, and until they have demonstrated their insistence that North Vietnam must vigorously assist the United States in obtaining the fullest possible accounting of all Americans missing throughout Southeast Asia.

28. The League believes that the present U.S. role in the United Nations is actually encouraging the United Nations' attitude of indefference toward the plight of missing Americans and their families. The League believes that unless the United Nations is able to secure an acceptable accounting of MIAs in 90 days, our Government should immediately reduce its share of the United Nations Budget to 7% which is our percentage of the population of all UN member states. The League further believes that such action is not merely an option, but a legal obligation of our Government under Article I of the Geneva Convention.

29. Be it moved that the Board arrange the program at the next convention to allow time to have the resolutions printed and in the hands of the delegates prior to voting on them.

30. Resolved that we as a League sponsor a cross-country run from The West Coast to East Coast ending in Washington, D.C. by persons carrying an American flag to call attention to the fact that the war is not over for some 1300 Americans still missing in action or prisoners of war in Southeast Asia and their families.

31. The League at its 1973 National Convention goes on record to identify and make known to all family members and concerned citizens the names of those senators and congressmen on the national and state levels who actively support the National League of Families and all State Chapters in their efforts on behalf of over 1300 men missing in Southeast Asia. We also resolve that we will identify and name those senators and congressmen on the national and state levels who show NO concern for our men or fail to actively support the work of our National League and State Chapters.

FOOD ASSISTANCE FOR THE AGED, BLIND, AND DISABLED

Mr. EAGLETON. Mr. President, earlier this week I voted to agree to the conference report on S. 1888, the Agriculture and Consumer Protection Act of 1973.

However, at this time I want to express my disappointment at the agreement reached by the conference committee with respect to the eligibility of supplemental security income recipients to participate in the food stamp and food distribution programs.

As passed by the Senate on June 20, the farm bill provided that aged, blind, and disabled SSI recipients would be eligible to participate in food assistance programs if they satisfied the appropriate income and resources eligibility criteria of those programs. This seemed to me to be a fair and equitable approach, and I supported it.

A similar provision was approved by the House Agriculture Committee. However, subsequently an administration-sponsored floor amendment was adopted by the House of Representatives deleting this provision from the House version of the farm bill.

The compromise devised by the conference committee, if I have interpreted it correctly, provides that no SSI recipient will be eligible for food stamps or donated foods if the cash assistance he receives through SSI and a State supplementary payment, if any, exceeds the cash assistance he was receiving in December 1973 by an amount equal to or greater than the bonus value of food stamps to which he would be entitled.

In other words, where the aged, blind, and disabled are concerned, eligibility for food assistance will no longer be based on need. Rather the controlling factors will be, first, the source of income—whether all or part of it comes from SSI—and, second, whether that income is a few dollars higher in January 1974 than it was in December 1973.

Ironically, under the conference committee provision it will in most instances be persons with the lowest incomes who will be excluded from the food stamp and food distribution programs.

For example, in Missouri the approximately 30,000 aged, blind, and disabled persons who have no income other than public assistance and who will have their incomes increased under SSI, will as a result lost their eligibility for food their monthly income of $130 will be well below the maximum income standards for the food stamp and food distribution programs.

On the other hand, those SSI recipients in Missouri who now have total incomes in excess of $130 and will, therefore, receive no increase in income on January 1, will presumably retain their eligibility for food assistance.

Mr. President, the basic intent and purpose of the food stamp and food distribution programs is to provide food assistance to those persons who by reason of their income and assets are unable to purchase a nutritionally adequate diet.

I continue to believe simple equity requires that the aged, blind and disabled be entitled to food assistance on the same basis as all other Americans. And I am hopeful that Congress will have an opportunity to reconsider this matter.

PEACE IN INDOCHINA

Mr. PELL. Mr. President, on August 15, 1973, American military involvement in Indochina spanning more than a decade in time and an eternity for over 45,000 Americans, will finally come to an end; or at least it will have no new lease on life without the consent of the Congress.

In Vietnam, an uneasy truce is reigning undisturbed, we hope, by U.S. military activities overt or covert. In Laos, we all welcome the progress made to arrive at a settlement of their differences and a return of peace to their war-wracked country. To the best of our knowledge, American bombs are no longer falling from Laotian skies with their message of death and destruction, and the U.S. presence there is being rapidly reduced.

It is only in Cambodia where the clash of arms and the thunder of American air power still resound. Consequently, that is where our concern is greatest regarding the reality of August 15 becoming the landmark date of a definitive ending to a seemingly endless and never well-defined U.S. military entanglement in Indochina. Before our recess, I would hope that we will have received an appraisal from the administration of the current situation in Cambodia as it affects American policy and the prospects for reaching a settlement among the Cambodians themselves.

Without word from the administration before the recess, I would think we could properly assume that the cutoff date of August 15 for further American military activities will automatically go into effect and that the Congress will not be requested to extend it.

I am sure that a vast majority of the Senate shares my fervent hope that the President will not see fit to ask the Congress for any consent to a continuation of bombing or any other military activity in Cambodia or in any other part of Indochina. But if he should, it is practically impossible for me to imagine any circumstances which would justify Congress giving its consent. Without wishing to quarterback the administration on a sensitive and highly complex situation, let me make a few observations on this conclusion.

First, it may or may not be significant that in Laos and Vietnam where there is no American bombing or other military

activity, hostilities are ebbing, and opposing sides are edging, if slowly, toward some sort of accommodation looking toward a more peaceful future.

Second, continued heavy American air action in Cambodia seems to be neither purposeful nor effective. The mercurial enemy continues to draw a noose tighter around Phnom Penh while a mesmerized Lon Nol government looks on like a cobra's victim. American bombing may hamper this relentless operation, but seemingly cannot break it up. Frankly, I doubt that it ever could, regardless of how many extensions an ill-advised Congress might grant a misguided President. Here I would like to add parenthetically that something most valuable for future decisions would be an in-depth evaluation of the military and political effectiveness of our bombing effort during the entire Indochina embroglio, to be done by an independent, objective group of experts.

Third, my impression is that as long as the Lon Nol government has a hope for the continuation of this faulty crutch of U.S. air support, it will not even start to hobble toward the type of negotiated accommodation for Cambodia that the Laotians are working on for their country. To this observation, critics may reply that it is vacuous, since with the withdrawal of American air support after August 15, there may be no Lon Nol government to negotiate in the face of an enemy takeover of Phnom Penh. Such a possibility can by no means be excluded, but would an extension of bombing do anything more than postpone the evil day at the additional cost of life and property? Knowledge that there will be no extension, on the other hand, may motivate and enable the Lon Nol government, in some mysterious Eastern way inpenetrable to our Western minds, to save itself through a negotiated escape route.

Fourthly, let us assume the worse that the Lon Nol Goverment is swept into the dustbin of history and some other Cambodian group takes over—Sihanouk supporters, Khmer Rouge, a coalition, or whatever. Given the well known Cambodian antipathy for Vietnamese, northerners or southerners, Communists or non-Communists, is there not a good chance that eventually any Cambodian Government that comes to power will have as a national objective the withdrawal of all foreign troops, including North Vietnamese who are there in the largest numbers, from Cambodian territory? In fact, might not a more vigorous even though a less ideologically palatable regime have a better chance of achieving what would also be in the U.S. national interest—the withdrawal of North Vietnamese forces—than does the present enfeebled Government of Phnom Penh? To let one's imagination run wild, is it inconceivable that a Cambodian Communist government at some future date might even seek U.S. financial and materiel aid under the Nixon doctrine in its efforts to ease out self-invited Vietnamese guests? Frankly, such an ironic twist of history is more conceivable to me than congressional agreement to the extended application of U.S. air power in Cambodia.

In conclusion, Mr. President, my main reason for introducing such questions and speculation is to suggest that there must be other routes to follow in our search for peace in Indochina than the dead-end street of application of U.S. military power.

CONTROLS ON BEEF

Mr. DOMENICI. Mr. President, yesterday I supported Senator TOWER'S amendment to H.R. 5777 which will treat beef in the same manner as other meats and food items, a measure that was far overdue. This action will relieve our beef industry and consumers from unwarranted and unnatural market conditions for beef products. Now increases in raw agricultural product costs incurred since June 8, 1973, can be passed through on a dollar-for-dollar basis. Only July 12, 1973, I spoke to President Nixon on the disastrous effects phase 3½ was having on our Nations' supply of food stuffs. The President himself has said:

> Food has given the clearest evidence of the harm that controls do to supplies.

Yet, when controls were lifted on food stuffs July 18, 1973, the controls on beef remained. Is not beef considered food? I think most experts would say yes and, therefore, would not beef supplies suffer the same effects as any other food stuff under price controls? I think that is plain to us all. When the meat shelves in markets are empty of beef, then I would say there is a shortage. And when the shelves are empty, I think we can look to the truism of the President's own economic adviser when he said:

> Controls on food will not work if demand far exceeds supply at the ceiling price.

We have already dealt irreparable damage to the beef industry and the American consumer's ability to obtain demanded beef products. I think it is senseless to add to the damage by continuation of the controls to September 12.

The beef industry is bogged down at every sector. Not only are prices frozen, but the industry is frozen. Beef prices are frozen at every level except the ranch level, but the cost of feeding the steer to increase its weight to slaughter level is not frozen, thus the cattleman must receive a comparable price for his steers to offset the increase in feeding costs. But, the rancher cannot sell his cattle to a packer, because the packer can only pay approximately 47.5 cents per pound to avoid an operating loss and the rancher must receive at least 49.5 cents to avoid a loss.

Those cattle in feeding lots are in a similar situation. The feeder lots bought cattle in a "free" market to fatten up for slaughter, but again, rise in food costs coupled with the price ceilings has made it impossible to sell those cattle without suffering a loss or to buy new cattle from ranchers to fatten up for future slaughter.

I have a statement from a New Mexican feedlot owner and cattleman that more fully explains how the detailed increase in costs have resulted in a disincentive to continue business. I request unanimous consent that the statement be printed in the RECORD.

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

HOW ONE NEW MEXICAN VIEWS THE CURRENT EFFECTS ON CONTROLS ON BEEF

The following is an example of the current losses being absorbed by the cattlemen and processors:

In February 1973 cattle was purchased with an average weight of 644 pounds at a cost of $55.20 per hundred weight for a total of $375.62 per cow. At the end of 165 days the cattle were about ready to be sold. Their weight had increased approximately 462 pounds—a gain of 2.8 pounds a day. In February the anticipated cost of grain was 30 cents per bushel. However, the cost has been running closer to 36 cents per bushel. Thus, it cost $166.32 to add the 462 pounds. The interest on the money used to buy the cattle in February was approximately $20.00. The total cost for each animal was approximately $541.94 which does not include interest and is not considering "death loss".

A 1106 pound cow has an absolute cost of about 49 cents a pound ($49.00 per hundred weight) even if the quality is bad. There is no ceiling price on the living animal, but the effect of a ceiling at the retail level imposes such a ceiling. The effect of the ceiling on the living animal is 47½ cents a pound. Somewhere between the retailer and the cow in the feedlot, someone must absorb the loss. Thus if the cost prior to the retailer is $49.00 per hundred weight and the ceiling is $47.50 per hundred—there is a $1.50 loss per 100 weight or $16.59 loss per cow.

Either the packer or the cattleman absorbs the loss. Each must weigh their fixed costs and losses of operating compared with the potential of not operating. The cattle were bought in February under a "free market" and now they must be sold under controls.

People are buying and freezing their beef because of the fear of a shortage and run away costs. Presently there is no profit incentive to increase the herd. It is impossible to hold cattle back from the market for too long a period of time.

The government announced today a wheat sale to China of 500,000 tons with delivery over a 5-month period—August through December. Also the United States Department of Agriculture confirmed today that they were negotiating with India for the export of 4,000,000 tons of wheat and miscellaneous grains.

Mr. DOMENICI. Mr. President, cattlemen must receive a fair price for their steers. They should not be expected to take a loss. Yet, where can they sell their cattle? Processors cannot afford to purchase the steer at a fair market price, because they are frozen below the comparable price they would need to receive for their processed product. If they were to purchase cattle at current market prices, they would lose anywhere from $20 to $40 per head. We should not ask any business to operate at such a rate of loss for 1 day or 1 week, less several months. But under the present freeze, if we expect the flow of beef from the ranch to the grocery market to resume at its normal rate, someone must take a loss. The slaughter plants will not; instead they are closing. Already plants which contribute over 25 percent of the industry's slaughtering capacity have closed and others are planning to close by this weekend, including seven of Armour's meat plants. Those that can afford to remain open are operating be-

low capacity. It is estimated that the industry is now operating at approximately 50 percent capacity. These curtailments have seriously affected the beef supplies at the grocery stores and more importantly it has caused thousands of processing employees to be laid off their jobs.

I have a great concern over the effects the current freeze on beef has had on the industry and the consumer and what additional damages will be caused by a continuation of the freeze. However, I have an equal concern for an "animal" that is born when prices are artifically held below their normal level. That "animal" is the speculator. It seems to me that the shortages caused by food controls have caused the speculator to push the price of futures far above the level that would have been void of price controls. What I want to know is who benefits from these abnormal prices? I seriously doubt that the benefits are passed on to those who should get a fair shake, namely the cattlemen, the processor, and the consumer. Rather, it seems to me it is very likely, the speculator benefits at the demise of others and deals a damaging blow to the agricultural economy. In a market that is suffering under artificial barriers and controls, I do not feel we should let the parasitic speculator drain off any remaining strength.

THE ENVIRONMENT BELONGS TO EVERYBODY—INCLUDING WORKERS AND CITY DWELLERS

Mr. HART. Mr. President, some months ago, Mr. President, a group of trade union, environmental, and antipoverty organizations, formed a coalition called the Urban Environment Conference. It is a loosely formed group which meets to share ideas and seeks to find common ground on some of the legislative issues before the Congress.

It is said from time to time that the environment is the exclusive concern of upper class elitists, but there increasingly is expressed a more profound concept of the environment as an all-embracing concern of many of our most deprived citizens.

The child of a slum-dweller who becomes sick with lead poisoning from chewing paint peelings suffers from an environmental problem at least as serious as the threat to the Alaskan tundra and wildlife if an oil pipeline is laid down without regard for its surroundings.

A worker beseiged in a factory environment with noise pollution, untested chemicals, fumes, and heat stress has an environmental problem every bit as severe as that of overcutting the national forest domain.

For this reason it is altogether fitting that the Secretary of the Wilderness Society should preside at meetings of the Urban Environment Conference alongside the Washington representative of the National Tenants Organization. The environment belongs to the lover of the outdoors, the worker, the inner-city dweller—to all Americans whether they hike along the trails of our forests and mountains or whether they go to work in a factory or live downwind from city pollution in an apartment or tenement.

The Occupational Safety and Health Act of 1970 has been frequently described as a workplace environmental magna charta for the 60 million workers covered by its provisions. All Members of Congress are aware of the mail which comes to our offices about OSHA, the Occupational Safety and Health Administration in the U.S. Department of Labor. OSHA has been reviled by the John Birch Society and healed by organized labor.

It is appropriate, therefore, that the Urban Environment Conference should attempt to explain this law and defend its charter to protect working men and women from safety and health hazards on their job—to protect their workplace environment.

Mr. President, I ask unanimous consent that a recent statement by the conference subscribed to by many of the constituent organizations be placed in the RECORD so that this environmental evaluation of a new but sometimes misunderstood law can be better appreciated.

The roster of organizations which support strong and vigorous implementation of OSHA is a healthy cross section of the Nation, including people who speak for the outdoor environment, the city environment, and the workplace environment. I commend this to my colleagues.

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

URBAN ENVIRONMENT CONFERENCE: OCCUPATIONAL SAFETY AND HEALTH

A. GENERAL POLICY

Environmentalists have every reason to sound the alarm over the increasing contamination of our air and water, the foods we eat, and the products we buy. No one, however, has more reason to complain than the American worker. For nowhere is the threat to human health from industrial pollution more real in this country than in many of the shops, factories and other workplaces where more than 80 million Americans spend the majority of their waking hours. Here, persons continue to be directly exposed to safety hazards and to noise, dusts, fumes, radiation, and other toxic agents, at concentrations far greater than those permitted or experienced in the community outside. Indeed, workers sometimes serve as environmental guinea pigs, as, for example, when studies of their health are used as a basis for setting community air quality standards much safer than those in the workplace.

The true horror of this occupational health story was recently documented in the Department of Health, Education and Welfare's first annual report to Congress under the Occupational Safety and Health Act of 1970. This report *conservatively* estimated that about 100,000 workers die each year as a result of their prolonged exposure to contaminants in the workplace environment.

This gruesome statistic does not even take into account the synergistic, or additive effects that occur when workers go home to a polluted environment from a polluted workplace. Nor does it included the more than 14,000 workers who die each year from job-related injuries. Surely one of the most tragic, and yet least recognized aspects of environmental devastation is the fact that it is the urban poor and the urban minorities who frequently absorb the brunt of environmental health hazards. It is often they who live in the areas subjected to the worst pollution; it is often they who are relegated to the most environmentally obnoxious and hazardous jobs. In short, the environment is not just a middle-class concern. From a health standpoint, community and workplace environmental improvement ought to be a top priority for all sectors of the urban community.

In 1970, the American trade union movement, together with help from some environmental and health organizations worked successfully for passage of the Occupational Safety and Health Act of 1970 (OSHA). OSHA represents the most comprehensive piece of Federal legislation enacted to date covering the subject of occupational safety and health. It is designed specifically to achieve on a uniform, nationwide basis the far reaching goal of "assur[ing] so far as possible . . . safe and healthful working conditions" for almost all workers. The Act provides, in part, for the development and enforcement of occupational standards designating safe exposure levels to health hazards. In addition, each OSHA health standard must provide for monitoring, medical examinations, recordkeeping and the posting of warning signs and labels. It is, indeed, an environmental law for the workplace.

But the mere existence of a statute does not insure the achievement of its goals. If OSHA is to fulfill its important purpose, if it is not to be crippled by anti-labor and anti-environmental attacks in Congress and the Executive Branch, if knowledge of, and commitment to the Act and its potentials are to be disseminated to the extent necessary for the full application of its remedies, then it is crucial for labor, environmental, minority and health groups to be in concerted support of the Act's implementation. The Urban Environment Conference endorses such concerted action, and urges active participation by member groups in occupational safety and health matters.

B. LEGISLATIVE POLICY

In the 92nd Congress, the Occupational Safety and Health Act was subjected to strong legislative attacks. One provision would have prevented Department of Labor funds from being used to inspect small businesses. This provision, which could possibly have been used by large corporations to exempt their small divisions, would have exempted from coverage some of the most dangerous industrial workplaces. The provision was twice passed by Congress, but both times died with presidential vetoes of the Labor/HEW appropriations bills. A second provision would have prevented the issuance of citations to small businesses for first instance violations of the law, and instead provide small businesses with "consultative services." In effect, the consultative services approach would have temporarily denied for up to 30% of the nation's nonfarm workforce (and up to 90% of the farm workforce) the full protection of the Act. This provision almost slid through Congress as an amendment to an unrelated bill in the last-minute rush for adjournment.

Both of these provisions to weaken the Occupational Safety and Health Act can be expected to reappear early in the 93rd Congress. The atmosphere of panic and misinformation which led to their near-success in the past still exists today. For example, it is still not widely recognized that the Safety Act provides for low-interest Small Business Administration loans to aid small businesses' compliance efforts, nor is it widely recognized that the Small Business Administration already possesses "consultative services" authority.

Another form of attack upon the Act has been in terms of low Administration priority. Thus far, appropriation requests have been shockingly inadequate both in the area of safety and health inspection personnel and in the area of research and training. For example, there are fewer than 50 industrial hygienists on the Federal payroll—a ratio of less than one to every one million workers covered by the law. The problems emanating from this low priority are compounded by the Administration's philosophy that as much of

the program as possible should be returned to the states as soon as possible, despite the fact that it was the states' incompetence in this field which prompted the Federal Act. Congress must assert its power to reverse these priorities through its appropriations authority, and demand that the Act be implemented in the most efficient and comprehensive manner possible.

An additional issue which must receive legislative consideration is that of economic dislocation—both the threat and the actuality—resulting from safety and health implementation. In recent years of environmental activity, we have seen how workers can often be caught as pawns in a showdown atmosphere. We are now beginning to witness the same pressures in the occupational safety and health field. Environmental and labor groups have worked together in making strides toward the enactment of legislation which provides for required public verification of any environmental dislocation threats, and special economic compensation for any actual environmental dislocation. Similar actions must also take place with regard to the occupational environment.

Compensation of another form is also in need of legislative action—workmen's compensation for occupational diseases. The delivery of workmen's compensation benefits is a function of the individual states' laws; some states provide no compensation for occupational diseases, while many states provide compensation for only a very limited range of diseases. Resultantly, in most states it is, relatively speaking, easy for a worker to obtain benefits for a lost hand, but nearly impossible for him to get compensation for lungs which have been devastated by long years of exposure to toxic fumes. Needed is uniform and full coverage, without time limitations, of all occupational diseases.

Therefore, the Urban Environmental Conference supports the following legislative positions:

(1) Opposition to "consultative services" to small businesses by the Department of Labor as a substitute to first instance sanctions for violations of the Occupational Safety and Health Act.

(2) Opposition to the exclusion of small employers from coverage by the Occupational Safety and Health Act.

(3) Support of adequate appropriations for a vigorous and expanded implementation of the Federal Occupational Safety and Health program.

(4) Support of worker protection provisions for occupational safety and health in terms of economic dislocation assistance and anti-blackmail procedures.

(5) Support of full coverage of all occupational diseases by Workmen's Compensation.

URBAN ENVIRONMENT CONFERENCE

Groups which support both general and legislative policy:

National Association of Social Workers.
Movement for Economic Justice.
National Welfare Rights Organization.
National Tenants Organization.
United Steelworkers of America, AFL–CIO.
Industrial Union Department, AFL–CIO.
Americans for Democratic Action.
National Recreation and Parks Association.
Zero Population Growth.
United Auto Workers.
Environmental Action.
Friends of the Earth.
Health Research Group.
Environmental Policy Center.
Fisherman's Clean Water Action Project.
Baltimore Urban Environment Center, Izaak Walton League.
Oil Chemical and Atomic Workers, AFL–CIO.
Sierra Club.

Groups which endorse only general policy section:

National Parks and Conservation Association.
Center for Science in the Public Interest.
National Committee for Household Employees.
Environmental Defense Fund.
National Wildlife Federation.

MINNESOTA EDUCATORS CRITICAL OF PROPOSED BETTER SCHOOLS ACT

Mr. MONDALE. Mr. President, at my request, Howard B. Casmey, our excellent commissioner of education for the State of Minnesota, contacted several Minnesota school superintendents to ask for their reactions to the so-called Better Schools Act. It was my hope to obtain from these superintendents a clear view of exactly how Minnesota schools would be affected by this proposed legislation.

I have now received an answer. According to Mr. Casmey and the eight superintendents he contacted, the public schools in Minnesota would be adversely affected by this measure. He writes, in part, that—

The reaction on the part of these administrators to the BSA has been total disagreement with the Administration bills on Special Education Revenue Sharing. In each case the districts have repeatedly expressed the fear of losing funding support for programs that have experienced success. The districts regard such legislation as having a disastrous effect on continued educational progress in Minnesota as well as their individual school districts.

All of the superintendents questioned raised serious questions and concern about this proposed legislation. According to George P. Young, superintendent of the St. Paul Public Schools, they will lose approximately $600,000 in that district alone. In Bloomington, Minn., according to Superintendent Fred M. Atkinson, they will be required to cut back their staffs and support services.

Mr. President, for the benefit of my colleagues and the public, I ask unanimous consent that these letters appear in my remarks.

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

STATE OF MINNESOTA
DEPARTMENT OF EDUCATION,
St. Paul, Minn., July 5, 1973.

Senator WALTER MONDALE,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: In response to your inquiry concerning the Better Schools Act and its impact on Minnesota, I have solicited the advice of a representative sample of school superintendents throughout the State. The sample includes urban, rural and suburban superintendents.

The reaction on the part of these administrators to the BSA has been total disagreement with the Administration bills on Special Education Revenue Sharing. In each case the districts have repeatedly expressed the fear of losing funding support for programs that have experienced success. The district regard such legislation as having a disastrous effect on continued educational progress in Minnesota as well as their individual school districts. The St. Paul School District, for example, estimates that it would lose approximately $600,000 in the first year under the BSA. In addition to the monetary losses that would occur, the school districts sampled indicate that it would be nearly impossible to conduct viable planning activities for succeeding years because of the tenuousness of projected funding possibilities.

While an effort at consolidation may be a noble concept, there is a strong feeling that the consolidation effort under the BSA is arbitrary and comes in too short a period of time.

The loss of funding, of course, would have a detrimental effect on personnel. Staffs which were hired with the use of federal funds would be seriously depleted. For school districts this would mean the loss of some excellent personnel.

These are just a few of the sentiments expressed by leading school superintendents in Minnesota. I am attaching copies of their responses with this letter for your examination. If there is anything further that I can do to be of help, please let me know.

Sincerely,

HOWARD B. CASMEY,
Commissioner of Education.

THE SAINT PAUL PUBLIC SCHOOLS,
Saint Paul, Minn., June 20, 1973.

Mr. HOWARD B. CASMEY,
Commissioner, State Department of Education, St. Paul, Minn.

DEAR COMMISSIONER CASMEY: In reply to your letter of June 12 seeking St. Paul's reaction to President Nixon's Education Revenue Sharing Bill, we wish to make the following observations.

Should the "Better Schools Act" pass, our best estimates indicate a first year loss of approximately $600,000 in the St. Paul School District. The reductions would occur in those areas noted below.

1. The St. Paul Open School would lose $76,500 formerly received under ESEA Title III.

2. We would lose $90,000 for library books and audio-visual materials funded under ESEA Title II.

3. Under NDEA Title III the District would lose $50,000 for instructional equipment, such as overhead projectors, microphones and tape recorders.

4. The biggest reduction suffered would be in impact aid where failure to fund the "B" category could cost the District about $300,000.

5. Two special projects, one for visually impaired pre-school and one called a home and family living laboratory would be lost as funds would be withheld under ESEA Title III.

As regards Title I, aids for disadvantaged children, the District would be protected for the first year under the hold-harmless provision. "Better Schools Act" national levels of funding coupled with increased District costs, however, makes the future of Title I appear bleak.

While the District agrees with the rhetoric regarding simplification of grants and reduction of bureaucratic red tape, it fears that the proposed legislation does not accomplish these missions, but instead sets the nation on a course of diminished federal funding for education. We join the Minnesota Department of Education in their opposition to the "Better Schools Act."

Sincerely,

GEORGE P. YOUNG,
Superintendent of Schools.

BLOOMINGTON PUBLIC SCHOOLS,
Bloomington, Minn., June 21, 1973.

Mr. HOWARD B. CASMEY,
Commissioner of Education, State Department of Education, St. Paul, Minn.

DEAR MR. CASMEY: The termination of any of the various Federal programs to school districts in the State of Minnesota will have adverse effect on the entire state's educational system. It is evident to me that our Minnesota Legislature has responded to the best of its ability to provide adequate general funds, along with special funding, with the full knowledge of the Federal contributions in special areas. Hence, the termina-

tion of Federal funding in specific areas will cause a severe imbalance of financial support within our state.

To be more specific concerning District 271, Bloomington, any reductions of our Federal support, which was $443,750 this year, will result in further cutbacks in our staff and/or support services. We have had to reduce our present budget $1,200,000 in preparing our 1973–74 expenditure budget. Under our present levy limitations, we cannot keep even with inflation, salary increases, and Legislative mandates such as increased retirement contributions.

It is obvious that the revenue sharing proposals result in reducing Federal support under the guise of consolidation.

Sincerely,

FRED M. ATKINSON,
Superintendent.

MINNEAPOLIS PUBLIC SCHOOLS,
Minneapolis, Minn., June 22, 1973.

Mr. HOWARD B. CASMEY,
Commissioner of Education, State Department of Education, St. Paul, Minn.

DEAR COMMISSIONER CASMEY: I am responding to your letter of June 12, 1973, requesting LEA reactions to the Better Schools Act.

Our basic position in regard to the controversy between revenue sharing and categorical grants remains focused on the issue of which system or plan permits the best allocation of funds for essential educational services. Our focus, of course, is with respect to the City and Minneapolis in particular. In that respect our priorities are similar to many of the existing categorical programs: i.e. education of the disadvantaged, services to the handicapped, vocational and career education, improvement of media, services to Indian students, support of desegregation/integration and a limited ability to test creative and innovative approaches in competition with other school districts.

We have reviewed the material accompanying your letter and at the present time find no reason to endorse the Better Schools Act because of a lack of clarity as to the amount of monies available to LEA under the five sections which are present after the consolidation of the various categorical programs. Our comments at this time can only be general in nature.

The section on Education for the Disadvantaged, which brings together all parts of Title I, could well result in severe cuts in programs unless there is adequate funding. Section C of the current Title I of ESEA, while limited, has given us funds to initiate experimental programs for gaps that are found in the range of existing Title I services. Parent involvement has been exemplary in identifying these gaps and every component under Part C has been built into the Title I Part A program. The funds from Section C have been used exclusively to upgrade Title I reading and math programs.

The section on Education of the Handicapped, which combines several current programs, shows expanded funds; but the law takes away funds historically used under Title III and in vocational education. We are again at a loss to know if there is potential to sustain existing valid programs to say nothing of expanded programs. The ideas stated in much of the literature about the "flexibility" of the Better Schools Act become difficult to comprehend when you find several categorical grants consolidated and the total of available funds less than the total of the previous parts.

The large number of individual titles, which have been brought together under the Vocational Education section, are such that a district may have to revamp its total approach to vocational education and drop services to many youngsters. A number of valid programs already operational under vocational education categorical aids will have to be dropped.

The reduction of "B" students under the Impact Aid (P.L. 874) again hits at a number of districts that have parents of students working on property that does not pay its share of local taxes. It would seem that the "B" student should be redefined rather than dropped categorically. Some of the smaller districts in our state, which have a significant number of students whose parents work in "B type installations" will be seriously hurt by this modification.

The section on Support Services combines sections of a number of acts and would place school districts throughout the state and the State Department of Education itself in a difficult position. The loss of ESEA Title II funds takes away the source of monies that have helped a number of districts upgrade their total range of media services. LEAs and the state itself will be forced to fund a wide range of services and programs which have been brought together in one support service section. We are particularly concerned about not having categorical funds for adult basic education. The person who needs adult basic education comes from a section of the community that has the least powerful political voice, and in many districts they will not be served at all.

We are concerned about the exclusion of Title V of ESEA. The State Department of Education staff in our state, engaged under Title V, has been very supportive of districts throughout the state in expanding and sharpening the quality of services to educationally disadvantaged, low-income, handicapped and minority youngsters.

Even if the State Department of Education were able to provide some services to local districts through an indirect cost approach, the whole aspect of priorities of state services would remain in a state of confusion.

The section on School Lunches combines several titles. It is confusing, and funds are limited. The rapid increase in the costs of foodstuffs, the lack of products through the various federal programs, and the vital importance of the School Lunch Program—particularly to low-income youngsters—are such that a reduction of support in this area will harm those who are least able to afford the harm. The youngster in the inner city or from a low-income rural area, who does not have an adequate school lunch is penalized in educational as well as in physical and psychological ways.

We recognize the need to review the considerable number of categorical programs and to look at some possible combinations. We feel the Better School Act has moved to accomplish the consolidation process in too short a period of time. It has not given enough recognition to the needs of those segments of the community which would not be able to lobby for their own educational services.

The lack of any kind of a formula below the state level for distribution of federal educational funds to support children with high need, makes it difficult to endorse such an Act. Local districts will find it difficult to set priorities because they will not know what the distribution pattern or process will be from the state agency. Not knowing what funds are available and what programs are eligible will lead to confusion and competition between and among districts for funds, and students will be lost in the battle.

The Better Schools Act seems to point to more local planning. This is almost impossible unless the local educators have an idea of what amounts of funds are available to their districts. It is ironic that local districts are being asked to develop creative plans when the national government apparently still does not have adequate census data from the 1970 census to provide firm program allocations at the LEA level.

Thank you for the opportunity to share concerns relative to this key issue and know that we stand ready to work with you and your associates to the end that the best federal-state system be established in order that local education authorities be able to provide service as needed.

Very sincerely,

JOHN B. DAVIS, Jr.,
Superintendent of Schools.

INDEPENDENT SCHOOL DISTRICT NO. 274,
Hopkins, Minn., June 20, 1973.

Mr. PETE PETRAFESO,
Consultant, State Department of Education, Division of Planning and Development, St. Paul, Minn.

SPECIAL EDUCATION REVENUE SHARING BILL

Dr. Greenwalt requested that I respond to the Commissioner's letter regarding the revenue sharing bill.

First, let me state that I am not able to determine the specific impact of the proposed bill for School District No. 274. This is because I am not able to calculate revenues under the formulas provided in the bill and I'm sure I do not have enough data available at the district level if I was able to understand the formulas. On the surface the bill appears to be much too complicated. I think we should try harder to make these programs less complicated. I would hope that when revenue sharing is actually accomplished that funds would be allocated to the states based on their evaluation of program needs. We have spent far too much time in the past documenting needs for federal government officials and then demonstrating that the money has been spent in the specified manner. These tasks are better handled at the state and local level.

In general, I see the proposed legislation as detrimental to our school district. Less dollars will be available to the state and this means less dollars to support programs already operating. The net result would be that we must eliminate the program or eliminate another program or programs in order to fund the program. A number of excellent programs for handicapped, vocational, and education as well as the food service program would be faced with severe curtailment or even elimination due to this bill. It does not seem to be appropriate to withdraw funds from tried and proven programs based on formulas that fail to recognize needs at the local level.

I cannot support the proposed revenue sharing bill (S. 1319) and would urge you to continue your efforts in opposing the bill. I do favor some form of revenue sharing but not by sacrificing funding for programs in the manner proposed by this bill.

E. J. YOUNG,
Director of Business Affairs.

BLUE EARTH PUBLIC SCHOOL,
Blue Earth, Minn., June 19, 1973.

Mr. HOWARD B. CASMEY,
Commissioner of Education, Minnesota Department of Education, St. Paul, Minn.

DEAR COMMISSIONER CASMEY: This letter is intended to show my reaction and judgment concerning proposed Federal legislation for elementary and secondary schools. In part my judgments are based on the figures submitted from your office showing comparisons of the Federally funded programs now in existence as compared to the proposed special education revenue sharing.

I would like to share my judgments on just four of the categories now covered with Federal funding assistance. The first of these is Vocation Education. Our district is in a high school cooperative educational venture that includes nine high schools. The enrollments curriculum and staffing have expanded in each of the four years that the Vocational

Center has been in existence. In spite of another increased enrollment anticipated for next year, the Vocational Board has decided not to expand the vocational offerings. The major reason is the uncertainty and lack of government funds. The cutback in Federal funds can certainly prevent the progress and possibly even force a cutback in our vocational programs.

ESEA, Title I, has provided us with the greatest source of funds from Federal legislation. With a decline in funds anticipated we have cut back on our staffing for supplemental reading and mathematics instruction in grades 4 through 6 for next year. We feel the position is still necessary but funds have forced this decision.

ESEA, Title II, has been a tremendous help in both the elementary and secondary library services. Funds from this source have been used to expand our resources for English and social studies. Local funds would not be available to pick up this need if the Federal Program is abolished.

Under the Title III, NDEA, we have acquired a significant number of materials and equipment that has been a boost to learning experience in foreign language, science, mathematics, English and industrial arts. I feel that the original purpose of NDEA has been accomplished. However, to continue the subject areas at their highest level supplemental funds from some source will be necessary.

While I like the idea of revenue sharing which should permit decisions closer to the home level, I could not support the revenue sharing plan if it meant a decrease in the amount of funds we would have available for educating the students in this community.

Sincerely,

KENNETH QUEENSLAND,
Superintendent.

WINONA PUBLIC SCHOOLS,
Winona, Minn., July 3, 1973.

Mr. HOWARD B. CASMEY,
Commissioner of Education, State Department of Education, St. Paul, Minn.

DEAR COMMISSIONER CASMEY: Last year the Winona schools received approximately the following amounts from federal funds:

Title I	$112,000
Title II	15,000
Title III	58,000
Title III NDEA	12,000

In addition we received a substantial amount of vocational aid for our secondary vocational programs and for our area vocational school where it is not easy to separate out the amount of federal support and the amount which is furnished by our own state.

Because of the uncertainty about the future of Title I we have terminated the contracts of seven teachers who worked in this area last year. We felt that last year the Title I money that we spent on disadvantaged children produced the best results that we have had since the program started. Both the administration and the board are very disturbed by the possibility of losing this very valuable part of our overall educational program.

The Title II program over the past years has enabled us to build up the content of our school libraries to the point where we were hopeful that in the next two or three years our book count in these libraries would be up to state minimum standards. We have not depended entirely on federal money to accomplish this but we have increased our locally funded library budget each year for the past five years.

We have a Title III project operating in our school district. We have just completed the second year of the project and we fully expected to be funded for $45,000 for the 1973–1974 school year. The project is such that it cannot be discontinued so it means that we will have to raise these funds locally to replace federal funds if they are not forthcoming. We think the federal government is morally responsible for continuing Title III projects that were originally scheduled to be in operation for a three-year period. We think it is unconscionable to terminate a program in mid-stream.

Over the years we have been able to improve markedly the equipment in our science department and in more recent years in other departments with Title III NDEA funds. We feel, however, that if any program is being discontinued this one would have the least impact on our educational program.

Revenue sharing in itself has many things to commend it in that it brings the decisions on how the money is to be spent closer to the people who are involved with the programs to which the money is allocated. It appears to us, however, that revenue sharing is being used as a subterfuge to reduce the federal governments commitment to education and we are somewhat appalled at the brazen way in which it is being forced on Congress and on the country.

Partly through the efforts of Title V funds Minnesota has developed a very excellent staff in the State Department of Education to administer federal programs. If Title V funds are eliminated the State Department will be left without leadership in many areas and we can see nothing but chaos resulting from this action.

I support the Commissioner wholeheartedly in his opposition to revenue sharing as it has been proposed in the Congress.

Sincerely yours,

A. L. NELSON,
Superintendent of Schools.

SCHOOL DISTRICT 742,
St. Cloud, Minn., July 3, 1973.

Mr. HOWARD CASMEY,
Commissioner of Education,
Minnesota Department of Education,
St. Paul, Minn.

DEAR COMMISSIONER CASMEY: In spite of the lack of lead time constantly changing philosophies, guidelines and regulations, congressional and administration impasse, etc., local school districts have made the "Elementary-Secondary Education Act" an effective educational instrument for compensatory programs, educational media and change to produce quality education.

Several exemplary programs have been developed in District No. 742. The "Area Learning Center" for drop-outs and for pregnant teenagers has served as a pilot for 18 other schools just in Minnesota.

For the first time parochial schools have received practical, effective support and enjoyed a new working relationship with the public schools.

A cursory examination of the implementation of the "Elementary Education Act" would disclose obvious administration errors at the national level. We really need some practical modifications that would permit local districts to do effective planning and more effective implementation. The last thing we need is a new idealistic dream that is beyond the scope of practical reality.

Unfortunately, very few people have recognized that a shift in educational leadership has taken place. Change for quality education is emerging at the local level in Title III.

If Congress and the Administration must have a new program; hopefully, it would be practical rather than traditionally idealistic. It should involve short and long term strategic planning with plenty of lead time and stable funding.

We in District 742 are unequivocally opposed to "Revenue Sharing" as set forth in the present so called "Better Schools Act".

Sincerely,

KERMIT L. EASTMAN,
Superintendent of Schools.

INTERNATIONAL ASSOCIATION OF BRIDGE, STRUCTURAL, AND ORNAMENTAL IRON WORKERS CITES NEED FOR TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, in the June 1973 issue of the Ironworker, the official magazine of the International Association of Bridge, Structural, and Ornamental Iron Workers, President John H. Lyons devoted his monthly message to the energy crisis, particularly the need for the trans-Alaska pipeline. As he indicated—

> The simple fact is this nation needs the Alaska oil and needs it now and the pipeline is the method to use.

Mr. Lyons urged the immediate approval of the trans-Alaska pipeline. He said this will mean jobs for Americans—jobs that will be vitally necessary—

> Jobs for American workers would be generated not only in building the pipeline and related plant construction (an estimated 26,000 construction jobs), but also in maintaining it and in manning the transshipment facility at Valdez. Also, an estimated 33 new U.S. flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers.
>
> All these facts make the Trans-Alaskan pipeline the logical step to take.

Not only did Mr. Lyons urge the building of the trans-Alaska pipeline, but also he urged Congress to take other measures to ease the current energy crisis. He stated that—

> The future stability of this nation's economy, without a doubt, requires a series of immediate measures to insure our nation's self-sufficiency in all forms of energy, not just petroleum.

Mr. President, Mr. Lyons' message makes a lot of sense. It is one that is, I believe, reflective of most American workers.

We need Alaskan oil, and we need it now.

I request unanimous consent to print Mr. Lyons' article in the RECORD.

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

THE PRESIDENT'S PAGE

(By John H. Lyons)

On two occasions in the past two years the subject of this page has been the energy crisis in our nation. Indeed, it is a subject worthy of our consideration, for the effects of not solving the energy crisis will touch us all.

It is ironic that while the United States is facing a general energy crisis, with petroleum products being in particularly acute short supply, one of the largest reserves of petroleum—Alaska's North Slope—remains undeveloped.

At a time when the United States is being forced to increasingly rely on oil imports to meet demand, the tapping of the Alaskan oil makes a great deal of sense. The fastest, most economically feasible and most secure method of transporting Alaskan oil to American markets is by pipelines to Valdez and by tankers to the West Coast ports. And this is where the project is now bogged down.

The entire history of attempts to get construction started on the Alaska pipeline is a long chronicle of frustration and pressure created by special interest groups to delay the job, if not kill it entirely. If construction had been started three years ago, when originally hoped, the nation might not be going

through the current petroleum shortage. For certain, the United States would have been receiving one to two million more barrels of domestic oil per day and we would be less dependent upon supplies of oil from the Middle East. In addition, it has been estimated that at least two billion dollars could have been saved in construction cost of the pipeline, if the project had started three years ago.

Much of the delay has been the result of well-meaning conservation groups who have managed to convince some members of Congress and segments of the public that terrible damage would be done to the Alaskan tundra because of this four-foot pipeline. The pro and con arguments, some vague to say the least and some worthwhile have been heard long enough. The simple fact is this nation needs the Alaska oil and needs it now and the pipeline is the method to use.

The AFL–CIO Building and Construction Trades Department, which represents 3½ million workers in 17 national and international unions is urging support of a bill now in the U.S. Senate to get construction started on the Alaska pipeline. I strongly urge your support of S. 1081, a bill to eliminate a legal obstacle to construction. The enactment of this legislation, which has been introduced by Senator Henry M. Jackson (D.-Washington) would solve the right-of-way problem while providing very tough environmental safeguards, and stringent liability requirements for damages caused by the pipeline. In addition, the bill would guarantee the Alaskan oil would be used in solely American markets.

Congressional action is also necessary to legalize many oil and gas pipelines in other parts of the nation. If S. 1081 is approved and signed into law it will mean more jobs. Jobs for American workers would be generated not only in building the pipeline and related plant construction (an estimated 26,000 construction jobs), but also in maintaining it and in manning the transshipment facility at Valdez. Also, an estimated 33 new U.S. flag tankers would be needed to carry the oil, thus stimulating employment in U.S. shipyards and for U.S. shipboard workers. However, the key to transshipment is construction of the pipeline, and construction depends on Congressional action on S. 1081. This would give the Secretary of the Interior the legal authority to grant the right-of-way for the pipeline.

Carrying American oil through an American pipeline and on American ships makes sense. It would do much to ease the drain on the dollar, strengthen the economy, aid in our battle against inflation, and establish an additional source of petroleum at home, thereby lessening our dependence on foreign nations.

There have been other systems and routes suggested for getting the Alaskan oil to refineries in the mainland. Various routes through Canada to the Midwest have been proposed as alternatives to the Alaskan line. Experts consider that a Canadian route is at least 10 years away from construction, and time is now important. No one at present has offered to build a Trans-Canadian line. All these facts make the Trans-Alaskan pipeline the logical step to take. It should be pointed out that Senator Jackson's proposed legislation does establish proper procedures for negotiations with the Canadian government leading to possible construction at a later date of a second pipeline on Canadian soil.

In related action, the Senate, as this issue of the *Ironworker* was going to press, responded to the mounting pressure of fuel shortages across the country and voted to require President Nixon to draft the first peacetime nationwide gas and oil distribution plan and to have it working within 30 days. Senator Jackson was the chief sponsor of this bill also. This legislation does not involve direct rationing to the public, but does install mandatory allocation of fuel by petroleum companies to areas of the country that are in short supply.

The construction of the Alaskan pipeline in itself will not solve America's larger energy crisis. The future stability of this nation's economy, without a doubt, requires a series of immediate measures to insure our nation's self-sufficiency in all forms of energy, not just petroleum. If we cannot solve our immediate and long-range energy needs, this nation will be forced to depend largely on foreign sources with all the accompanying political, economic, and national security hazards.

Organized labor has made specific recommendations to Congress concerning the energy crisis. Congress should enact legislation which would encourage the development of U.S. domestic petroleum resources and refineries. Passage of S. 1081 is a move in this direction. Congress should review the oil industry and determine whether it is meeting its obligations to supply the energy needs of the American people at reasonable and competitive price levels. The Senate's passage of a petroleum allocation act is evidence of real concern by Congress in this area. Congress should enact legislation to encourage development of U.S. flag tankers. Passage of S. 1081 would do just this.

We must and will solve the energy crisis. Congress can act now and approve S. 1081 to start construction of the Alaskan pipeline as a step in the direction of helping solve the overall problem.

U.S. INVOLVEMENT IN CAMBODIA

Mr. FULBRIGHT. Mr. President, earlier this week the Committee on Foreign Relations invited the Secretary of State to meet in public session on August 2 to discuss the current situation in Cambodia. Because of the forthcoming Congressional recess and the August 15 cutoff date for the termination of all U.S. military activities in Indochina, the committee believed that this meeting should be held as promptly as possible. The committee regrets that the Secretary of State was not able to accept its invitation.

In the absence of an opportunity to discuss the administration's intentions, I believe that I should express some of the concerns of some of the members with regard to the immediate future. We assume that the August 15 cutoff of all U.S. military activities will be strictly observed. We also assume that no effort will be made to employ or to support third country forces or nationals in Cambodia because this too is prohibited by law.

There is particular concern on the part of some committee members that the assignment of American personnel to provincial areas of Cambodia indicates the existence of paramilitary or intelligence advisory activities which are prohibited by law. It seems inadvisable that at a time when our direct involvement should be ending that the American presence in Cambodia should be extended into new areas and into new activities.

The continued presence of virtually the full normal complement of 200 American officials in Cambodia is another major source of concern to the committee. Clearly their lives are already in danger. They should be withdrawn forthwith.

The possibility that these American officials might be used as a shield to deter an insurgent attack on Phnom Penh has been suggested. I certainly would hope this will not be considered and that the President's first thought will be for the safety of our people.

There are several other possible routes by which our involvement in Cambodia might be extended. Pretext and legislative license could be found in any number of ways. The simplest course, however, and the one which the Committee hopes the administration will choose, is to end, totally and completely the U.S. involvement in Cambodia, both direct and indirect. If this occurs during August, we can look forward for the first time in almost a decade to returning to Washington without the war in Indochina hanging over our heads.

NOMINATION OF RUSSELL E. TRAIN AS ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY

Mr. HANSEN. Mr. President, during the debate on the Senate floor on July 31, 1973, it was my privilege to comment on the pending nomination of Russell E. Train as Administrator of the Environmental Agency. As I said at that time, Mr. Train is a distinguished American whom I admire and respect. His ability and integrity are impeccable. Few people for any position subject to Senate confirmation come better recommended than does Mr. Train.

In my previous remarks I noted that it was essential that our environmental laws be closely scrutinized. No one disputes the need for a clean environment. However, there is no need for measures that result in adverse economic impacts without commensurate benefits. The total environment of man must be considered. The social and economic effects must be viewed in terms of jobs and standards of living. We need to know what these costs are going to be.

Accordingly, I felt that is was appropriate to ask Mr. Train to apprise the Senate of his position on these issues which have such a profound effect on man and his environment. Thanks to the courtesy which the distinguished chairman of the Public Works Committee, Senator RANDOLPH, extended me, I was able to participate in the confirmation hearing of Chairman Train on August 1. At that time, I submitted written questions to Mr. Train for his response.

Mr. Train responded to my questions the day after the hearing. In his cover letter, he said:

> Should my appointment be confirmed by the Senate, I want to assure you that I shall endeavor to keep you and every member of Congress informed of the continuing work of EPA. I want you to know that I appreciate your concerns and the seriousness of the questions you raised, and I look forward in the months ahead to working with you on the paramount goal which we both share—that is the well-being of our great and good country.

I appreciate this commitment of Mr. Train. I commend him for his willingness to work with the Members of Congress.

Despite the fact that Mr. Train and I are not in accord on every issue expressed in my questions and his answers, I am pleased that he has clarified his position

on these issues which I feel are so vital to the well-being of our Nation.

Mr. President, I ask unanimous consent that these questions and answers be printed in the RECORD.

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

QUESTIONS AND ANSWERS

Q. What is your opinion regarding the times mandated in the Clean Air Act for achievement of air quality standards? Do you think adequate technology and clean fuels are available to achieve the primary standards in all areas by mid-1975? Should the Act be amended to give EPA more flexibility in establishing deadlines?

A. Generally, I believe that the primary (health-related) standards can be attained in most areas within the three-year period prescribed by the Act or the two-year extensions allowed by the Act. For individual stationary sources or classes of mobile sources, a one-year postponement of compliance deadline can be granted under section 110(f) of the Act; this procedure should enable EPA to make allowances for many special situations.

I believe that greater flexibility is needed with respect to areas where exceptionally severe transportation control measures are necessary. On the question of clean fuels and sulfur oxides control technology, EPA's analysis so far indicates that there generally will be sufficient supplies to permit attainment of the primary standards by mid-1975. The problem here is that some State implementation plans impose requirements which, in some areas, are more restrictive than necessary or call for attainment of secondary (welfare-related) standards by the same mid-1975 date. EPA is working with several States to develop appropriate modifications of their State plans. At this time, I am not convinced that the Act needs to be amended to deal with this particular problem.

Q. In establishing air quality control regions, EPA often ignored the criteria Congress intended and the objections of State and local officials. Consequently, many regions are so large that sources in remote areas, which hardly could be causing urban air pollution, are subject to extremely stringent emission regulations which are intensifying our energy problems. What actions will you undertake to reevaluate regional boundaries or to subdivide large regions so that emission limitations can be related to air quality impact? Do you need any new authority?

A. The principal reason that many nonurban sources are subject to excessively restrictive emission control requirements is that many States adopted Statewide regulations based on the degree of emission control needed in the most polluted urban-industrial areas. This problem is one that EPA is attempting to resolve through implementation of its Clean Fuels policy, i.e., getting States to modify regulations and defer attainment of secondary standards. Altering regional boundaries or subdividing air quality control regions would not necessarily solve this problem in my judgment.

Q. Although there is a shortage of clean fuels and emission-control technology, there are other means which can be used now to reduce ambient pollutant concentrations. What is your opinion regarding the use of intermittent control systems, at least as interim measures, until clean fuels or adequate technology are available? Should Congress amend the Act to indicate clearly that such techniques are appropriate in certain circumstances?

A. EPA has been reevaluating its policy on the use of so-called intermittent control systems. Available data suggest that such systems can be a reliable and enforceable means of attaining air quality standards under certain carefully defined conditions. Accordingly, EPA is now considering a revised policy of giving States latitude to allow the use of such systems in situations where there is no reasonable alternative way of meeting air quality standards. This is one of the decisions which I will be making in the near future. It is my view that the Act, as now written, would allow use of such systems if they can be made reliable and enforceable.

Q. The courts recently ruled that there shall be "no significant deterioration" of air quality. Many jobs are dependent upon activities that do result in some deterioration of air quality. Do you favor balancing the timely achievement of the standards with the practical needs of Americans to earn incomes for their families?

A. I certainly favor consideration of relevant economic and social implications of all EPA regulatory activities to the full extent permitted by law. In ruling on the issue of preventing significant deterioration, the court relied, in part, on legislative history indicating that air quality deterioration is to be prevented "to the maximum extent practicable." Accordingly, EPA last month proposed four alternative schemes for preventing significant deterioration all of which reflect consideration of economic and social factors. EPA is now making a special effort to solicit public comments on all aspects of the four proposals, including their economic and social implications.

Q. Energy experts have blamed much of the energy crisis on the thrust of the environmental movement. You have been quoted as saying that environmental regulations have not caused energy crisis. Do you believe they have made a significant contribution to it?

A. As I stated last month in a speech before the Washington, D.C. Rotary Club, "The so-called energy crisis stems from the economic forces and complexity of the energy industry, from the difficulty in planning for our voracious energy appetite, from the need to satisfy social values—other than those that depend on energy, and from a failure to address our growing energy problems earlier. To blame this 'crisis' solely on an increased concern over environmental quality would be a grave failure to face the problem honestly and squarely."

There is little doubt that environmental regulations have contributed to the energy problem. However, I am convinced that to date their contribution has been relatively slight compared to many other actions taken in both the public and private sectors. For example: emission controls on autos have caused a 7 percent reduction in fuel economy. This compares to economy losses of 7 percent with an automatic transmission and up to 20 percent with air conditioning. A reduction in the weight of our cars would have a directly proportional effect on fuel economy. Moreover, it now appears 1975 cars which will meet even a tougher emission standard will have better fuel economy than today's cars.

In short, I think that the energy impact of existing environmental controls has been relatively modest. Moreover, this impact has been offset by the benefits of improvement in our environment. These benefits should be kept in mind as we are taking steps to meet our energy needs.

Q. Considering the rather good record as far as oil spills and blowouts are concerned in the Gulf of Mexico and offshore California—some 16,000 wells have been drilled, I believe—do you consider it reasonable to continue the moratorium on Santa Barbara drilling and production and continued delay of exploration off the east coast.

A. Knowing the area geologically is important when one reviews the technology available to find and recover oil and gas both economically and safely. For instance, the recent OCS lease sale for the Gulf of Mexico included a large number of tracts, some of which are in over 500 feet of water. Since the Gulf of Mexico is relatively stable, geologically, the technology to drill and produce safely and economically used there may not be appropriate for the Santa Barbara area, since geological conditions and stresses are not the same.

Technology is, of course, improving for deep water oil and gas drilling and production, but has not been proven to the satisfaction of regulatory agencies and the public. A recent impact statement released by the Department of the Interior for a selected lease in Santa Barbara proposes an offshore production facility to be constructed in about 800 feet of water in a geologically unstable area. Subsequent production would be accomplished with submerged production systems that have not been field tested but are more in a proto-type stage of development. This action may be premature and needs further study, in my view.

However, there is a distinct possibility that the technology for deep water operations on the Outer Continental Shelf will be proven as a result of the recent OCS leases in the Gulf of Mexico. If those operations are successful, possibly more reliable technology for drilling and production in Santa Barbara and the east coast areas will be developed.

The geology of the Santa Barbara area is quite different from the Gulf of Mexico and the east coast. These differences can be reviewed and studied in the literature and are well documented in the various environmental impact statements for Outer Continental Shelf lease sales published by the Department of the Interior. Generally speaking, information regarding the geology of an oil/gas productive area comes from seismic interpretations, drilling data and other sources, if available. An area like the Gulf of Mexico, for instance, is rich with geologic data because of the numerous wells drilled as well as the large amount of seismic data.

The geology of the Santa Barbara area is fairly well defined. Generally, it can be described as geologically unstable.

Q. Although the probable near-term alleviation of power shortages will be from coalfired electric generating plants, isn't uranium also a near-term energy source material and why isn't accelerated uranium development a prime energy goal?

A. In my opinion, nuclear energy will not provide the answer to our short-term energy problems. The problem is not the supply of uranium, but rather the construction of power plants to utilize it. In fact, the AEC has large quantities of uranium stockpiled. However, there are only about twenty nuclear power plants currently operable. Because of their large size and complexity, it takes from seven to ten years to complete a nuclear power plant, versus five to seven for fossil-fueled plants. The longer construction time needed for nuclear plants and constraints on our ability to construct them means that nuclear power can help alleviate—but cannot solve our short-term energy problem.

In the longer term, by 1990, nuclear power will take on a major share of generating electricity. Also by that time, the breeder reactor should come into use, which will greatly expand our nuclear reserves. Moreover, the breeder will be able to run on existing uranium stockpiles which are not useable in present reactors.

Q. The Governor of Utah has testified that it will cost Utah motorists 40 million dollars to comply with current EPA emission standards. What would you think of an amendment which requires some objective outside group, such as the National Academy of Engineering, to evaluate and determine the adequacy and cost effectiveness of technology before EPA adopts new source performance standards?

A. The Clear Air Act already calls for the National Academy of Sciences to assess the technological feasibility of meeting the motor vehicle emission standards mandated by the Congress, and NAS has produced two reports on this issue. I note also that the Senate

Public Works Committee has also commissioned a study by the National Academy of Sciences on the health effects of various air contaminants including automobile emissions. I look forward to seeing the results of that study, both the short term study which is due in 90 days and the long term study which will extend 12 to 15 months.

As to new source performance standards, which apply to stationary sources, EPA consults with an advisory committee whose membership includes industry experts and with representatives of the industry affected by any particular standard. In addition, an opportunity for public comment on proposed standards is provided before EPA actually adopts such standards. I would welcome any advice which groups such as the National Academy of Engineering might be able to provide but do not suggest that NAE evaluation be a mandatory step in standard-setting.

Q. In view of the continuing shortage of natural gas, depletion of reserves at far greater rates than new gas being discovered and the necessity of the use of other fuels—oil and coal for gas, would you favor the decontrol of the well head price of natural gas to encourage exploration and development of new supplies of this cleanest of all fuels

A. I support a policy of deregulation of the wellhead price of new natural gas supplies to encourage the exploration and development of our cleanest fuel. It is clear to me that natural gas has been unrealistically priced in the past and this has contributed to our current shortage. At the same time, we should recognize that a significant price increase will be needed to elicit greater supplies of this premium fuel.

Q. With natural gas in short supply, foreign oil dependence already a severe drain on our dollar, and nuclear plants slow in coming on line, do you agree with the President's message calling for a return to coal?

A. I believe that the nation should move toward greater reliance on coal. I believe that the Clean Air Act and the proposed legislation pertaining to strip mining can provide sufficient safeguards to insure that coal can be utilized without unacceptable environmental impacts. In the environmental context, policies which help utilize cheap domestic coal, reduce our dependency on foreign energy sources and reduce the trade deficit, should be encouraged.

I support the position EPA adopted in the fall of 1972, endorsed by the President in his energy message, that the States delay implementation of sulfur regulation designed to achieve secondary standards for coal burning power plants. The basis for this policy was an analysis indicating that supplies of low sulfur coal and stack gas cleaning equipment were not sufficient to permit full compliance in 1975 with all States sulfur regulations. This policy will allow us to continue to use our high sulfur coal supplies and at the same time achieve the primary health standards at the earliest possible date.

Q. What steps would you take to accelerate research and development of clean fuels, better combustion techniques and stack-gas treatment so that our bountiful coal supplies may continue to be used without adverse environmental effects?

A. EPA currently has R&D programs in the area of clean fuels, better combustion techniques and stack-gas treatment. These include the following:

CLEAN FUELS

R&D with the Department of Interior to support mechanical coal cleaning;

Bench and small pilot scale research of the Meyers (TRW, Inc.) chemical coal cleaning process;

Pilot scale R&D of low BTU gas production process (submerged combustion).

BETTER COMBUSTION TECHNIQUES

Development of pressurized fluidized bed combustion process, and

Basic studies of combustion design and combustion process operation to minimize NO_x emissions.

STACK-GAS TREATMENT

Full scale (about 100 MWe) demonstration of flue gas treatment systems: Lime/limestone scrubbing; Magnesium Oxide; Catalytic Oxidation; Wellman-Lord Process; and development of double alkali, ammonia and char sorption flue gas desulfurization processes.

These programs are being rigorously pursued. The recent decision of the President to add $100 million to this year's budget will improve our chances of early successful demonstrations of these technologies.

Q. The National Environmental Protection Act is an invaluable tool in protecting our Nation's environment. However, executive agencies have done much in the name of the Act that is contrary to the intent of Congress. Some agencies have failed to timely prepare environmental impact statements under the guise that the legal, administrative, or procedural difficulties required drafts and redrafts, hearings and redrafts. The end result is that the agencies stop projects which Congress has explicitly authorized and for which funds have been appropriated. I cite the example of the geo-thermal steam program. Based on your experience, how can such problems be eliminated?

A. There have been a number of transitional problems in implementation of the National Environmental Policy Act. As agencies continue to gain experience under NEPA, they are increasingly building environmental considerations into their decision-making processes. If NEPA requirements are applied early in the development of Federal projects, there is no need for delay. I am convinced that the improvement in Agency performance under NEPA will ultimately lead to few delays in Federal actions. Hence, there is no reason that compliance with legislative mandates should be hindered by complying with the provisions of NEPA.

Q. Should EIS's cover the total environment, i.e. the social and economic aspects as well as the physical aspects of the environment?

A. In a recent exchange on the floor of the House of Representatives concerning an amendment to the Toxic Substances Act requiring consideration of social and economic impacts, Representative John Dingell, the coauthor of NEPA, in opposition to the amendment, pointed out that Members of Congress should not have any doubt that NEPA requires a clear consideration of economic impacts and social impacts related to the actions to be taken. I concur with the position of Mr. Dingell and furthermore relate that this requirement has been reiterated in the recent revision to the CEQ Guidelines dated August 1, 1973. Therein, it is emphasized that secondary or indirect, as well as primary or direct, consequences should be included in the impact statement analysis. Many major Federal actions involve secondary effects in the form of associated investments and changed patterns of social and economic activities and should therefore include the related analysis.

Q. A recent Harris poll reported that 77 percent of the American people view our emerging energy crisis as a serious matter, but found that only 39 percent expressed a willingness to try to use less energy. This is the crux, as I view it, of the conflicting responsibilities that the Government has assumed to (1) clean up our environment, and (2) encourage development of an adequate supply of secure energy resources. There are some who are counseling that these two objectives are both vital and are not necessarily incompatible.

Do you share such a view? Do you feel we can move forward in both areas? If so, will you actively support an administration effort to achieve both these goals?

A. I feel we can move forward in both areas. I firmly believe the public is willing to face up to a change in attitude about energy consumption. Let me cite two recent developments which suggest the poll you cite is not completely descriptive of what the people are willing to do. First, is the increase in proportion of compacts and sub-compacts amongst U.S. car sales. This week's Newsweek reports that, whereas in 1972 only 36 percent of U.S. sales were compacts and subcompacts, the rate this year is running at nearly 43 percent. To me, this trend illustrates the consumer's willingness to modify his habits to save energy and money as well.

Second, a recent poll in California reported in Time Magazine on July 16 showed that 62 percent of Californians are in favor of building rapid transit, even at an increased cost as high as $100 per year per family. A similar Gallup poll in the New York area found that two-thirds of a sample of residents in the New York, New Jersey, and Connecticut area were willing to pay one percent more of their income to improve the quality of the environment. Mass transit subsidies were high on the list of areas for increased public expenditures.

These polls illustrate a consumer willingness to conserve energy because mass transit is six times more efficient in terms of energy requirements than the automobile.

Q. Considering the energy dilemma and present fuel and natural gas shortages and the elapse of more than five years since discovery of a major oil field on the north slope of Alaska, don't you believe that the opportunity afforded individuals and groups to object and thus delay action vital to the national interest calls for a revision of the National Environmental Policy Act?

A. The current energy situation is a result of many factors of which the NEPA requirement is of relatively modest importance. For example, the absence of increases in natural gas production has been largely due to low prices; the delay in bringing planned nuclear capacity on line is due largely to equipment and construction bottlenecks; the availability of petroleum has been governed chiefly by import policies and other economic factors; the level of coal production has been affected by a large number of factors including comparative economics, environmental regulations, and health and safety requirements.

While there are situation, such as the Alaskan Pipeline, in which NEPA has played a critical role, I am convinced that the results has been much more environmentally acceptable projects than would have been the case without NEPA. Moreover the number and significance of such situations has been quite limited relative to the dimensions of the overall energy problem. For this reason, I have concluded that we can deal effectively with the energy situation without modifying NEPA or foregoing the benefits of an improved environment.

Q. What will be the cost in complying with the 1972 water law? How long after the standards are released in October 1973 before costs will be known? What is being done to develop that data?

A. I understand that EPA is currently developing estimates of the cost of complying with the 1972 Water Bill. This cost will have two components: the cost to industry of meeting both effluent and water quality standards, and the cost to Federal, state and local government of improving municipal waste treatment. Until EPA has promulgated its industrial guidelines and assessed municipal needs, it will be difficult to provide very reliable cost estimates to the Congress. Nevertheless, I am hopeful that the next *Cost of Clean Water Report* due to Congress by Feb-

ruary, 1974 will provide a greatly improved estimate of the situation.

Q. What role has CEQ played in promoting the so-called "blue book" of water quality criteria which was assembled by the National Academy of Sciences?

A. I know of no role that CEQ has had in promoting the water quality criteria compiled by NAS, the so-called "Blue Book".

Q. This report has been in the posession of EPA since August 1972 but has not been released by EPA to States, cities, and industries involved in setting of standards. Are you in agreement with the holding up of such a publication when this latest assessment of knowledge would be most helpful to States which are trying to adopt standards which will be enforceable in State courts?

A. First of all, the document is not being held up. The document was prepared by NAS under a contract awarded by EPA to revise the 1968 National Technical Advisory Committee Report on Water Quality Criteria, "the green book". As soon as final review of the manuscript by NAS is completed, and acceptable galleys are in the hands of the Government Printing Office, it will be published, hopefully within the next two to three months. EPA is in fact, using the manuscript in the preparation of Agency water quality criteria as mandated by Section 304(a)(2) of the Federal Water Pollution Control Act Amendments of 1972. The EPA criteria is expected to be available by October of 1973, and will be the basis for adoption and/or revision of water quality standards.

Q. In a strict sense, any application of water to land results in some degradation of water quality. Do you believe that present standards are realistic in light of the widespread irrigation activities throughout our nation?

A. With the exception of the Colorado River Basin, for which salinity standards have not yet been established, the water quality standards as adopted throughout the rest of the country, are realistic for irrigation as practiced in those areas.

In the Colorado River Basin we have been unable to establish a finite numerical criteria for setting of standards for total dissolved solids. However, at the April 1972 Enforcement Conference on the Colorado River Basin the seven basin States unanimously agreed to maintain salinity concentrations at or below the present level.

SLOVAKS LIVING IN CZECHOSLOVAKIA

Mr. PELL. Mr. President, at this time when the realization of the aspirations of individuals and nations is being vigorously pursued, it is fitting, I believe, to point out the aspirations of one people who have fared less well, who have been compelled to take a circuitous road toward maintaining their existence under difficult conditions. I am referring to 4 million Slovaks living in Czechoslovakia. I also bring to your attention the concern for them of some 4 million others of Slovak origin living outside of Czechoslovakia, mostly in the United States. Representatives of this latter group meet periodically as the Slovak World Congress to recall the problems and conditions under which their brethren in Czechoslovakia now exist and to seek solutions to their plight.

There was a meeting of the World Congress recently in Chicago, where I shared the speaking platform with Mayor Richard J. Daley, along with congressional colleagues, Representatives RAY J. MADDEN and ROBERT P. HANRAHAN. Prof. Jaroslav Pelikan of Yale University, Edward Benuncik, president of the Slovak League in the United States, plus a number of other outstanding Slovaks from all over the world were at the head table for the banquet hosted by the President of the Slovak World Congress, Stephen B. Roman, a prominent Canadian industrialist, and His Excellency Andrew G. Grutka, Bishop of Gary. Mr. Roman, possessed of immense ability and leadership, has devoted much of his energy to support of the Slovak World Congress and the interests and needs of Slovaks everywhere.

My special interest in the people of Slovakia dates back many years when, as a Foreign Service officer, I served for a year in Bratislava. There in 1948, I established our Consulate General and had the happy opportunity to come to know well a people whom I respect and admire immensely. There I also came to appreciate the rich cultural life of Slovakia, its customs and traditions, and the beautiful surroundings and countryside that nourish this life.

Now each time I visit with my Slovak friends, such as on the recent hospitable occasion in Chicago, I am reminded of Bratislava and the aspirations of the Slovak people to share in the national well-being and freedoms that we enjoy in our country. It was a great pleasure, therefore, to "break bread" with them at the World Slovak Congress and to learn of their hopes and fears.

Mr. President, I ask for unanimous consent to have printed in the RECORD material of interest connected with the meeting of the Congress.

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

SLOVAKS IN TUNE WITH DESTINY

(Address by Stephen B. Roman)

I would like to take this opportunity to welcome the honoured guests at the Head Table, and all our guests of non-Slovak and Slovak origin.

I take this opportunity to extend my personal thanks to all participants—of the Congress—for their expression of love and charity in the cause of freedom and justice.

There are moments in the lives of Slovaks when we are very clearly and sometimes very painfully aware of who we are, where we came from, and where we should be going. These intimate perceptions are not frequent. Usually they come when the volume and tempo of persistent cares diminish, or just before the making of a critical decision. At such times we intuitively understand our relationship and responsibility to ourselves, to our immediate and distant relatives and friends, to our nation, to mankind and to God.

Over a long period of time we developed a collective consciousness, a set of intrinsic values which blend together to create a common bond among us. We are products of a nation that has cherished and developed its distinct character over millennia, and which has absorbed a full range of human talents and achievements in that process.

Every page of our history bears the imprint of pain and suffering. Pain and suffering from which have emerged great values. We are descendants of a nation which was not large in numbers. A nation which, over a period of time, had to confront wave after wave of stronger and more aggressive neighbors. These attackers conquered our fortresses and burnt down our settlements; but, they never broke our spirit. No wonder then that, in our nation, courage and tenacity have always triumphed over oppression and hardship. What we went through marked our national personality—deepened, and strengthened it.

Our earliest forefathers found strength in the soil. This close tie with the land gave our nation its typical characteristics: industry, endurance, faith in ourselves, and faith in God.

From a natural reconciliation with nature grew other virtues: the virtues of hospitality, of justice, of judgment, and of creativity. The feeling of togetherness brought brotherhood. From oppression and want we crystallized a sense of fair play. The reality of mortal life brought judgment; and, a growing quality in day-to-day life gave time for the enrichment of the soul.

Who are we today? We are no more, and no less, than one generation in the development of this particular spirit. We have inherited the gift of our history. We are to advance the tradition of our forefathers; and, walk a few steps further along the road towards our human destiny, which they marched on over the centuries. We are the custodians of their virtues. We are the ones who were left to aggrandize their tradition; and, this makes us responsible for further progress both as members of our nation, and as part of the commonwealth of mankind.

A talent has been passed on to us for which we are responsible, and which we have to return, with interest, in the spirit of the best tradition and trust in Divine Providence.

Where do we go? We continue in the footsteps of our fathers, perhaps with greater strides, perhaps with a stronger will, hopefully with an ever higher goal: confident because of the firm steps behind us; responsible for so many steps ahead. Our successes will not be ours alone; they will be shared by the nation; they should penetrate into the consciousness of mankind. Each one of us adds in his own way; each one of us takes credit towards the overall account of this process.

Our people have seen many a crisis. The last one seems to have no equal; the strong have seized our nation and our nation is, again, praying and suffering. Yet, though the enemy may take its comforts from it, for a time—silence it—they cannot obliterate our souls. Our nation will survive this current evil. Our task is to surmount this trial; to achieve new successes in the shape and execution of democracy and freedom. We must grow in our humanity, in our unshakeable self-confidence, in our will to enrich what we are.

Only then will we have grown under the test—will we feel needed—will we have pride that we are judged by measures applicable to all mankind, and that we come out well in the balance.

I believe that every nation has a Divine destiny to fulfill. Slovak destiny, although at times obscure, is to improve and enhance that part of the world where its influence can be a positive factor for genuine advancement of humanity.

The solid value of the word of a Slovak and the uniquely spiritual warmth of the sons and daughters of Slovakia can be a radiant source of edification to others as they exemplify what can be accomplished by work and good will, for God and country.

May the name Slovak soon begin to ring out melodiously in the steeples of the Family of Nations and strike a responsive chord of recognition in the hearts of all peoples.

DECLARATION OF THE SLOVAK WORLD CONGRESS

Adopted at the General Assembly held in Chicago on June 30, 1973.

The representatives of Slovaks abroad gathered at the General Assembly of the Slovak World Congress, held in Chicago on

June 28th–30th, 1973, adopted the following Declaration.

(1) We consider ourselves an integral part of the Slovak people. We are conscious of our co-responsibility for their destiny and for their contribution to the overall culture of humanity.

(2) We claim for the Slovak nation, on the basis of its national individuality, recognition for an equal status with other sovereign nations of the world.

(3) We deny any Grant Power the right to interfere with the destiny of the Slovak people and to integrate Slovakia in other states or zones of influence which are opposed to the will of the Slovak people and their national interests. We consider such actions, condemned as they are by all civilized people of the world, to be a violation of the Charter of the United Nations.

(4) We demand the departure of all occupation forces from Central Europe in order that, after more than a quarter of a century since the end of the War, the nations of that area can finally govern themselves.

(5) As representatives of a nation conscious of its responsibility toward others, we consider the principles of democracy and humanism the basis for peace and co-operation among the peoples of the world.

(6) On these principles alone, life in freedom and a free culture can develop in Slovakia according to the traditions of the Slovak people and in harmony with the progress of the world.

SLOVAKIA IN THE FAMILY OF NATIONS

Situated at the crossroads of civilizations and exposed to the imperialistic designs of great powers, Slovaks passed through history decimated by invaders and hampered in their cultural growth.

They have survived. They gathered their spiritual and material forces, and after ten centuries of precarious existence in the shadows of European history, they re-emerged as a nation. There are more than five million of them in their native country, on the slopes of the Carpathians and on the banks of the Danube, and scattered throughout the Sudetenland. Nearly as many Slovaks live in other parts of the world.

Neither invasions nor centuries of foreign rule were able to subdue their spirit. At the dawn of their history, their forefathers forced their conquerors to descend from their horses, cultivate the soil and build adobes. With justifiable pride they can claim that even as a conquered people and deprived of their own ruling class, they made their continued contribution to the development of European culture and civilization.

The existence of the Slovak nation can be measured by millennia. However, while historians of some nations recorded the glory of their dynasties and wrote pages of triumphant victories over other nations, Slovaks wrote their history by honest and hard work. Notwithstanding trials and tribulations the Slovaks were always God-fearing people, and continued their contribution to the brotherhood of man.

From the earliest of days of its existence Slovakia has been a land full of spiritual and cultural resources. The Slovak plains and valleys were the cradle of Slavic civilization. The first literary works in the Slavonic language were created there; the Holy Scriptures were there translated into the venacular and the uniquely warm and stirringly beautiful Slavonic Liturgy was born there.

After their proud emergence on the scene of history in the 9th century the Slovaks were forced to recede into the shadow of European development; but, Slovakia did not cease to be a land of culture and a place for new ideas. All cultural and artistic currents found an echo and fertile soil in Slovakia, and Slovak contribution became a part of the European cultural heritage.

For centuries Slovaks were forced to fulfill their mission in the community of European nations through the achievements of outstanding individuals. The achievements of these individuals greatly contributed to the overall efforts of humanity towards progress and civilization, although many of them are known today as members of other nations.

The Pan-Slav movement was born in Slovakia and gave it the best known poet, Kollár, and the first scientist, Safárik.

Even under the present oppressors the people of Slovakia are surviving, as they survived under similar tyrannies in the past. The annals of history will not fail to record that it was in Slovakia where an effort, by a Slovak, Dubcek, was successful, even though brief, to give a "human face" to the brutal system of Soviet Communism.

These efforts resulted from the moral and philosophical principles which have guided, and continue to guide, the Slovaks throughout their history. Their philosophy of life was anchored in the idealistic rather than materialistic world outlook, in the axioms of humanism (Comenius), and in the appreciation of freedom equally for themselves as for other nations.

Such is the land from where we came and these are the people for whom we claim an equal place in the family of nations.

Today we are citizens of the United States, Canada and many other free countries of the globe; but, we proudly point to our heritage, and feel a moral obligation to speak, today, on behalf of the Slovak people when they are deprived of the freedom to communicate with the rest of the world.

STEPHEN B. ROMAN,
President, the Slovak World Congress.

ALASKA NATIVE CLAIMS SETTLEMENT

Mr. STEVENS. Mr. President, there is great interest in Alaska and elsewhere on the progress presently being made on the Alaska Native Claims Settlement Act (Public Law 92–203). To answer the many inquiries they have received, the Department of the Interior, on July 15, published a fact sheet indicating the present status of the act and the point at which we are presently in its administration.

For the information of my colleagues and other people across the country, I request unanimous consent to insert in the RECORD the Department of the Interior's fact sheet on the Alaska Native Claims Settlement Act.

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

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 15, 1973.

ALASKA NATIVE CLAIMS SETTLEMENT

President Nixon signed the Alaska Native Claims Settlement Act (ANCSA) into the law on December 18, 1971. The Act established criteria and procedures for settlement of aboriginal claims and also for designation and management of public lands in Alaska.

An Alaska Task Force and Working Committee, with representatives from the Departments of Agriculture and Interior and the Office of Management and Budget, have been established to coordinate the continuing implementation of the Act.

Final land selection regulations were published in the Federal Register on May 30. These regulations and Native enrollment data are being used to determine the additional land withdrawals, for possible Native selection, that the Secretary has to make later this Summer.

Tabulation of the Native enrollment data will be completed by December 18, 1973. Subsequent to that date, actual Native application for Regional and Village lands will commence.

The Secretary of the Interior is also required to transmit to Congress by December 18, 1973, a set of proposals for additions to or creation of units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems. Field teams from the Bureaus of Land Management, Outdoor Recreation, Sport Fisheries and Wildlife and the National Park System and U.S. Forest Service have completed their proposals and are in the process of briefing the Alaska Task Force.

Over the next few months, the Alaska Task Force will be examining agency proposals and making recommendations to the Secretary regarding these additions or creations to the "four-systems" of up to 80 million acres. Subsequent to final Secretarial decision, legislative proposals will be submitted to Congress by December 18, 1973. Congress will then have five years to act on these proposals.

Finally, Section 2(c) of ANCSA authorizes and directs the Secretary of the Interior to make a study of all Federal programs primarily designed to benefit Native people. The Alaska Task Force is coordinating this study to be completed and transmitted to Congress by December 18, 1973.

EMERGENCY MEDICAL SERVICES SYSTEMS ACT OF 1973

Mr. FULBRIGHT. Mr. President, a few days ago President Nixon vetoed S. 504, the Emergency Medical Services Systems Act of 1973. In a brief message citing the reasons for his action, the President expressly implied that the scope and expense of this legislation were in excess of the amount which should be "prudently" provided for such purposes at the present time.

According to the Arkansas State Plan for Primary Health Care,

Arkansas has immediate need for an effective emergency medical system capable of providing prompt emergency care under any conditions.

This need arises in part from the fact that Arkansas is a largely rural State and as such, access to quality emergency care is still not available on a ready basis in many areas. Mr. President, in the past 2 years there has been a greater effort in the State to rectify this situation and provide for such a system. Based upon a demonstration grant from HEW the Arkansas Health Systems Foundation has awarded a number of local contracts to various development districts in the State to plan for the implementation of a much-needed emergency system for the State. It is clear from the numerous letters and reports which I have received concerning the implementation of these proposals that their future rests in large measure upon the availability of funds authorized in the vetoed bill which we are considering today.

Mr. President, if this administration is seriously concerned about prudent spending, I would suggest that it focus more attention on reducing the billions of dollars which we devote annually to extravagant exotic weapons systems, foreign aid, and military bases abroad and not continue its efforts to control spending by curtailing funds for such important purposes as this legislation would serve.

It would be difficult for me to explain

to the victim of heart attack or automobile accident that the reason he can not now receive quality emergency care is based upon the fact that we have a President who believes that funds to upgrade such care are an excessive expenditure at the present time. These services are vitally needed by our people and I am very pleased that my colleagues have joined me in voting to override this ill-advised veto.

THE IMPOUNDMENT ISSUE AND BUDGET CONTROL

Mr. JAVITS. Mr. President, as the Senate well knows, the sharp controversy between the Executive and the Congress over the impoundment of appropriated funds has given rise to a serious confrontation between the two branches of government. The constitutional and legal issues were carefully developed in the Government Operations Committee under the chairmanship of the distinguished Senator from North Carolina (Mr. ERVIN).

The bill which the Senate passed earlier this session and which we will soon take to conference would have the effect of mandating the executive branch to expend or obligate all impounded funds except funds whose impoundment had been determined by the Comptroller General to be in accordance with the Anti-Deficiency Act, or which had been expressly ratified by congressional action during the 60-day period following receipt of a presidential impoundment message.

I believe that strong anti-impoundment legislation will be enacted by the Congress this year. We cannot, however, overlook the fact that the Congress presently lacks the machinery necessary to examine and evaluate the budget as a whole and, more importantly, to consider priorities and the impact of one expenditure upon another or on the whole. Unless we create the capability within the Congress, sufficiently staffed, to develop an overview of the entire budget and its component parts, the approval or disapproval of specific impoundments will be very difficult.

The Senate Subcommittee on Budgeting Management and Expenditures, chaired by the distinguished Senator from Montana (Mr. METCALF) has reported to the Government Operations Committee a comprehensive and complex bill, S. 1541, "The Federal Act to Control Expenditures and Establish National Priorities." I understand that the committee will take up the bill upon our return from the August recess and I and other members of the committee will be most interested in developing the most effective budget control legislation possible to complement and reenforce the anti-impoundment procedures of S. 373.

At a time when we seek to regain the constitutional prerogatives of the Congress on many fronts, and at a time of a weakened dollar, severe inflation and an unacceptable balance of payments deficit, the Congress must reform its own budget control process.

Mr. President, analyzing the impact which Executive impoundments have upon a particular city or State is a complex and difficult process. Yet it is there that the impoundment issue takes on its real meaning.

It is there that the full force and effect of this practice is felt in human terms—in programs which are eliminated or curtailed at the local level notwithstanding the legislative mandate of the Congress.

The office of the Mayor of the city of New York has prepared an estimate of the fiscal impact upon the city of Federal impoundments and other sections that have resulted in the withholding of congressionally approved funds.

The estimate for New York City alone is in excess of $400 million in lost Federal aid. It represents a staggering economic loss to citizens and taxpayers equally.

It has brought disruption to some of the most important U.S. programs to build housing, expand health care and provide social services.

Mr. President, I ask unanimous consent that a copy of this estimate be printed in the RECORD.

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

ANTICIPATED LOSS IN FISCAL YEAR 1974 TO NEW YORK CITY—PROGRAM AREA

(Dollars in millions)

Education	
Title I (Aid to the Disadvantaged). HEW desires to impose the "hold-harmless" concept to 1973–74 funding of Title I programs. Instead of receiving $310 million, the State of New York will receive $255 million. The City receives 62% of all Title I funds. The potential loss to the City is	$34.0
Higher Education program losses due to Administration plans to reduce institutional aid, are at least	3.0
Milk subsidy payments to the Board of Education have been cut by	1.4
Health	
Training and Research (Health Manpower and Research Grants) Assistance cut-backs	35.0
Personal Health Services (Neighborhood Health Centers) Cut-backs	2.0
Labor	
Summer Youth Program (Difference between 7/10/73 release of $12.1 million to the City, and the Summer 1972 funding level of $21.0 million	8.9
Labor Department Contract Reimbursements covering 1972–73 concentrated Employment Program, Job Corps. On the Job Training, and New Careers Program	7.9
Emergency Employment Act PEP funds not allocated in 1973–74 because the Administration did not request extension of the program	28.0
Housing	
Open Space Grant program; funds are frozen	2.4
Basic Water and Sewer Grant program; funds are frozen	6.3
Lack of subsidy under the 236 Subsidized Housing Program for over 7,700 units, that are under construction or could be started by the end of the fiscal year, and the total value of which would be about $308 million. Funds are frozen	15.5
Public housing	
Loss of subsidy for the Public Housing Program for 14,000 units that would be available for HUD assistance during 1973–74, and the total value of which would be about $525 million. Funds are frozen	31.6
Modernization subsidy; funds are frozen	$10.0
Social services program	
Day care programs: Due to the federal ceiling on social service expenditures, a significant change takes place in the funding formula for expansion of the City's day care program. Instead of a sharing formula in which the Federal Government assumes 75% and the State and City the remainder, now it is a 50/50 split between the Federal Government and the State and City Governments. Based on an estimated 1973–74 day care budget of $124.1 million, the loss of federal funding based on the change of formulas amounts to	31.0
Senior Citizen Centers: The City desires to expand its senior citizen centers to 163 by 7/1/74. Because of the ceiling and the formula changes, the City will probably not receive its minimum need of	3.0
Other social services program (e.g., homemakers, family planning, adoption, youth services, DSS staff) cut-backs due to the formula changes	26.0
OEO/CAP would be dismantled under the Administration's Budget. The amount the City's Community Development Corporations would need to continue their current level of operation is	20.0
Recreation	
Outdoor Recreation grant program; funds are cut back	4.2
Water pollution control	
Potential loss under the November 1972 decision by the U.S. EPA to not release full state allotments mandated by the 1972 Amendments (City's successful law suit is still being appealed by the U.S. Government)	132.5
Total *	402.7

*This figure does not include several hard-to-calculate effects of Executive Budget actions. We have not been able to assign a dollar value to these items, but the cumulative losses could equal several tens of millions more than the itemized $402.7 million. These items include:

1. Medicare/Medicaid: The impact of substantial increases in deductibles and co-insurance rates, forcing many people who need increased medical attention into the overburdened municipal hospital system.

2. The longer-term impact on hospitals and medical schools of changes in the "current financing" mechanism for Medicare reimbursements, of terminations of medical residencies, and of layoffs of medical school faculties because of research grant cut-backs.

3. The interest cost to the City from having to borrow in advance of tardy payments of Federal assistance.

4. The administrative costs to the City from having to formally challenge Federal actions, such as our law suit on water pollution control funds.

THE 1973 CONVENTION OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Mr. HUMPHREY. Mr. President, the National Association for the Advancement of Colored People held its 64th annual convention on July 2 to 6, 1973, in Indianapolis, Ind.

The importance of this convention is reflected in the fact that some 5,000 peo-

ple were in attendance, including 2,800 delegates from nearly every State in the Union.

I want to take this opportunity to sincerely commend Mr. Kivie Kaplan, NAACP president; Bishop Stephen Spottswood, chairman of the board; and Mr. Roy Wilkins, executive director, on the successful accomplishment of a great deal of vitally important work at this convention. The highly significant resolutions adopted at Indianapolis clearly reflect a renewed commitment to the establishment of genuine equality under the law and to making equal opportunity a reality for America's minority groups.

I was also greatly impressed by a convention address by Mr. Herbert Hill, NAACP national labor director, on the unemployment crisis confronting black youth. In city after city, joblessness among black ghetto young people has reached a level of 50 percent and more. Mr. Hill rightly called this "the worst situation since the great depression."

Again and again, I have urged this administration to address the urgent need of providing job opportunities for disadvantaged youth, and I intend to continue doing everything possible to see to it that congressional mandates on this priority issue are carried out by the executive branch.

The resolutions acted upon by the 64th annual convention of the NAACP address a broad range of serious issues with which I believe Congress must also be vitally concerned. They include calls for action to achieve equality of opportunity in obtaining a quality education, decent housing, good medical care and needed social services, and in getting a job and advancing one's position on the basis of merit alone, as well as achieving direct involvement in the economic mainstream of America. Because of extended debate on some issues, the convention did not complete action on all of the resolutions, and under the rules of the convention these were referred to the national board for final action, as indicated.

I remain dedicated to the accomplishment of these goals—a commitment which I have endeavored to express in public statements and in support of further legislative initiatives in the present Congress. The present decade must witness decisive national efforts to carry forward the vital work begun in the decade of the 1960's to overcome discrimination and deprivation if freedom and the promotion of the general welfare are to become a reality for all Americans.

Mr. President, I ask unanimous consent that the resolutions of the NAACP annual convention on issues of national importance be printed in the RECORD.

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

NAACP 64TH ANNUAL CONVENTION—RESOLUTIONS

I. PREAMBLE

(Referred to Board)

We have assembled here in the spirit of re-dedication to goals erected for us by those who have gone before. The ideals of democracy, of freedom, of regard for the differences and truths of our fellow men, the methods of reason and faith, the objectives of an integrated society in which unity is rendered whole by the variety of its constituents—all these are before us in renewal of determination.

We have indeed "come over a way that with tears has been watered. We have come, treading a path through the blood of the slaughtered." The memory of our fallen heroes is sacred to us. But we do not lie for that reason immobile under the dead hand of the past. Far from it, we face resolutely to the future, for it was with their eyes on what is to come that our martyrs laid down their lives. Therefore let no man relax on the strength of the sacrifices of the past, since it is only our steadfastness of purpose and achievement today which entitles us to reflect upon those sacrifices.

In renewed dedication, we are determined that our fallen heroes shall not have died in vain. We, the living, will redeem their effort and their sacrifice. To this we give our word and pledge our honor.

II. EMERGENCY RESOLUTIONS

1. W. Robert Ming

(Adopted)

Whereas, W. Robert Ming has given over 40 years of dedicated and unselfish service to the NAACP as a member of the Chicago Branch, the Illinois State Conference and the National Board of Directors, and

Whereas, he was one of the architects of the strategy leading to the historic decisions in *Brown vs. Board of Education, Shelley vs. Kraemer* and other landmark decisions, including *NAACP vs. Alabama, Sweatt vs. Painter, McLaurin vs. Oklahoma, Sipuel vs. Board of Regents, Ward vs. Texas, NAACP vs. City of Jackson, Missouri ex rel Gaines vs. Canada, 4th District Committee of the Virginia State Bar vs. S. W. Tucker,* and

Whereas, he served as the distinguished first permanent chairman of the NAACP National Convention, guiding its deliberations and charting a steady course, and

Whereas, his demise leaves a void in our national ranks and leadership,

Therefore be it resolved, that this 64th Annual Convention hereby express its deep sense of loss on his passing and extend its condolence to his widow, Irvena and family.

Be it further resolved that this Convention further express its feeling of loss by sending a delegation of National Board members, 7 regional representatives, to be selected by the regional chairmen, the chairman of the National Youth Work Committee or designee and staff, to be selected by the Executive Director, to the funeral on Tuesday, July 3, and by conducting a concurrent service in this Convention in his memory at 11:00 a.m. on Tuesday, July 3.

2. Haitian refugees

(Referred to Board)

Whereas, America was founded by persons seeking freedom from oppression, and

Whereas, we have consistently invited and provided passage to our shores of persons seeking to live in a free society, and

Whereas, the history of Haiti has been replete with instances of brutal oppression of its citizens, and

Whereas, this oppression is no less insidious than that which has existed in Cuba and Eastern Europe, and

Whereas, Haitian refugees seeking asylum in America have been subjected to discrimination in the application and interpretation of the immigration laws,

Therefore be it resolved, that this Annual Convention goes on record as condemning the action of the immigration authorities in Florida in refusing to grant asylum to the refugees from Haiti, some of whom are now incarcerated in the State of Florida and calls upon the U.S. Department of Immigration and Naturalization to correct this injustice and extend a safe haven to these Haitian refugees.

We further direct the National Office to take steps to insure that the sentiments expressed herein are implemented at once.

III. ARMED SERVICES AND VETERANS AFFAIRS

1. Brownsville court martial case

(Adopted)

Whereas, the Secretary of the Army has found that an injustice did occur to certain black soldiers of the First Battalion of the 25th Infantry stationed in Brownsville, Texas in 1906, and

Whereas, the Secretary of the Army did establish, by proclamation, honorable discharges of these men, and

Whereas, these victims of racism did not turn against our country but continued to seek redress of their grievances,

Be it resolved, that the National Association for the Advancement of Colored People call upon the Congress of the United States to pass legislation which will restore the rights and benefits, and provide adequate retroactive compensation to the veterans, their dependents and survivors.

2. Upgrading equal opportunity and human relations offices

(Adopted)

Whereas, the offices of deputy secretaries for equal opportunity and human relations within the Department of Defense and the Department of Transportation hold staff-type authority but line management type responsibility, and

Whereas, these offices require considerable clout in order to relieve problems of race discrimination which exist in the various branches of the armed services,

Be it therefore resolved, that the NAACP call upon Congress to upgrade the offices of "deputy secretary for equal opportunity and human relations" to "under secretary".

3. Veterans' Administration

(Adopted)

Whereas, the increasing number of minority veterans require increasing services of the Veterans' Administration because of the disproportionate number of minority persons who have served in the armed forces, and

Whereas, the Veterans' Administration administrators have historically been persons who are insensitive to the special problems of minority persons,

Be it therefore resolved, that the NAACP call upon the Congress to establish the "Office of Minority Affairs" within the Veterans' Administration.

4. Administration of military justice

(Adopted)

Whereas, the Task Force Report on the "Administration of Military Justice in the Armed Forces" was submitted to the United States Secretary of Defense in November, 1972, and

Whereas, the "Report" is basically sound and could reduce most of the evils of racial prejudice and discrimination if its provisions are implemented, but

Whereas, the NAACP believes that there are serious omissions in the "Report",

Be it therefore resolved, that the NAACP call upon the United States Congress and the President to do the following:

1. Discontinue the use of the Armed Forces Qualification Test (AFQT) as a tool or measure for job placement and advancement because the present use of the AFQT violates the U.S. Supreme Court decision in "Griggs vs. Duke Power Company" which requires elimination of unnecessary, artificial, and arbitrary obstacles to employment;

2. Discontinue the practice of simply transferring an officer found guilty of perpetrating discrimination based upon race, national origin, religion and sex, and instead provide disciplinary action, commensurate with the violation, up to and including dismissal from the service;

3. Abolish the Administrative (less than honorable) Discharge which characterizes a

dishonorable condition and fosters continued discrimination in education and job opportunities, and

4. Review the "Status of Forces Agreements" which the United States has with the several foreign countries in which American service men and women are stationed, with a view towards guarantee of constitutional and human rights for American service personnel.

5. OIC and manpower training

(Adopted)

Whereas, the civil rights movement and its leaders know the urgent need for job training for returned Vietnam minority veterans and unemployed and underemployed minorities who are still the last hired and the first fired, and

Whereas, the Opportunities Industrialization Centers in 105 cities and 41 states have for almost ten years pioneered in job training and have placed on jobs more than 100,000 minority citizens, many of them returning veterans, and

Whereas, 32 United States Senators, Democrats and Republicans, have co-sponsored an OIL Bill designed to expand this program by legislation, and

Whereas, a funding crisis now exists which will result in 105 OIC facilities closing down by August 15, 1973 unless emergency funds are made available from the Executive Branch of the government, and

Whereas, the proposed closing of these facilities comes at a time when they are critically needed,

Be it therefore resolved, that the 64th Convention of the NAACP support the passage of Manpower Training legislation to continue to expand OIC and urge the President of the United States and the Domestic Council to take necessary, emergency steps to provide adequate funds until legislative action is completed.

IV. CIVIL RIGHTS

Revenue sharing

(Referred to Board)

In light of the fact that the Revenue Sharing law was passed, in spite of the position of the 1971 Convention which asked the Congress to reject the allotment of federal funds to states, counties, and cities without restrictions as to the use of these funds, we propose that proper political and/or legal action be taken to secure amendments to the present legislation to include adequate civil rights safe-guards, including meaningful citizens participation in planning the use of funds and federal review and supervision of how federal monies are spent.

In keeping with NAACP's stated position (1971) on Revenue Sharing, we direct NAACP local branches and State Conferences to:

1. Develop programs of education so that members will know what the Revenue Sharing law says, how it works, how much money is involved, and how they may share in setting priorities for the use of Revenue Sharing funds;

2. Organize to bring necessary political pressures to bear upon public officials to bring about desired results;

3. Keep the community informed on matters relating to Revenue Sharing; and

4. File complaints involving the discriminatory and frivolous use of Revenue Sharing funds.

Lyndon B. Johnson

(Referred to Board)

Whereas, Lyndon B. Johnson was the moving factor in the enactment of the most comprehensive body of civil rights laws since the enactment of the 13th, 14th and 15th Amendments, and

Whereas, Lyndon B. Johnson initiated the "War on Poverty" and tried to alleviate the social and economic problems of the disadvantaged, and

Whereas, although the programs experienced both success and failure, there was nevertheless substantial benefit to both white and nonwhite,

Be it therefore resolved, that the NAACP go on record memorializing the leadership of President Lyndon B. Johnson in advancing civil rights and alleviating poverty on the national level.

Ratification of Genocide Convention

(Referred to Board)

Whereas, the General Assembly of the United Nations 26 years ago adopted the Convention on the Prevention and Punishment of Genocide; and

Whereas, 75 nations have now ratified this history-making Convention; and

Whereas, the United States Senate once again has before it an opportunity to ratify the Genocide Convention;

Be it therefore resolved, that the 64th Annual Convention of the National Association for the Advancement of Colored People call upon the U.S. Senate to ratify the Genocide Convention, and

Be it further resolved, that the intent of this Resolution be communicated forthwith to the members of the United States Senate.

V. COMMUNICATIONS

Distortion of news by the public media

Whereas the Public Communications Media has a responsibility to the entire community to honestly report and articulate events of community interest,

We hereby condemn the practices of some facilities and organizations which edit, slant and use distorting tactics, when reporting on the news of blacks and other minorities, which lead to fear and skepticism in the community.

VI. CONSUMER PROTECTION

(Referred to Board)

We reaffirm our basic policy statements in the area of consumer protection and direct the National Board of Directors to comply with the mandate of the 63rd Annual Convention by creating a national information office on consumer protection to provide the following services:

1. To research federal, state and local legislation in the consumer field and translate the same into layman's language;

2. To disseminate information upon request to local branch consumer protection committees;

3. To provide interpretation and guidance on complicated issues e.g. the President's Phase II Economic Plan in layman's language;

4. To identify and refer consumer consultant services and financial resources for programs to branches that propose to initiate concrete programs of action.

We further direct that a written progress report be made to the 65th Annual Convention in New Orleans.

VII. ECONOMIC DEVELOPMENT

Black and minority group advancement and economic survival

(Adopted)

Whereas, the thrust of Black economic advancement programs have had their major effect on small businesses catering to a limited market, and

Whereas, Black economic advancement must find its solutions in the larger market places of unlimited broad-based utilization of the service or product to be produced or distributed, and

Whereas, leading corporations of commerce, industry, and free enterprise have acquired and maintained their favored tax considerations, and continue to reap the benefits of these longstanding practices; now

Therefore be it resolved, that the Board of Directors create an Economic Development Commission consisting of national and regional representatives charged with the following responsibilities:

1. To investigate, research, compile and assess all information relating to the existing resources and programs designed to promote Black economical survival and advancement.

2. To call a summit meeting of major corporations, labor, commerce, finance and government agencies, relate our finding, and lay concrete plans for positive cooperative action for meaningful indepth Black involvement.

3. To structure a vehicle to monitor civil rights compliance where applicable under the Civil Rights Act 1964 Title VII.

VIII. EDUCATION

1. School desegregation plans

(Adopted)

Whereas, it is customary for some Federal judges to establish bi-racial committees comprised of litigant/defendant and community representatives for the purpose of developing school desegregation plans, and

Whereas, said plans are limited in the extent to which they are intended to achieve maximum integration of pupils, due in part to the influence of political considerations and public opinion based on emotional rather than factual entities,

Be it resolved, that where school desegregation plans are voluntary on the part of school officials, negotiated or the result of litigation, NAACP Branches or their representatives *must not* become party to or give support or approval of any school desegregation plan or settlement affecting the local community without *first* consulting with and submitting said plan in writing to the legal and education departments of the National Office for examination and written approval.

2. School desegregation and the metro principle

(Adopted)

Whereas, the nationwide trend of withdrawal of white citizens from the inner cities metropolitan area to the suburbs has resulted in resegregation of schools in such areas; and

Whereas, it is evident that in order to correct this growing evil it is necessary to effectively desegregate the system, for courts, legislative bodies and school boards to treat metropolitan areas as a unit in developing effective desegregation plans, thereby disregarding city and county lines and other traditional boundaries so that the educational inequities of the inner city will be treated in conjunction with the educational advantages of the suburbs.

Whereas, acquiring of political power by black people remains an important goal of NAACP, but not at the expense of sentencing thousands of minority youngsters to the fatality of the mental death inflicted by the inequities inherent in segregated schools.

Be it resolved, that so long as the racism rampant in America today continues to pervade the considerations of school boards, public officials, courts and other powers that control the tax base and school financing, black people have no choice save to employ the political pragmatism of making equality of educational opportunities available to minority youngsters by sending them to school where the tax dollar is equitably spent—the racially integrated school.

Be it further resolved, that NAACP Branches vigorously support the metro principle as a viable technique to be employed in the elimination of segregated, unequal educational systems forced on minority children, and resist with equal vigor all efforts on the part of individuals and organizations to minimize the importance of metropolitan school districts.

3. Reading performance

(Adopted)

Whereas, the number of youngsters suffering from reading disabilities is astronomical, and the effects of poor reading are far-reaching and contribute to disruptive classroom

behavior, functional illiteracy, and the consequent inability to gain meaningful employment and/or pursuit of higher educational goals,

Now be it therefore resolved that:

1. NAAC Branches, youth councils, college chapters and young adult councils are called upon to monitor school systems to determine if they are in compliance with state and federal performance and anti-discrimination guidelines as regards reading programs;

2. In localities found to be in noncompliance, the branch is instructed to seek appropriate remedial action.

BE IT FURTHER RESOLVED, that the National Education Department launch a campaign to:

1. Provide information directly to local units concerning reading programs (testing, utilization of personnel, qualifications of personnel, methods of evaluation),

2. Conduct reading workshops at state and/or regional conference meetings to inform the membership of the techniques employed in reading programs,

3. Seek to define the reading needs of minority and disadvantaged students in their respective communities, and to identify what, if anything, local school systems are doing to meet those needs. Findings are to be reported to the National Education Department.

4. The National Education Director is instructed to report to the Board of Directors the product of the branch studies along with recommendations for action at the July, 1974 meeting of the Board of Directors.

4. Antidiscrimination laws and education programs

(Adopted)

Whereas, it is an emerging policy of the present National Administration to channel Federal funds for education programs to state and local governments with "no strings attached", and

Whereas, states that have historically discriminated against minorities will not discontinue these practices of their own volition,

Be it resolved, that NAACP Branches call on the civil rights division of the U.S. Justice Department and the Department of Health, Education and Welfare to fulfill their responsibilities to enforce anti-discrimination laws under Title VI of the 1964 Civil Rights Act in all education programs where tax monies are spent, with strict application of penalties against school districts guilty of infractions.

Be it further resolved, that in any educational system where the U.S. Department of Justice and/or Health, Education and Welfare do not enforce the anti-discrimination laws under any title programs, the local branch shall initiate its own legal suit against that educational system and/or take any other appropriate action to force compliance with the laws.

5. Desegregation of State systems of higher education

(Adopted)

Whereas, black state-supported colleges were established by public officials to perpetuate segregation, and

Whereas, the tax support of racially separate institutions is unconstitutional, and

Whereas, the NAACP is unequivocally committed to the total integration of all tax-supported institutions serving the public, and

Whereas, NAACP commitment to the protection of the rights of black educators is no less today than it has been through the years of precedent-setting, NAACP-sponsored court victories won in their behalf,

Whereas, state legislatures historically have disproportionately allocated funds to the racially separate state colleges, and

Whereas, said states are at long last being compelled to dismantle their dual higher education systems, and

Whereas, experience has shown that black teachers and administrators have sometimes been discriminated against in the dismantling process,

Be it resolved, that NAACP Branches in states affected promptly move to involve themselves in the process of dismantling dual higher education systems to insure:

1. That present racially identifiable colleges and universities in close proximity be merged equitably,

2. That any and all desegregation plans effectively protect the status of black administrators, teachers and students and provisions to guarantee same be developed.

3. That public colleges maintain low tuitions and open admission policies,

4. That the make-up of governing boards for these institutions reflect the racial composition of the state,

5. That any board, agency, committee or sub-unit thereof created to effect the desegregation of a state higher education system have an equal number of black and white persons,

6. That the integration of predominantly black institutions be accomplished in ways that recognize, protect and preserve the rights of black administrators and faculty,

7. That the desegregated institutions adopt, develop and maintain curricula, remedial and other special programs that will permit the enrollment and education of students, irrespective of race, who have been disadvantaged in their prior public school education.

8. That monies be applied equitably by governing boards in order that predominantly black colleges can effectively compete with predominantly white colleges.

6. Emergency school aid act regulations

(Adopted)

Whereas, guidelines of the emergency school aid act passed by Congress include provisions for denial of ESAA funds to school districts found to be in violation of anti-discrimination clauses of the act, and

Whereas, the withholding of ESAA funds to school districts with segregated schools remains a monetary incentive for these districts to develop school desegregation plans, and

Whereas, any relaxation of ESAA guidelines would undermine the entire desegregation process and endanger the compliance attempts of funded school districts, and

Whereas, Caspar Weinberger, Secretary of H.E.W. has expressed an intention to subvert the guidelines so that ESAA grants may be made to four school districts found in noncompliance: Los Angeles, California; Tuscaloosa, Alabama; Princeton, Ohio and Chicago, Illinois with Title I of Elementary and Secondary Aid to Education Act.

Be it resolved, that the NAACP go on record as being unalterably opposed to the relaxation of ESAA guidelines approved by Congress and any attempts by the Secretary of H.E.W. to disburse federal funds to school districts in violation of civil rights regulations will be interpreted as a direct violation of the law.

Further be it resolved, that NAACP branches in Chicago, Illinois; Los Angeles, California; Tuscaloosa, Alabama and Princeton, Ohio and others in conjunction with the National Legal Department initiate legal action immediately against the U.S. Department of Health, Education and Welfare.

7. Corporal punishment

(Adopted)

Whereas, Corporal Punishment is being used in many school systems as a repressive measure against minority students to harass, intimidate and repress minority students into a state of complete passivity within or flight from the education process.

Now therefore be it resolved, that the various branches, youth councils and college chapters seek the adoption in school systems of non-corporal means of discipline and due-process hearings for students charged with offenses before discipilnary action is taken against them.

8. Black American Museum of History and Culture

(Adopted)

Whereas, the Black American Museum of History and Culture, located in Niagara Falls, New York, and

Whereas, the rationale for the existence of such a national enterprise in this locality was heavily based upon the facts of the Niagara Frontier's historical background with respect to the *Underground Railroad* of the Pre-Civil War Era and, most importantly, the turn of the century *Niagara Movement*—the forerunner of the National Association for the Advancement of Colored People, and

Whereas, knowledge and understanding of one's fellowman is conducive to better appreciation, respect and acceptance, and

Whereas, it is one of the overall objectives of the National Association for the Advancement of Colored People that all Americans be presented and viewed in the light of their true being and value.

Now therefore be it resolved, that the National Association for the Advancement of Colored People, in National Executive Sessions at its 64th Annual Convention, go on record as supporting the concept and objectives of the Black American Museum of History and Culture and urges all of its Branches, State and Regional Conferences, and its National Organization and Offices to support this undertaking and assist, where possible, this organization in its assemblage of information and leads (especially with respect to the Niagara Movement, Civil and Human Rights, and the NAACP).

9. Right to classmates of different races

(Adopted)

We reaffirm our traditional position on equality of educational opportunity for all children and call upon each NAACP branch to set as its interim goal for the next twelve months, inducing school boards to use every means to guarantee every child the right to have classmates of other races and to use every effort, including the hiring of teachers, where necessary, to insure that every child have the right to work with at least one teacher of a different race.

IX. FOREIGN AFFAIRS

1. South Africa

(Referred to Board)

Whereas, today in South Africa where two million white persons control a government that enforces policies of apartheid which gives rise to laws which deny civil rights to and fail to recognize the basic human rights of 16 million black, two million colored and 1½ million Indian people, and

Whereas, black South Africans are denied free compulsory education, resulting in massive illiteracy leading to crass exploitation in employment and other areas of life,

Whereas, the organization ASSECA (the Association for South African Education and Cultural Advancement) requires support to carry out its program and secure educational opportunities for all black children in South Africa, and

Whereas, the organization ASSECA (the American corporations with interests in South Africa) has led to some wage increases and improved working conditions,

Be it resolved, that the NAACP national office conduct a program urging American corporations with interests in South Africa to continue to raise the wages of black work-

ers until they equal the pay of white workers, and

Be it further resolved, that the executive director be directed to communicate with ASSECA to determine ways in which the NAACP can provide technical assistance and support to further its program to improve the lot of blacks in South Africa.

2. Russian Jews

(Referred by Board)

In keeping with our historic concern for the plight of disadvantaged minorities everywhere, we call attention to that of those Jews in Russia who are made to pay large sums to the government—ostensibly for their government subsidized education—before being permited to emigrate to Israel or other countries of their choice.

We call upon our Federal administration to use the good influences of the American government to gain relief from this tyranny, to the end that these Russian Jews may enjoy the freedoms and privileges to which all human beings are entitled.

X. HOUSING

1. The Nixon housing freeze

(Adopted)

Whereas, the sudden termination, suspension and cancellation, earlier this year, of federal funds for subsidized housing and community development programs by Mr. Nixon, without providing replacement programs to take their place, strikes a cruel and inhuman blow at the low and moderate income families of our nation and smacks of further anti-black, anti-poor stances pursued by this Administration,

Whereas, incalculable and irreparable harm has been done to the cause of racial harmony, minority economic progress and equal housing opportunity. This cutback is a setback for millions of deprived Americans who desperately need better housing now at prices they can afford,

Whereas, failures in federal housing programs have not been the fault of the poor, who are the real victims of this moratorium. Faulty administration, dishonesty and corruption of federal housing officials and exploitative practices of speculators, have contributed to the present need to reform national housing policies,

Be it therefore resolved, that we vigorously oppose these precipitous actions of the President and call upon his Administration to promptly release impounded funds and to resume processing all applications meeting the requirements of present law, and that present subsidized housing and community development programs be continued without interruption until new programs have been developed and are adequately funded.

2. The Federal Government's role in housing

(Adopted)

Whereas, the Secretary of Housing and Urban Development has called the private sector to make recommendations on what the federal government's role in housing and should be, and

Whereas, the NAACP has a long history of involvement and concern with federal housing programs and is desirous of seeking major reforms in present programs, most of which have not adequately met needs of the majority of black and poor people of this nation, and

Whereas, the Administration and the Congress is considering major housing legislation this year and our views should be brought to their attention.

It is hereby resolved, that the delegates here assembled go on record as calling for the federal government to adopt new programs that would:

1. Establish a strong consumer-citizen protection office within HUD to prevent abuses to the users of all federally-assisted housing and community development programs,

2. Create a National Center for Nonprofit Housing with adequate funds to train and assist sponsors, establish achievable performance standards, provide grants-in-aid of housing sponsorship, and expand and fund nonprofit activities to include counseling, fair housing services, planning activities, and tenant services, establish offices in the more rural, agricultural and isolated areas,

3. Provide direct low-interest, long-term loans to the poor to purchase decent housing, and grants to centers in form of housing maintenance allowances,

4. Link the approval of housing to the approval of community development and planning activities and by authorizing the commitment of funds beyond annual appropriations.

5. Help correct the effects of past discrimination by funding paraprofessional programs, fellowships and set-asides of subsidy funds for use by disadvantaged minorities.

6. Fund the expansion of HUD's Equal Opportunity staff to assure a proper review and monitoring of civil rights requirements in all programs, and to provide the necessary authority to achieve full compliance with same.

3. Civil rights oversight in Farmers Home Administration

(Adopted)

Whereas, the Secretary of Agriculture has issued directives on "USDA policy on Civil Rights" and said directives establish requirements for all of its Agencies to follow in order to assure that its programs are equally benefiting racial minority groups, and

Whereas, the Farmers Home Administration administers the rural housing programs and makes direct government loans in aid of poor rural families, and

Whereas, this Agency's efforts to comply with the requirements of the above directives has been frequently monitored by the NAACP National Office during the past year, and

Whereas, we have determined that the Department of Agriculture and its Farmers Home Administration have both failed to adhere to and comply with its own directives all to the detriment of black and other minority residents in rural areas who are being denied equal services,

It is hereby resolved, that this Convention go on record as condemning the laxity and lip service given to civil rights enforcement in programs administered by these agencies of government.

It is further resolved, that the NAACP take any and all actions that may be necessary to obtain compliance with all laws, regulations and directives, including, but not limited to, appropriate legal action to secure these results. In further support of this regulation, all units of the Association, especially those serving the rural areas of the South, are directed to investigate the level of services and funds provided to minorities by county and state offices of the Farmers Home Administration, and to promptly furnish such information to the National Office of NAACP for evaluation and action.

4. State housing activities

(Adopted)

Whereas, the fair-share housing plan originated by the N.Y. State Urban Development Corporation (UDC) contained several innovative administrative tools such as the power to override zoning and building code regulations of local communities.

Whereas, local communities have historically neglected the housing needs of the poor and disadvantaged, and

Whereas, the State of New York has recently bowed to the pressure of those opposing low income housing development in suburban communities by removing the 1968 authority to override local exclusionary zoning.

Now therefore be it resolved that:

1. The NAACP condemn the action of the N.Y. Legislature and Governor Nelson Rockefeller in pulling the teeth of UDC Aid, and

2. Urge the creation in all states of state housing authorities with the power to override local exclusionary zoning and building codes.

5. Safe neighborhoods

(Adopted)

We condemn the poor management and official neglect that has permitted the spread of hazards to physical safety and unsanitary conditions in public housing projects. Such problems are at a crisis stage in many high rise projects and present grave danger to residents, particularly the elderly.

We instruct our branches to begin immediate efforts to correct these conditions and, where necessary, institute legal actions against those officials responsible for neglect of their duty.

Accumulation of refuse, poor street lighting, inadequate zoning standards and often total absence of fair and effective policing are the characteristics of most neighborhoods occupied by the poor.

For the most part, these conditions are directly attributable to indifference, neglect and outright discrimination by local governments.

We call upon our branches to begin programs of action that will force local governments to provide the kinds of services that will insure adequate safety, sanitation and health standards in neighborhoods occupied by the poor as well as in so-called middle class and affluent areas.

As part of the program to improve conditions in poor neighborhoods we expect our branches to rely upon the advice and cooperation of those who live in such neighborhoods and are the unwilling victims of the conditions that surround them.

6. Retention of black-owned lands in the South

(Adopted)

Whereas the ownership of real property has always been a mainstay of the economic strength of individuals, families and groups, and

Whereas over many years there has been a steady erosion in the landholding of Negro Americans throughout the South, especially the rural South, with increasing numbers of Negroes losing, surrendering or selling lands that have been under their family control for years, and

Whereas to an unrecognized extent, these losses reflect the exploitation and trickery of whites who victimize often unsuspecting blacks and other minorities,

Be it resolved that, the NAACP states as a principle that it seeks the preservation of landowning by Negroes and that it opposees all practices aimed at depriving Negroes of their land and that it call upon branches and other units to offer counsel, support and assistance within their capability to black landowners threatened with the loss of their land, and

Be it further resolved, that the Association provide within its capability, program direction designed to aid in implementing the purposes of this resolution.

7. Defeat of Widnall bill

Whereas legislation popularly known as the "Brooke Amendment", limits the rents of public housing families to a maximum of 25 percent of their income, and

Whereas a recent court victory by the National Tenants Organization further lowered rents for tenants in public housing by insuring them of the full income deductions provided by the Congress and denied by the Nixon Administration, and

Whereas federally-assisted public housing provides the best opportunity for the very poor to have decent and adequate shelter and, in many cities, policies are being im-

plemented that deny such housing to those who need it the most, and

Whereas the "Brooke Amendment" is threatened with repeal in the U.S. House of Representatives by proposed legislation referred to as "The Widnall Bill". The Widnall Bill would remove language in the Housing Act of 1937 which requires the government to take into account ". . . the rent paying ability of the family . . ." It would require families on welfare to pay a larger portion of their benefits for rents while also raising the rents of other poor tenants, and

Whereas over half of the tenants in public housing today are black or other minorities and thus would be harmed the most by such legislation,

We hereby resolve, that the NAACP is strongly opposed to passage of the Widnall Bill (H.R. 8102) and further we urge the branches of NAACP to immediately call or write their Congressmen to vote against its approval.

8. The Better Communities Act of 1973

(Adopted)

In accordance with Mr. Nixon's concept of a "New Federalism", the Administration has submitted to the Congress on a proposed "Better Communities Act" to replace the categorical grants for Model Cities, Neighborhood Development Programs, Rehabilitation Loans, Code Enforcement, and other essential community development programs.

Funds to continue such programs would be provided directly to city, county, and state governments, through special revenue sharing with little or no federal control over their use—and not until July, 1974.

Besides the one-year loss in funding critically needed urban projects, this backdoor return to "local home-rule" government is inimical to the best interests of minorities and cannot but help to impede racial progress and deny poor Americans the benefits to which they should be entitled. The enforcement of civil rights statutes and requirements for equal housing opportunities cannot be effectively assured if left to the discretion of local officials who are oftentimes biased. The further weakening in this bill or meaningful citizen participation requirements represents a further erosion of the opportunities for blacks to correct the inequities perpetuated by many local governments.

This proposed legislation also lacks any statement to require that federal funds be used to achieve specific national objectives, nor does it make any provision for federal reviews to assure performance. Further, there is no mention of requirements for meeting the housing needs of low-income families, or to eliminate slums and upgrade community development efforts, this bill should not be acted upon until after the Administration and the Congress act to provide an adequate replacement for the new frozen housing-subsidy programs.

The NAACP does hereby go on record as being vigorously opposed to passage of the Better Communities Act in its present form. We call for all units of the Association to register their opposition promptly by holding meetings with or writing to their elected representatives in both houses of the Congress.

XI. HOSPITALS, HEALTH AND WELFARE

1. Delivery of health and medical service

(Referred to Board)

Whereas, the 63rd Annual Convention passed a resolution for the adoption of a task force that would be established to examine the ways in which the organizational capacities of the Association may best be utilized in promoting better delivery of health and medical services to minority groups; and

Whereas, the National Board of Directors has yet to establish such a task force;

Therefore be it resolved, that the 64th Annual Convention direct the National Board to implement the resolution adopted by the 63rd Annual Convention and immediately establish a task force on delivery of Health and Medical Services, using such personnel as it feels requisite, and not necsesarily restricted to the Board, staff or membership; and that this Task Force be given a one-year mandate to examine the ways in which the organizational capacities of the Association may best be utilized in promoting better delivery of health and medical services.

That among the specific assignments of the Task Force shall be (1) a review of existing federally-funded programs and the dissemination of this information; (2) the monitoring of such programs at the local level so as to detect and prevent failure due to racial discrimination and other factors; (3) the calling of public attention to areas of health and medical need not yet sufficiently recognized as such by the authorities; and (4) the provision of technical or other assistance, as our means permit, to NAACP units seeking to be usefully involved in programs designed to improve the delivery of health and medical services in their communities.

2. Comprehensive child care

Whereas, comprehensive child care legislation should allow for the participation of families with both moderate and substantial means so that child development services do not become economically, socially or racially segregated, and should provide for parent and concerned citizen involvement in decision making about the program at the Federal, State and local levels of government, and

Whereas, local communities should have the opportunity to apply for Federal funds to operate such services without prior approval by the State in order to offset veto power of interests groups who may be adverse to providing services that are sponsored by black communities, and

Whereas, provision should be made to allocate funds for the construction of child development facilities and the training of staff,

Be it resolved, that NAACP call upon Congress to enact comprehensive child care legislation that gives priority to a range of education, social services, health and nutrition to those children victimized by poverty and racism and removes the cost of providing adequate day care service from the ceiling of Federal financial participation in expenditures for social services.

3. Day care special food program

Whereas, the various programs for feeding poor children are threatened by the President's program of impounding Congressionally appropriated funds;

Be it resolved, that the NAACP urge the Federal government to see to it that all children have adequate nutritious meals.

4. Welfare and employment

Whereas, the State Supreme Courts of both Indiana and New York have ruled that Welfare applicants and recipients are required to accept available employment as an alternative to receiving Public Assistance,

Whereas, other states can be expected to implement the same practice,

Whereas, in the historical past State Welfare administrations have been discriminatory in their practices often compelling minority group members to either accept menial low-paying jobs further compounding a condition of underemploymet,

Whereas, the NAACP has always supported programs that call for and provide for jobs for those able to work on a nondiscriminatory basis rather than depend on a public dole,

Be it resolved, that the NAACP branches be instructed to immediately begin to monitor the welfare administration practices so that employment programs are conducted in a humane and non-discriminatory manner to prevent undue hardship and suffering on the part of the minority group welfare applicant and/or recipient.

5. Social security

Whereas, changes in S.S. Law effective 7/1/73 and 1/1/74 will now place responsibility for financial care of the aged, the blind, and disabled on U.S. Government at a flat grant of $130 per month, and

Whereas, in the past states have had this responsibility, in addition to grants, to provide needed services such as seeing-eye dogs, prosthesis for the disabled, etc., and

Whereas, the Federal government in this law change does not now make it mandatory for states to continue to provide these services or maintain the current grant levels;

Be it resolved, that the NAACP State Conferences and branches to go on record urging states to continue the provision and the maintenance of current grant levels to the aged, the blind and the disabled.

6. Alcoholism

Whereas, in spite of its legal and social acceptance, alcohol continues to be the most single dreaded scourge of our people and;

Wheras, many families have been destroyed by the abuse of alcohol and the lack of available information on services and care for alcohol abusers;

Be it resolved, that the NAACP call upon the Congress to extend and improve existing programs that seek cures for the disease of alcoholism and provide relief and rehabilitation for its victims.

7. Sickle cell anemia

We reaffirm our resolution adopted in 1972 calling on the Federal Government to assign the highest priority to establishing a program of research to attack and eradicate this dread disease.

Be it resolved that the NAACP both nationally and locally vigorously oppose any and all legislation that is (1) compulsory in nature and, (2) restrictive to any racial group.

8. Sterilization of teenagers in Alabama

Whereas, the Montgomery, Alabama Family Planning Clinic, a delegate OEO Agency, thru funds received from DHEW to operate a family planning program, and

Whereas, such programs are designed for the purpose of helping low income families to be able to cope with the poverty which arises because of the lack of such knowledge, and

Whereas, the Montgomery, Alabama, Family Planning Clinic is alleged to have "sterilized" several teenage black children under the guise of a Family Planning Grant,

Be it resolved, that the Alabama State Conference of the NAACP conduct a Public Hearing on this and all other family planning programs in the state of Alabama to determine the pervasiveness of these programs and to establish culpability.

Be it also resolved, that the National Office NAACP use its influence to demand the participation of all federal and state agencies in this hearing and provide further support to the State Conference in this effort.

Be it further resolved, that the Alabama State NAACP Conference be directed to join with the legal representatives of families found to have been exploited by this and similar programs.

Be it further resolved, that the National NAACP Office call on all federal agencies having mandates for Civil Rights compliance under Title VI of the 1964 Civil Rights Act, to step up compliance reviews and enforcement of all laws where violations are noted.

XII. INTERNAL AFFAIRS

1. Creation of emergency fund for NAACP

(Adopted)

Whereas, the NAACP has, since 1909 defended Negroes against onslaughts predicated on racial animus and bigotry; and

Whereas, Negroes are under a state of siege; and

Whereas, the current state of siege threatens to destroy or cripple many of the remedial instruments (evolved thorugh legislation) which the NAACP has relied upon to eliminate discrimination and segregation in such areas as housing, education and welfare; and

Whereas, at enormous financial cost of operating the National Office, the leading school desegregation case now pending in the Courts was filed by the Detroit NAACP Branch the outcome of which may largely determine the fate of public school desegregation in America; and

Whereas, the United States Supreme Court has now declared that administratively-created school segregation in the North is violative of the U.S. Constitution; and

Whereas, black Americans are desperately looking to the NAACP for protection, leadership and aid in redressing their grievances in other critical areas; and

Whereas, the power and wealth of the federal, state and local governments are arrayed against the NAACP as it seeks to desegregate public schools and to otherwise protect Negro Americans from attacks being made against their constitutional and human rights; and

Whereas, black people are compelled to resort to courts and litigation in a massive way; and

Whereas, the need exists for the retention and utilization of additional lawyers on the national, regional and local levels in the fighting off of these attacks in the courts.

Now therefore be it resolved, that the National Association for the Advancement of Colored People create an emergency fund of not less than $300,000 to be applied toward the costs of protecting Negroes during the present state of siege. To raise this fund in addition to the Freedom Fund Assessment, each Branch shall be assessed under a plan to be worked out by the National Office. This assessment shall take effect on September 1, 1973, be payable into the National Office quarterly thereafter, and shall remain in effect for two years.

2. High school youth councils

(Adopted)

Whereas, the implementation of the 1954 Brown decision has, in some cases, resulted in the integration of buildings rather than of people, and

Whereas, the North Carolina State Conference of Youth Councils, Denver and Detroit youth councils have addressed themselves to this problem at different times through their efforts to establish high school-based NAACP Youth Councils and to promote an awareness among minority students and parents of their constitutional rights as opposed to those of the educational system,

Now therefore be it resolved, that the National Youth Director in collaboration with the Director of Branches, launch an all-out effort to:

1. Organize high school youth councils,

2. Provide students rights information to students and parents, and

3. Conduct educational workshops at state and/or regional conference meetings to inform the membership of the techniques to be employed in organizing high school units and in pursuing an NAACP strategy in the area of students rights and responsibilities.

Be it further resolved, that the National Youth Director and the Director of Branches and Field Administration be instructed to report on the progress of their activities in these areas in

1. a quarterly report to the Board of Directors and the National Youth Work Committee, and to include the same in their individual annual reports on the status of Youth and College Division and the Branch Department.

3. Correctional affairs

(Adopted)

Whereas, blacks and other minorities released from penal institutions encounter community resistance in their attempt to reenter the general population, and

Whereas, many organizations have set up programs to ease such reentry, by way of half way houses and other facilities,

Be it resolved, that the NAACP, through its local branches, recognize its obligations to assist such persons and undertake effective programs to counsel such inmates prior to release to ease their return to society and continue such assistance upon release.

Be it further resolved, that local branches undertake this program as a priority and that proper notices be sent to all judicatories asking for their concern and involvement.

4. Convention planning

(Adopted)

We reaffirm our resolution on convention planning adopted by the 60th Annual Convention and,

Further resolve that the Convention Planning Committee secure a firm commitment from hotels in convention cities to the effect that as of a day certain the rates to be charged convention delegates will be announced to the Association.

XIII. LABOR

1. Monitoring minority representation on congressional staffs

(Adopted)

Whereas, affirmative action programs have been established by private industry and governmental agencies to ensure all black people and other minorities an opportunity to participate in the mainstream of the American economy; and

Whereas, the Congress passed the EEO Act in 1972 requiring affirmative action programs with reports of progress to the civil service and Equal Employment Opportunity Commissions; and

Whereas, many Congressmen fail to employ minorities on their Congressional staffs,

Be it resolved, that all NAACP units examine and monitor the minority representation on Congressional staffs in their respective districts and report disparities to the national office, and enter into efforts directly with members of Congress to secure minority representation on their staffs.

Be it further resolved, that if the congressman does not respond, the NAACP will publicly denounce his insensitivity to minority problems.

2. Farah strike

(Adopted)

Whereas, employees of the Farah Company manufacturers of Farah Slacks, El Paso, Texas, a substanatial number of whom are Mexican-American citizens, have chosen Amalgamated Clothing Workers of America as their bargaining agent, and the National Labor Relations Board has certified it accordingly, and

Whereas, these employees are seeking decent wages, hours and working conditions, and

Whereas, the Farah Company refuses to recognize the employees' bargaining agent,

Be it resolved, that the National Association for the Advancement of Colored People go on record as condemning the refusal to recognize the employee's bargaining agent and the efforts of employees to improve working conditions and wage levels, and

Be it further resolved, that the NAACP condemns the employment of illegal alien workers (people who live in Mexico and work in U.S. border cities) while millions of native-born U.S. citizens beg for gainful employment and at the same time an estimated 3 million aliens are gainfully employed in jobs deserved by Americans, especially our youth and returning Vietnam Veterans.

3. FEPC commissions

(Adopted)

Whereas, many cities and states have established FEPC Commissions which are required to forbid discrimination in employment without regard to race, color, creed, sex, or national origin, and

Whereas, there is a distressing lack of enforcement on a timely basis,

Be it resolved, that all NAACP units located in jurisdictions which have such laws, call upon their legislators and executives to establish and monitor affirmative action programs to provide sufficient staff and funds to process all the complaints that are brought before them with thoroughness and dispatch.

XIV. POLITICAL ACTION

Office of Economic Opportunity

We resolve that the NAACP National Convention take whatever action necessary to have the United States Congress pass a continuing resolution to insure the continuation of OEO at, at least the same dollar level as last year.

XV. RELIGION

1. National NAACP Church Day

(Adopted)

Inasmuch as the NAACP, down through the years has worked closely and received cooperation from most churches throughout this nation, and

Whereas, the church has played a great part in the victories of this Association since its inception in the freedom fight, and

Whereas, the work of the Association continues to need and depend upon the church for much of its programs,

Therefore be it resolved, that the National Office seek the endorsement of national denominations of this program and call upon the churches throughout this nation to set aside a special day at which it shall be known as National NAACP Church Day, and that this day be on a Sunday closest to May 17 the anniversary date of the *Brown vs. Board of Education* decision.

Be it resolved, that the Church Work Committee of all branches have the responsibility for implementing this resolution in their area.

2. Minority chaplains

(Adopted)

Whereas, blacks and other minorities comprise a disportionate percentage of prison population throughout the land, and a substantial portion of the hospital population, and

Whereas, few black and other minority ministers serve in the position of Chaplain to such prisons, hospitals and other institutions, thus depriving many inmates of spiritual leadership that they might otherwise enjoy from members of their ethnic composition,

Be it therefore resolved, that NAACP branches undertake concerted drive to place black and other minority ministers in these institutions as Chaplains, and

Be it further resolved, that the branches work with such ministerial organizations as are available in their locale to implement this resolution.

XVI. YOUTH WORK

1. Youth employment

(Adopted)

Whereas, during the summer months as many as 3 million youth—a heavy proportion of them minority youth—will be seeking summer employment, and

Whereas, the President of the United States has sought to limit or impound funding for youth employment already allocated by Congress thus disproportionally affecting minority youth,

Be it therefore resolved that:

1. The NAACP National Convention to go on record opposing sub-minimum wages for

young people as a disproportionate restraint on their purchasing power.

2. We call upon the President to restore all impounded or otherwise illegally withheld funding to youth employment programs.

3. We call upon the President to provide the leadership in encouraging the private sector to employ youth during the summer months.

2. Student suspension and expulsion

(Adopted)

Whereas, suspensions and expulsions of black students in public schools has reached epidemic proportions, and

Whereas, in most incidents involving both black and white students only the black students are arbitrarily punished, and

Whereas, the NAACP Legal Department was successful in getting a Federal ruling through the United States 5th Circuit Court of Appeals that prohibits expulsion of students prior to a proper hearing,

Therefore be it resolved, that NAACP Youth Councils, College Chapters, Branches and State Conferences be urged to lobby vigorously in their municipal and state governments for passage of legislation requiring school districts to adopt and implement such policies, and

Be it further resolved, that the National Office of NAACP notify State Boards of Education of this resolution and request them to require the local school districts to publicize their policies in dealing with student suspensions and/or expulsions,

Be it also resolved, that the NAACP 64th Convention strongly urge all local school districts and state educational agencies to adopt a policy providing proper hearings to students *before* they are suspended and/or expelled from schools and representation of their own choice, and that the local school districts utilize the assistance of local NAACP branches in an effort to solve the problem of students being suspended and/or expelled from school.

3. Educational excellence

(Adopted)

With the blatant racism that is prevalent in many of the nation's public schools, black youth are beset with many problems in acquiring a quality education yet, we cannot help but urge that students do as much as they can to get the best educational training that is possible while in school.

We urge our students to seek to do the very best that they can in academics and we caution against substitution of false racial pride fads for real learning experiences. We deplore the misuse and abuse of time, resources and facilities within the academic setting which prohibits maximum learning and accrual of knowledge and training. We strongly condemn the attitude of doing just enough to get by with no attempt to surpass or excel, therefore

Be it resolved, that the NAACP urge all of its units, particularly youth units to encourage students to submit themselves to the rigor of academic pursuit.

4. Emotionally, mentally, and retarded classes

(Adopted)

The NAACP calls upon all Branches, Youth Councils and College Chapters to take whatever action necessary to insure that black students are not being indiscriminantly placed in EMR classes as punishment for disciplinary and other non-academic related reasons.

NAACP Branches should seek the passage of laws requiring (a) proper psychological evaluation (b) written parental consent followed by regular up-date conferences.

Further, the National Convention goes on record as opposing any administration of drugs or depressants for the purpose of controlling children who are hyperactive or as disciplinary punishment without written consent of parents after justification of need, and proper certification of the administrator, and upon recommendation of a doctor approved by the parents or guardians.

5. Adult responsibility

(Adopted)

Whereas, the United States Constitution provides for enfranchisement of all American citizens 18 years old and older,

Therefore be it resolved, that the NAACP encourage all state legislatures to adopt rights bills guaranteeing persons 18 years of age and older all of those rights and responsibilities presently enjoyed by the adult population.

6. Student responsibilities

Adopted

Whereas, we abhor and condemn anti-social behavior at all strata of our society and will aggressively pursue its elimination with the same vigor that we pursue the constitutional rights of students, and

Whereas, it has always been the policy of NAACP to protect the rights of minority students when they are the victims of discrimination by insensitive educators whose negative attitudes towards minority children reflect the racism inherent in a segregated society, and

Whereas, black children have a responsibility to themselves and their successors, to identify and reject every vestige of racism that restrict their access to a free and open school society.

Be it therefore resolved, that NAACP Branches, Youth Councils and College Chapters unite and strengthen their efforts in pursuit of the constitutionally guaranteed human and civil rights of students, by every legal means available; further, that black students develop the political sophistication to coalesce with students of other races who demonstrate a sensitivity for protection of the rights of all students, and

Be it also resolved, that NAACP Youth Councils and College Chapters call upon their peers to reject reverse racism; the attitudes and practices by some black students that result in the perpetuation of racial isolation in desegregated schools, and

Be it also resolved, that pursuit of the aforementioned goals must not be construed to imply NAACP protection of youthful student perpetrators of violence so pronounced in urban schools.

XVII. MISCELLANEOUS

1. No-fault insurance

Referred to Board

In light of the 1972 Convention decision to establish a task force, whose primary purpose was to study no-fault and other forms of insurance with a view to recommend a policy decision on such matters,

Whereas, the last report given to the September, 1972 meeting of the National Board of Directors was returned to the Committee for further study, a subsequent report was released including the resources of the Committee in April, 1973.

Therefore be it resolved, that the task force's recommendations be adopted as published with content and recommendations.

2. Frank Wills

Whereas, the uncovering of the political quagmire known as "Watergate" stems from the diligent execution of duty by Frank Wills, a black security officer; and

Whereas, the action of this American resulted in the apprehension of more who were burglarizing the headquarters of the Democratic National Committee, and

Whereas, Mr. Wills continued to be denied the recognition and commendation he deserves,

Be it resolved, that the NAACP go on record praising Mr. Wills and also citing him for his important part in revealing the extent of lawlessness and corruption at the highest levels of government.

3. Bicentennial Commissions

Whereas, bi-centennial commissions are being appointed in the states of our nation to symbolize the historical and cultural contributions of ethnic groups,

Whereas, the omission of Blacks on commission and the exclusions of the Black man's contributions have occurred in several states,

Be it resolved, that branches, state conferences and youth and college chapters monitor the actions of these commissions and strongly oppose discriminatory practices wherever they occur.

Be it further resolved, that the federal government be called upon to withhold all federal funds of bi-centennial projects until such discriminatory acts are curtailed.

4. Preservation of Beale Street as a National Black Historic and Cultural Center

In keeping with our concern for the preservation of historical sites and their significance to Black culture, we recommend and urge vigorous action for the development of Beale Street as a national cultural center to be federally chartered and funded in the form of a nonprofit corporation, and

Whereas, Beale Street is nationally known as the street of the birth of the blues, and

Whereas, the Memphis Housing Authority has initiated action for this historic site to be developed by commercial developers without regard or concern for the black cultural significance of the area, and

Whereas, HUD through its match Institutional Study has said that Beale Street should be developed as a natural cultural center from the point of view of Black History and Black Culture.

Therefore be it resolved, that the Memphis Branch be urged to intensify its efforts to establish Beale Street as a national Black Historic and Cultural Center, and

Be it further resolved, that the Memphis Housing Authority reconsider their decision and terminate an agreement it made that is not in keeping with the HUD study, and

Be it further resolved, this convention supports the recommendation of the feasibility study and direct its housing department to utilize its resources in this endeavor, and

Be it further resolved, that the Department of Interior be involved in this matter with the view of helping to carrying out the intent of this resolution.

RECOMMENDATIONS FOR CHANGE IN THE U.S. FINANCIAL SYSTEM

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a statement by the Senator from Texas (Mr. TOWER) with an attachment be printed in the RECORD.

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

STATEMENT OF SENATOR TOWER

Mr. President, today we have received a message from the President and the Treasury Department regarding the outline of their major legislative program for reform of our financial regulatory system. Although the draft legislation is not yet prepared, the general outline of the proposal is indicated in the message. And I ask unanimous consent that the description in the message of the essentials of the proposal be printed in the RECORD following my remarks, so that interested citizens across the country can have an immediate chance to review this information.

RECOMMENDATIONS FOR CHANGE IN THE U.S. FINANCIAL SYSTEM

To the Congress of the United States:

Our country depends on a strong, efficient and flexible financial system to promote

sound economic growth, including the provision of adequate funds for housing. Such a system is one which allows financial institutions to adapt to the changing needs of borrowers and lenders, large and small, and is free to make full use of technological innovations.

Events during this decade, however, have revealed significant defects in the operations of our financial institutions. On two recent occasions when the Federal Reserve System moved to restrain the economy, it was found that the inadequacies of our financial structures created unnecessarily severe burdens for the business community and the consuming public. The consumer-saver was denied a fair market return on his savings, while the consumer and small businessman, as borrowers, often could not obtain adequate funds to meet their requirements.

The inflexibility of our financial system can be directly attributed to the methods used by the Government to direct credit flows—methods designed to meet the depressed economic conditions of the 1930's but poorly suited to cope with the expansionary conditions of the past decade. In recent years, government regulations have limited the efficiency and flexibility of our financial system. Ironically, those regulations that were designed in part to keep a steady flow of funds moving into housing loans actually served to diminish that flow, severely penalizing both the borrower, who could not find funds, and the saver who received an unfairly low return on his savings.

As the Government tries to play its proper role in building a better financial system, we must proceed with one basic assumption: the public interest is generally better served by the free play of competitive forces than by the imposition of rigid and unnecessary regulation.

By law, thrift institutions—a category primarily composed of savings and loan associations but also including mutual savings banks—were created to provide funds for housing by maintaining large holdings of residential mortgages. However, earnings on holdings of previously acquired mortgages do not respond to changes in market interest rates. When market rates rise, the ability of thrift institutions to attract funds is limited and their ability to lend additional mortgage money is diminished.

Attempts to alleviate this problem by restrictive laws and regulations have achieved very little at great cost. The main technique has been to impose ceilings on the interest rates that financial institutions could pay savers for funds. The result, however, has often been a reduction in the flow of deposits to financial institutions. In many cases, in fact, deposits have been withdrawn so that they could be invested in higher yielding securities. Thus interest ceilings that were intended as a protective shield for the housing market turned out instead to be an additional burden.

Interest rate ceilings proved harmful to Americans both as savers and as borrowers in the late 1960's. Because the interest rate ceilings for deposits were often below market interest rates, small savers, who depended on banks and other savings institutions, were denied a fair rate of return on their money. On the borrowing side, smaller increases in savings deposits resulted in a sharp drop in loan funds available to consumers and small business firms.

Since financial institutions were prohibited from paying better interest rates, they were forced to compete for customers in other ways. Much of the public had to settle for so-called "free services" or even offers of consumer goods when in fact they may have preferred to receive higher interest on their deposits. In addition, such competition often led to increases in operating costs which prevented lending rates from declining when credit conditions later eased.

Finally, because of reduced inflows of savings, thrift institutions cut back on their mortgage lending or borrowed from Federal Home Loan Banks which had to pay market rates for their funds. Although the Federal Government stepped in and picked up some of the slack, mortgage flows were still disrupted.

Recognizing the need for action on all these problems, I appointed a Presidential Commission on Financial Structure and Regulation during my second year as President to study this entire matter and to make recommendations for reforming our financial institutions. The Commission's report identified quite precisely the causes of rigidity and instability in our financial institutions. Its recommendations were of major assistance in our further deliberations concerning the best ways to correct the weaknesses in our financial system.

The time to correct those weaknesses has come. Our current efforts to fight inflation and preserve the value of the dollar at home and abroad require strong financial markets. Without strong markets, the American public will be forced once again to bear excessive burdens.

If we do not act promptly, there is every reason to believe that those burdens will be even greater in the 1970's than they were in the 1960's. Educated by the last two credit crunches and by constant advertisements about interest rates, even the small saver will shift his funds to places offering higher yields. As market rates rise above passbook ceilings and the saver shifts his funds to obtain the higher interest rates, the result may be that little loan money is available from financial institutions.

In keeping with that analysis, I will propose to the Congress legislation designed to strengthen and revitalize our financial institutions. These proposals may be divided into seven major areas:

(1) Interest ceilings on time and savings deposits should be removed over a 5½ year period.

(2) Expanded deposit services for consumers by federally chartered thrift institutions and banks should be allowed.

(3) Investment and lending alternatives for federally chartered thrift institutions and banks should be expanded.

(4) Federal charters for stock savings and loan institutions and mutual savings banks should be permitted.

(5) Credit unions should be provided with greater access to funds.

(6) FHA and VA interest ceilings should be removed.

(7) The tax structure of banks and thrift institutions should be modified.

These recommendations would achieve the basic reforms our financial system requires. They represent the best suggestions from many different sources—from the Presidential Commission and from business, Government, consumer and academic communities.

The first five of these recommendations are designed to provide increased competition among banks and thrift institutions. Such competition would help to eliminate the inequities now imposed upon the small saver and borrower. My recommendations, and the increased competition that would follow, should reduce the cost of the entire package of financial services for the consumer. Furthermore, the saver would be assured a fair return on his money. In addition, thrift institutions would be strengthened, so they would no longer need the Government support required in the past.

Recommendations 6 and 7, along with the other recommendations, are designed to promote adequate funds for consumer needs, including housing finance. It is clear that interest ceilings on FHA and VA mortgage loans have failed to keep costs down, as evidenced in part by the widespread use of discount "points." At the same time, these ceilings have restricted the flow of private funds into mortgage markets. I will urge that individual states follow our lead and remove similar barriers to housing finance wherever such barriers exist.

The final recommendation would substantially broaden the base of housing finance. Although the final details have yet to be worked out, active consideration is being given to the creation of an income tax credit tied to investments in housing mortgages. Such a credit would be available to all lenders and could vary in direct proportion to the percentage of invested funds held in the form of such mortgages.

These recommendations are not the only steps being taken to strengthen the housing finance market. In my State of the Union Message on Community Development of March 8, 1973, I pledged that this Administration would undertake a comprehensive evaluation of our housing policies and programs and would recommend new policies to eliminate waste and better serve the needy. An interagency task force, under the leadership of Secretary Lynn, is now completing that task, and my recommendations will be presented to the Congress in the near future.

My recommendations on restructuring financial institutions represent a coordinated approach to this challenge, and I urge that they be considered as a package. For example, removing interest ceilings will not make a positive contribution unless banks and thrift institutions can expand their deposit and lending services. Flexibility and efficiency will be enhanced by placing competing institutions on a roughly equal footing with regard to three essential considerations: deposit powers, lending powers, and tax burdens. Finally, the tax recommendation and the removal of FHA and VA interest ceilings will help ensure more adequate funds for housing. The need for reform of our financial institutions is pressing. I urge the Congress to give these proposals its prompt and favorable consideration.

RICHARD NIXON.

THE WHITE HOUSE, *August 2, 1973.*

SUMMARY OF THE PRESIDENT'S RECOMMENDATIONS

Events during the latter part of the 1960's showed that U.S. financial markets are ill-equipped to deal with periods of credit restraint. As interest rates rose because of inflation, thrift institutions faced a severe profit squeeze which threatened to cut off funds for housing.

Attempts to alleviate the crisis by regulation, mainly the imposition of ceilings on the amounts financial institutions could pay for funds, failed to keep funds flowing into the institutions at previous levels.

Interest ceilings adversely affected the public directly and indirectly. In their role as savers, for whom the thrift institution was a major place at which to save, consumers were denied a market rate of return on their money. Moreover, thrifts reduced in a disproportionate manner the availability of funds to consumers and small business firms.

Less direct, but equally costly to the public, interest ceilings contributed to severe setbacks in efforts to meet our housing objectives, and helped make the Federal Reserve's attempt to combat inflation with monetary policy needlessly costly and complicated.

The time to correct those defects in our financial structure is now. Current efforts to fight inflation and preserve the value of the dollar at home and abroad require strong financial institutions. Without them, there is every reason to believe that the burdens of credit restraint will be even greater than before.

Financial institutions are to be strengthened by phasing out Regulation Q over a 5½-year period; permitting all federally chartered banks and thrift institutions to offer a

full range of checking and savings accounts, and permitting federally chartered thrifts to offer consumer and real estate related loans in competition with banks. Housing finance will be strengthened by the elimination of Federal Housing Administration and Veterans Administration interest ceilings and by a tax credit to all taxpayers investing in residential mortgages.

The dual banking system will be preserved and strengthened. Federal Reserve requirements on "checking" accounts will apply only to members of the Federal Reserve and Federal Home Loan Bank systems. Federal charters will be available for stock thrift institutions and for savings banks.

Credit unions are to be strengthened by broadened asset and liability powers and by access to a new source of liquidity administered by the National Credit Union Administration.

NARRATIVE EXPLANATION: BACKGROUND OF ISSUES AND RECOMMENDATIONS: ISSUE 1—PAYMENT OF INTEREST ON DEPOSIT ACCOUNTS

Background

Prohibitions against the payment of interest on demand deposits and interest ceilings on savings accounts were initially a product of the 1930's. The popular notion at that time—since proved incorrect—was that excessive interest rate competition among banks was the cause of bank failures. Thus Congress, with the enactment of the Banking Act of 1933, prohibited banks from paying interest on demand deposits and authorized the Federal Reserve Board to regulate the rate of interest member banks may pay on savings accounts. That era was also characterized by an orientation toward the borrower, in an attempt to bring the nation out of the Depression, rather than toward the consumer/saver.

Studies of the prohibition of payment of interest on demand deposits have shown the reasons for it were ill-founded. Moreover, the prohibition has not kept bank costs from rising during tight-money periods because banks have developed other sources of funds for which they have paid market rates. Unfortunately, misconceptions about the prohibition are so widely and strongly held that removal is not feasible.

However, development of "negotiable order of withdrawal" (N.O.W.) accounts and the development of "electronic funds transfer systems" (EFTS) can be expected to blur the difference between demand and savings accounts to such an extent that the prohibition will become meaningless. N.O.W. accounts provide most of the benefits that would be derived from interest-bearing checking accounts without forcing banks to pay interest on current demand deposits. They also allow banks a means of experimenting before any move to a system where interest is explicitly paid on demand deposits.

Working with the money flow theories of the 1930's, Congress, in September 1966, turned to interest ceilings to protect the deposit holdings of thrift institutions and thus the flow of funds into mortgage markets. It enacted legislation giving the Federal Home Loan Bank Board (FHLBB) and the Federal Deposit Insurance Corporation (FDIC) authority to regulate, in conjunction with the Federal Reserve Board (FRB), interest payments made by the institutions they supervise. The three supervisory authorities then agreed to formalize the historic interest differentials paid by thrift institutions over those paid by commercial banks at about 50 basis points (reduced to 25 basis points on July 5, 1973).

Interest ceilings on savings accounts have failed to achieve their objectives. Contrary to expectations, they did not protect the liquidity of thrift institutions by preventing an outflow of funds during periods of tight money, and thus did not produce funds for the mortgage market. Large savers enjoyed many alternatives for their savings which paid the higher market rates and reacted accordingly. Faced with a loss of funds, thrift institutions cut back on their mortgage lending or borrowed from especially created agencies, which had to pay market rates for their funds, or did both. The result was significant instability in mortgage markets, and accentuated differences between the rate of return to large and small savers.

Ironically, even though the small saver received less than the large saver, the cost of funds to thrift institutions rose appreciably. Ceilings did force those who, due to their unsophistication or small savings, had only limited outlets for their savings to accept less than market rates. However, large savers who withdrew their funds had the option of acquiring debt issues of Federal Home Loan Banks at market rates. Funds raised in that manner were then relent to thrift institutions at rates which were generally above deposit rates.

Interest ceilings also hampered the implementation of restrictive monetary policy. Because depository institutions could not attract funds, large and increasing credit flows were moving outside the banking sector. The base on which the Federal Reserve operates decreased in relative terms, and its restrictive policies had to be made increasingly stringent at the same time that they became increasingly ineffective.

Formalized intrest differentials may have prevented, to some extent, a shift of deposits from thrift institutions to commercial banks. If they did, the interest differential helped to maintain the viability of thrift institutions. That does not necessarily imply, however, that the differentials will be effective in future periods of high and rising interest rates. Educated by the last two "credit crunches" and by constant advertisements about interest rates, even the less sophisticated savers will shift their funds to the highest yield if market rates greatly exceed the passbook ceilings. Such shifts began occurring in the summer of 1973.

Thus it is increasingly unlikely that interest ceilings or differentials will continue to protect thrift institutions. Additionally, large corporations, which are not subject to ceilings, have already successfully experimented with small-denomination capital debentures—e.g., savings bonds. Any corporation or governmental unit is a potential competitor for the savings dollar. Savings institutions therefore must be allowed to compete for these funds if they are to continue to provide their intermediation function.

Should "free-competition" for funds cause some institutions to make imprudent lending and investing decisions, the situation can be remedied effectively through actions of the federal and state supervisory authorities. Blanket regulation of the entire deposit industry, geared to the lowest common denominator of management competence, is neither justified nor desirable.

Recommendation

The payment of interest on demand deposits will remain prohibited for all institutions.

Regulation Q is to be phased out over a period of five and one-half years. Parity of interest ceilings between commercial banks and thrift institutions is to be achieved by raising the rate permitted banks in four annual steps commencing 18 months after enactment of the recommendations. At the same time, preparations can be made for the complete elimination of interest ceilings on time and savings account.

N.O.W. accounts are to be subject to ceiling rates so long as the ceiling system remains in force. Such ceilings are to be uniform for banks and thrift institutions and may be no higher than the maximum rate on passbook accounts.

Administrative decisions on the actual levels of ceiling rates will be made by a coordinating committee composed of the FDIC, the FHLBB, the FRB, and the Treasury Department.

ISSUE 2: EXPANDED DEPOSIT LIABILITY POWERS AND RESERVES

Background

The elimination of preferential interest rate treatment for thrift institutions will necessitate adjustments in the structure of their deposit liabilities and assets so that they will be able to compete with commercial banks and other seekers of the savings dollar. Additionally, the decreasing effectiveness of interest ceiling differentials and technological innovations that blur the traditional lines between savings accounts and demand deposits are actual developments which call for the same remedy.

In the area of deposit powers, federally insured thrift institutions are prohibited by law from offering third-party payment services (i.e. bona fide checking accounts) but they may issue non-negotiable orders of withdrawal.

For their part, commercial banks are prohibited from offering savings accounts to their corporate customers. Such accounts were prohibited by the FRB in 1936 on the theory that they represent the indirect payment of interest on demand deposits. (Section 19 of the Federal Reserve Act prohibits member banks from paying interest directly or indirectly on demand deposits.)

Those constraints upon federally insured thrift institutions and member banks can be effective only in a world where all thrift institutions operate under the same rules and where there are relatively high costs attached to shifting funds from savings accounts to demand deposits. If that ever were the case, it no longer is so. Non-federally chartered thrift institutions in Massachusetts and New Hampshire are offering negotiable order of withdrawal (N.O.W.) accounts which are tantamount to and near-perfect substitutes for interest-bearing checking accounts. Such a system is made possible by advances in computer technology which enable any institution to offer customers low-cost rapid transfers of funds from checking to savings accounts and the reverse.

It seems imprudent to try to block those innovative changes sought by the consumer. Innovative minds will always find ways around piecemeal restrictions. However, if commercial banks and thrift institutions are permitted to offer the same range of services, some suggest that they should operate subject to the same ground rules. The more important of those rules covers the holding of reserves against accounts subject to third-party payments.

Imposition of comparable deposit reserves on all banks and thrift institutions is controversial. Comparability does not exist now, and differences between the Federal Reserve and the individual states on the issue of reserves is one of the important factors keeping the dual banking system alive. Of the 509 state-chartered banks opened for business in 1970 through 1972, only 30 joined the Federal Reserve System. However, Federal Reserve member banks hold approximately 80 percent of all demand deposits. There are substantive advantages to maintaining the dual system, particularly the advantages and innovations of competitive regulation and the avoidance of overly restrictive chartering policies.

Recommendations

For federal thrift institutions, checking accounts, third party payment powers, credit cards, and N.O.W. accounts will be available to all customers, individual and corporate.

For national banks, saving accounts and N.O.W. accounts will be available to all customers, individual and corporate.

All federally chartered institutions and

all state chartered institutions which are members of the Federal Reserve System or the Federal Home Loan Bank System will be required to maintain reserves against deposits in demand and N.O.W. accounts in a form and amount prescribed by the FRB after consultation with the FHLBB. State chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation (FSLIC) need not be members of the Federal Home Loan Bank System, just as state chartered banks need not be members of the Federal Reserve System.

N.O.W. deposits will be subject to the same range of reserves as demand deposits. However, the FRB after consultation with the FHLBB may establish a different level of required reserves for N.O.W. accounts.

Required reserves for demand deposits and N.O.W. accounts will range from 1 to 22 percent. Those for savings accounts will range from 1 to 5 percent and those for time accounts will range from 1 to 10 percent.

For state chartered institutions FDIC and FSLIC statutes will be changed to permit competitive equality, if such equality is sanctioned by state law.

ISSUE 3: EXPANDED LENDING AND INVESTMENT POWERS

Background

The removal of interest ceilings and the granting of a greater range of deposit powers can be expected to alter significantly the maturity structure of thrift institutions deposits. Those changes on the liability side require flexibility for compensating adjustments on the asset side. Such compensations should look to increasing income and enhancing liquidity through portfolio diversification—objectives that can be achieved only through the acquisition of shorter term and more diversified assets, such as consumer loans. Opening up those areas to thrift institutions can be expected to create downward pressures on the cost of credit to consumers and governmental bodies.

It might be argued that such significantly liberalized lending authority may curtail the flow of funds into housing. That issue is not easily resolved, but the Administration's task force concluded that the expansion of powers, coupled with the suggested tax changes, should not adversely affect the supply of mortgage funds. It is impossible to give definitive support to that position because theoretical arguments on both sides abound. The key seems to be the extent to which: (1) thrifts will shift long-term funds into short-term (non-mortgage) assets, and (2) the extent to which that shortfall would create market inducements encouraging other institutions (e.g. commercial banks and real estate investment trusts) to fill the gap. In its study of the issue, an Administration housing study group, chaired by the Council of Economic Advisers, concluded that the former would likely be small and that the latter would operate, leaving mortgage flows unaffected.

The possibility that commercial banks may fill the gap will be enhanced if current restrictions on their real estate lending are removed, especially in light of the removal of interest ceilings on savings accounts. Furthermore, commercial banks will be confronted by thrift institutions armed with a full range of consumer finance powers and, therefore will need to be more attentive to mortgage credit demands if they are to hold their customers for other consumer business.

However, since housing has a high social priority, it seems advisable to place some restrictions on the acquisition of "non-mortgage" assets and to increase the number of ways thrifts can participate in financing construction activity. In addition, changes are also being recommended in the taxation of banks and thrift institutions to assure a steady flow of funds into housing.

Since the impact fo the proposed changes on the availability of mortgage funds is so important, a synopsis of the Administration's task force study on this matter will be found later in this booklet.

Recommendation

Federal savings and loan associations will be authorized to:

(1) make consumer loans not exceeding 10 percent of their total assets;

(2) make real estate loans under the same conditions as commercial banks;

(3) make construction loans not tied to permanent financing (i.e., interim construction financing as offered by banks);

(4) make community rehabilitation and development and mortgage loans on residential and related properties, including a participation in rental income or a share of capital gains on the sale of property, but with this leeway authority not to exceed 3 percent of their total assets;

(5) acquire high quality commercial paper and private investment-grade corporate debt securities in accordance with approved-list and other guideline procedures established by the FHLBB. Such investments are not to exceed 10 percent of total assets, with the maximum limitation to be set at 2 percent in the first year and growing to 10 percent, at the rate of 2 percent per year, over a 5-year period;

(6) utilize for consumer loans the unused portions of authorized investments in private corporate debt (commercial paper and debt securities) and leeway loans; and

(7) continue the acquisition of a full range of U.S. Government, state and municipal securities. National banks will be granted:

(1) liberalized powers with respect to real estate loans;

(2) a leeway authority, not to exceed 3 percent of total assets, for community rehabilitation and development and mortgage loans on residential and related properties, including a participation in rental income, or a share of capital gains on the sale of property.

The FRB is to be granted more flexible authority to define assets eligible for discount, and the FHLBB is to be given expanded authority to broaden the definition of collateral required for advances to savings and loan associations.

ISSUE 4: CHARTERS FOR THRIFT INSTITUTIONS

Background

The dual banking system has contributed a great deal to the more efficient operation of financial markets. It has permitted an element of competition among supervisory authorities which has been conducive to innovation and experimentation by financial institutions. In addition, it has restrained supervisory authorities from overzealously protecting existing firms by restricting entry to the field.

The dual banking system is, however, incomplete. Federal charters are not available to mutual savings banks and federal law explicitly prohibits the federal chartering of *stock* savings and loan associations. Both types of institutions have been operating in a more than satisfactory manner at the state level for a number of years. There are no obvious reasons why federal charters should not be available to them.

Recommendation

The FHLBB is to be empowered to charter stock thrift institutions, granting them powers identical to those enjoyed by mutual savings and loan institutions.

Newly empowered federally chartered thrift institutions may be called either "savings and loan associations" or "savings banks."

State chartered mutual savings banks may convert to a federal charter and be granted all of the asset and liability powers available to all federally chartered thrift institutions. In addition, they may retain their life insurance, equity investments and corporate bond investments. Equity and corporate investments may be no greater than levels determined by their average percent of assets for the 5-year period January 1, 1968 through December 31, 1972.

State chartered mutual thrift institutions which convert to a federal charter will be insured by the FSLIC, even if they had been insured by the FDIC.

ISSUE 5: CREDIT UNIONS

Background

Credit unions represent a small but rapidly expanding portion of the nation's financial system. At the end of 1972, there were about 23,200 credit unions holding total assets of more than $24.8 billion. That represents only a 4.4 percent increase in the number of firms since 1965, but a 134.6 percent increase in their assets over the same period.

Because of their cooperative form of ownership credit unions enjoy, by law, many advantages not accorded other depository institutions, but must satisfy special conditions to keep those advantages.

Their principal advantage is exemption from income taxes, while the main constraint on their operations is inability to offer services to non-members. Membership is limited to those who share a "common bond of association."

That constraint does not impinge upon the operations of the vast majority of credit unions. Although there are credit unions that would prefer to offer the services of "mutual savings institutions," such an extension of powers would leave them indistinguishable from taxable institutions and their tax-free status could not be justified.

Credit unions deposit in and borrow from commercial banks. However, there is the possibility that in times of severe credit restraint, a credit union may face an emergency, such as a plant closing, and be unable to acquire short-term funds from the banking system. A totally-credit-union-financed "Emergency Fund" might be one method to solve this problem.

Recommendation

A Central Discount Fund will be established for insured (federal or state) credit unions solely to provide funds to meet emergency, temporary liquidity problems. Capital for the fund will be obtained through subscriptions by credit unions wishing to join. The Fund is to be administered by the National Credit Union Administration.

Additionally, there will be some minor liberalization of existing credit union powers. Credit unions will retain their tax-exempt status as long as they remain within the bounds of the existing tax law.

Credit unions that want to expand their services and assume the burdens of full service mutual thrift institutions will be permitted to do so. Procedures to facilitate an exchange of charters will be available.

ISSUE 6: FHA AND VA INTEREST CEILINGS

Background

One of many federal attempts to keep the cost of housing funds low is the administrative interest ceiling placed upon Federal Housing Administration-insured and Veterans' Administration-guaranteed mortgage loans. Those attempts have by and large failed, as is evidenced by the widespread use of "points," and the move by the Federal National Mortgage Association in 1968 to a "free market system" for buying and selling mortgages. If administrative rates have kept costs down, it has been at the expense of fewer funds available for housing.

Recommendation

The FHA and VA interest ceiling will be removed.

ISSUE 7: TAXES

Background

In light of the expanded powers to be granted thrift institutions and the overall goal of reducing the degree of functional specialization among financial institutions the basic objective of the tax proposals is a

uniform tax formula for all financial institutions. A "tax neutrality" is sought, by providing that a given investment or activity will be subject to the same income tax provisions regardless of the functional type of financial institution making the investment or engaging in the activity.

However, differences in tax treatment, and thus overall tax burden and effective rates of taxation among financial institutions, will continue to exist. Those differences will result from three factors: (1) the form of the institution, i.e., mutual bank versus capital stock corporation; (2) federal and state regulation which will grant certain types of institutions the power to make certain investments and engage in certain activities that are denied to other institutions; and (3) the extent to which an individual institution uses the powers granted to it.

The principal difference between existing income tax provisions applicable to commercial banks and savings institutions is in the area of deductions for additions to a reserve for losses on loans (Internal Revenue Code sections 593 and 585). Those provisions must be changed if there is to be a uniform tax formula. Furthermore, if changes are made in that area, conforming amendments will have to be made to a number of other provisions of the Internal Revenue Code which currently reflect the differences of existing law. Those other changes are technical in nature and do not involve policy considerations. Therefore, the recommendations which follow deal only with the provisions affecting deductions for additions to a reserve for losses on loans.

If the current subsidy being provided thrift institutions through the special bad debt reserve provisions is eliminated, a continued incentive to insure a flow of capital into the residential mortgage market may be provided through a mortgage interest tax credit. Such a credit would be equal to a percentage of the interest income earned on residential mortgages and would operate as a direct incentive in place of the indirect incentive currently being provided through provisions for loan losses. In addition, the mortgage tax credit could be used to compensate thrift institutions for the loss of tax benefit resulting from elimination of the special bad debt reserve deduction.

Recommendation

The special reserve provisions applicable to thrift institutions will be eliminated and all thrift institutions will compute reserve additions under an experience method similar to the one applicable to commercial banks.

Thrift institutions will be compensated for the tax benefit being eliminated by means of a new tax credit equal to a percentage of the interest earned from residential mortgages and other qualifying loans. The credit will be made available to all taxpayers and will serve as an incentive to attract capital into the residential mortgage market.

The size of the credit has not yet been decided, but it will be calculated so as to give thrift institutions full compensation for the tax benefit they would have received in the aggregate (based on projections for a future year) through deductions for additions to a reserve for losses on loans. To induce thrift institutions to continue their high level of investment in residential mortgages (to be eligible for the special bad debt reserve deduction they currently must invest 60 percent of their assets in qualifying real property loans and must invest 82 percent of their assets in such loans to receive the maximum tax benefit) and provide an incentive to other lenders to increase their level of investment in residential mortgages, the credit will be multi-level. For example, one rate might apply to those lenders who invest more than 70 percent of their assets in residential mortgages, a lower rate might apply to those lenders investing more than 50 percent of their assets in residential mortgages and still lower rates might be set for all other lenders. The specific rates and the investment levels have yet to be determined.

MBFR NEGOTIATIONS AND HUNGARY

Mr. WILLIAMS. Mr. President, recent diplomatic negotiations seem to have significantly contributed to the prospects for a détente and the development of a stable and vigorous system of peaceful relations between our Nation and the U.S.S.R.

The cause of international peace is furthered by the successful consummation of bilateral and multilateral agreements which serve the mutual, as well as individual, interests of the concerned parties. We, and our NATO allies are presently engaged in important negotiations with Warsaw Pact nations, regarding mutual and balanced force reductions in Europe. These negotiations are of the most vital interest to our Nation not only because of the deleterious impact that the maintenance costs of our European troop commitments has on our deteriorating balance of payments and the very questionable utility of having 313,000 American troops in Europe 28 years after the war, but also because the military balance in Europe remains precarious.

It is anticipated that our negotiators will conclude a number of agreements which will serve to allow our Nation to reduce our forces in Europe commensurate with proportionate Soviet reductions in East Central Europe. In this regard, it is of the utmost importance that the United States insist that the withdrawals of both armaments and troops be based entirely on a principle of equality.

Mr. President, it is because of the importance of equality, in this matter, that both American and European experts were deeply disturbed by the compromise reached in May, at the preliminary MBFR talks in Vienna, which excluded Hungary from full participation at the conference and, thereby, eliminated her territory and the 40,000 Soviet troops located there from the agenda of projected withdrawals and reductions. Fortunately, the compromise may be renegotiated at an upcoming conference in October.

At this point, we do not know how successful such an effort would be. We must recognize, however, that the omission of Hungarian territory and Soviet forces stationed there from the constraints and reductions under any MBFR agreement would give the Soviet Union tangible military advantages in Central Europe. Hungary could, potentially, become a massive depot and staging area for the Red army. Unchecked Soviet presence in Hungary would also increase tensions in Yugoslavia where some unrest, if not political crisis, is expected should President Tito leave office in the next few years.

Mr. President, 16 Members of the other body, led by my colleague from New Jersey, Mr. PATTEN, discussed the situation and requested that the administration express, through the appropriate diplomatic channels, the sentiments of this Nation that Hungary should be reinstated as a full participant in the negotiations and consequently, be subject to any agreement concluded pursuant to them. A similar request was made of the President by Bishop Zoltan Beky, D.D., on behalf of the American Hungarian Federation. Bishop Beky has lived in my State for 35 years as minister, dean, and bishop in Trenton. He is a man of great insight into and concern for his community here and for the land of his forebearers in Hungary.

Therefore, I am urging the administration to take diplomatic initiatives to insure that Hungary will be subject to any agreement which is reached in the MBFR negotiations. Not only will this increase the prospects for continued peace in Europe, but it will also support the hopes of the people of Hungary for a peaceful evolution toward self-determination and political freedom.

IN SUPPORT OF THE MINIMUM WAGE CONFERENCE REPORT

Mr. DOMENICI. Mr. President, several days ago I voted against S. 1861, the bill sponsored by Senators WILLIAMS and JAVITS to increase the minimum wage. I did not support that original bill for several reasons, but primarily out of my deep concern for our Nation's young people and small businessmen.

However, since that time the compromise measure agreed to by the House and Senate conferees contains significant changes and revisions which prompted my support yesterday.

Mr. President, I have always thought that there are real difficulties in the present minimum wage rate which "rewards" a worker supporting a family of four by providing for an income substantially below the nationally defined poverty level. How could we entice citizens to work at all when the legal floor on compensation, the "reward," if you will, is so minimal? Such is the case with the present law. In these days of shocking price increases, this law is simply out of date. However, I did feel that certain provisions of the original bill needed to be modified in order that a new law would not adversely affect other segments of our population.

For example, prior to voting on the original Senate bill, I communicated with financial directors and other administrative officials representing almost every university and college in New Mexico. The consensus of their remarks centered on a genuine concern that learning institutions would be unable to hire their own students at the full minimum wage rate unless they reduced the number presently employed. In addition, the vocational student, often hired on a part-time basis in order to learn a vocation on the job as well as in the classroom, would be less likely to find training situations if employers had to pay the same salary as to a seasoned and trained employee. I shared the concerns expressed by these institutions. Accordingly, I was particularly pleased to note that the conference bill provides that full-time students can be hired at 85 percent of the minimum wage rate when working 20 hours or less per week. I am sure we all can understand the logic in this thinking inasmuch as a student gives his first priority attention to his studies with the

full responsibilities assumed by employers and other full-time employees.

Along these same lines, another compromise provision would allow retail businesses to hire up to four students without prior certification from the Secretary of Labor. This provision would, I feel, help insure possible work for the full-time student.

Another group of people who would have been adversely affected by the original bill were the Nation's small businessmen. If this bill had passed unrevised all employers would have had to pay the full $2 an hour with the rate going up $2.20 an hour by July 1974. That represents a 40-percent increase in labor costs in less than 12 months. Few small businessmen could sustain that large an increase in that small amount of time. The compromise bill seeks to make the necessary increases over a longer period of time—thus insuring respectable salaries to workers at a rate the smaller businesses could reasonably absorb.

These changes are only a few that were made in the original bill. Others were made keeping in mind specific concerns of those in agriculture, hospitals, and domestic service.

Although the conference bill still has many imperfections, I felt it was closer to the proper objectives we should be determining—a fair wage rate for all our working people, but not to the detriment of other large segments of our society.

GASOLINE SHORTAGE

Mr. FULBRIGHT. Mr. President, Mr. Charles Murphy, one of the outstanding leaders of the petroleum industry in our country, recently made a perceptive statement regarding the present situation.

I ask unanimous consent the report of that speech in the Jonesboro Sun of July 24, be inserted in the RECORD.

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

NO GAS SHORTAGE, ABSENCE OF SURPLUS ONLY SAYS MURPHY

"For the first time since 1937, our inventories actually showed an increase over the previous month," stated Charles Murphy, chairman of the board of Murphy Oil Corp., of El Dorado yesterday.

"We're not really having a gas shortage in the U.S., but rather there is an absence of surplus."

Murphy was addressing the Economic Education Workshop for Teachers now in progress at ASU. He admitted that to call the situation an absence of surplus may be fencing with words, but he felt that people were misinformed about the gasoline situation.

"We don't have a crisis, but we do have a serious problem," he said. "We drifted into it for a long time, and now we'll be a long time drifting out."

He said that the amount of oil supplies known today will last until 1985. Right now, he said, there are supply bottlenecks, such as limited refining capacities.

The warnings this past spring about an impending gas shortage, along with some stations actually closing, had some effect by decreasing the number of long vacationers and making many people more conservative with gas. This is what he said caused the increase in inventories in June.

"This is evidence that economics did its work," Murphy told the group. "Now, if the market were allowed to allocate gas, and the price is allowed to rise, it would level off quickly."

He was referring to the economic law of supply and demand, implying that if the supply was short, and the oil companies raised the price, that demand for the higher priced gasoline would decrease. With less demand, supplies would build up, bringing prices down again. Gradually this would stabilize.

Murphy did emphasize that it was important that the oil companies do the allocations, and not the government. He said he had testified before congressional committees, saying that oil producers did not want government allocations, but rather could make necessary allocations themselves. Nevertheless Murphy predicted President Nixon would institute some sort of allocation system by autumn.

He said the closing down of independent stations was no indication of a gas shortage, but once again attributed this to the absence of surplus. The independents, he explained, choose not to invest in refineries and development, and have been selling surplus from the major companies. Murphy Oil is 23rd on the government's list of 23 major oil companies.

"Many people have accused us of creating a false shortage," he said. "But if we could have done it, we would have done it a long time ago. It's not true."

Murphy spoke of other sources of energy for the nation, mentioning the Alaskan pipeline, the controversial oil pipeline proposed to stretch 789 miles from the oil-rich North Slope to the port of Valdez across frozen tundra. Clearance for construction of the line has passed the Senate, and is now in House committees.

"Murphy Oil owns none of the North Slope oil fields. It would actually be better for us," he laughed, "if it were not completed. But in all honesty, I've inspected that land along with the environmentalists. Their concern is two seismic (subject to earthquake) belts across the path of the line. Many people are concerned that if a line was broken in an earthquake, the country would be flooded with oil. Valves and pumping station would prevent such a problem by sensing a lowering of pressure, and the whole line would stop flowing until the trouble was checked."

He said that if a break occurred, it would doubtless be a mess, but not beyond cleaning up. He recognized the fragile ecology of the region, but said that even in view of the dangers, "The cost is still a quite acceptable one to pay."

He also said that oil from shale was too expensive to recover now, but if prices on presently available oil went up enough, that research and development of the shale oil would be worth it, for shale could produce millions of barrels of oil.

ALASKA NATIVE LAND CLAIMS

Mr. STEVENS. Mr. President, the Department of the Interior has issued a press release regarding the August 15 deadline for filing amended enrollment information under the Alaska Native Land Claims. I request unanimous consent that the release be printed in its entirety in the RECORD.

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

AUGUST 15 DEADLINE SET FOR FILING OF AMENDED ENROLLMENT UNDER ALASKA NATIVE CLAIMS SETTLEMENT ACT

The Department of the Interior announced today that amendments by Alaska Natives to enrollment applications filed under the Alaska Native Claims Settlement Act will be considered on appeal if received by the Enrollment Coordinator in Anchorage, Alaska, by August 15, 1973.

The action was taken by the Department to assist Alaska Natives, particularly those who are permanent non-residents of Alaska, in their attempts to amend their applications to reflect their correct permanent place of residence for enrollment purposes. The Regional Corporation with which they will be affiliated is determined by residence.

The Act provided for the establishment of Regional Corporations representing Natives in 12 geographical regions of Alaska. It also provided that if a majority of all eligible Natives eighteen years or older who are not permanent residents of Alaska elect to be enrolled in a thirteenth region for Natives who are non-residents of Alaska, the Secretary shall establish such a region.

As many as 10,000 persons may appeal from rejection of their original enrollment applications. Hundreds of other appeals may be taken from denials of requested changes in place of residence. The regulations governing enrollment issued by the Department set a final date for filing enrollment applications of March 30, 1973. The regulations did not provide for the filing of amended applications.

However, such amendments received through May 9, 1973, were processed. After May 9, the applications to amend were rejected as untimely filed and the applicants advised of their rights of appeal.

The Department said that the enrollment coordinator is now completing the encoding of the determinations of eligibility or ineligibility of the last of the more than 95,000 applications received. Those whose amended applications are denied or rejected may file appeals, if they so desire and the appeals will be considered if the amended applications were filed by August 15.

In a notice being published in the Federal Register this week, the time for filing appeals, including appeals from rejections of amended applications, is being changed from 45 days to 30 days. This change is necessary, the Department said, to assure there will be sufficient time to decide all appeals in time to complete the roll of Alaska Natives by the deadline of December 18, 1973, imposed by the Alaska Native Claims Settlement Act.

The notice also provides that applicants, regions, and villages served with notices of appeal shall have 15 days from the date of service to file with the Regional Solicitor their written views on the appeal.

A group of Alaska Natives, who are now living outside Alaska, primarily in the Pacific Northwest area, have made efforts to have such non-resident Natives support the formation of a thirteenth Regional Corporation to represent them.

Regulations for enrollment provide that those non-residents who did not elect enrollment in a thirteenth region if one is formed, must be enrolled in an Alaska region, and all non-residents must be enrolled in an Alaska region unless a thirteenth region is created.

The indications of the non-resident Natives as to whether they desire to be enrolled in a thirteenth region or in an Alaska region are being encoded and computerized but it is not expected that a determination of whether a majority vote to establish a thirteenth region will be made before November, 1973.

The Department said today that the Anchorage Regional Solicitor will act for the Secretary on all appeals from adverse decisions of the enrollment coordinator.

In a letter to Senator Henry M. Jackson, chairman of the Senate Committee on Interior and Insular Affairs, and to Rep. Lloyd Meeds, chairman of the Indian Affairs Subcommittee of House Interior and Insular Affairs Committee, Secretary of the Interior Rogers C. B. Morton said: "We believe that

honest mistakes and errors in the enrollment applications can be corrected through the use of the appeals procedure.

"We recognize that many Alaska Natives had some difficulty in following the enrollment instructions, and we are sympathetic to their desire to rectify any errors that may have resulted.

"In order to assist them, we are asking all Bureau of Indian Affairs offices, in and outside Alaska, to render technical assistance in the preparation of appeals from denials or rejections of amended enrollment applications or amendments to enrollment applications. Appropriate letters to this effect will be sent all known organizations of Alaska Natives throughout the United States."

Secretary Morton said he was assured that the Regional Solicitor will fairly and judiciously decide the appeals on their merits "Where applicants represent that because of error in law or in fact they reported on the application the wrong permanent place of residence, the necessary corrections can be made," he said.

"For example, if an applicant originally stated that his permanent place of residence on April 1, 1970, was some place in Alaska when in actuality it was some place outside Alaska, his enrollment record may be corrected and he may be allowed to state his election to be enrolled in a thirteenth region of Natives who are non-residents of Alaska if such region is established pursuant to Section 7(c) of the Act.

"On the other hand, if he had erroneously stated that he was a nonresident of Alaska, his record may be corrected to reflect his true residence in Alaska and any previous thirteenth region election would be canceled."

The Native Claims Act of December 18, 1971, provides for settlement of awards totaling $962.5 million and 40 million acres of land. It is expected that the first payments under the Act after the completion of the enrollment in December will amount to about $130 million, which will go in the first instance to the Regional Corporations.

The notice of the deadline for amending enrollment applications, as being published in the Federal Register, states: "Amendments to enrollment applications, or amended applications, will not be considered originally or on appeal unless filed (received by the Enrollment Office) on or before August 15, 1973. All such amendments or amended applications received subsequent to August 15, 1973, will be returned to the applicant without action."

The notice also states: "Upon receipt of the appeal petition, the Coordinator will forward the petition, with all records pertaining thereto, to the Regional Solicitor. Determination on appeals will be made by the Regional Solicitor on behalf of the Secretary and shall be final. The applicant and the appropriate village and region shall be notified in writing of the determination of the Regional Solicitor."

Amendments to enrollment applications should be addressed to the Enrollment Coordinating Office, Kaloa Building, 16th & C Streets, Pouch 7–1971, Anchorage, Alaska 99501.

HUMPHREY URGES CREATION OF A U.S. FIRE ADMINISTRATION

Mr. HUMPHREY. Mr. President, several month ago the distinguished chairman of the Commerce Committee, and its ranking minority member, introduced very important legislation entitled the "Fire Prevention and Control Act of 1973." This legislation, of which I am a cosponsor, is based on recommendations made by the National Commission on Fire Prevention and Control after 2 years of exhaustive study of the Nation's fire problems.

The legislation calls for the establishment of a U.S. Fire Administration within the Department of Housing and Urban Development.

This Administration would assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, and would increase the effectiveness and coordination of fire prevention and control agencies at all levels of government. To carry out these functions, the Administration would establish four major divisions: A National Fire Academy, to provide special training for firefighters; a National Fire Data System, to help collect in one place all useful fire data, including death and injury statistics, property loss information, information concerning causes, locations and numbers of fires; a Research and Development Division to develop new methods and technologies in fire prevention and control; and a State and Local Programs Division to provide grants to States and local governments so they can adopt comprehensive master plans for fire protection.

Mr. President, this is good, sound legislation which, if enacted, would go a long way toward solving our very grave problems in regard to fire protection and control. At the present time the United States, the richest and most technologically advanced nation in the world, leads all the major industrialized countries in per capita deaths and property loss from fire. Each year 12,000 Americans are killed in fires. Each year 300,000 are injured. Each year the cost of destructive fire in the United States amounts to at least $11.4 billion, and that is a conservative estimate. Beyond calculation are the losses from businesses that must close and from jobs interrupted or destroyed.

Clearly, a major national effort is required to reduce the tragic loss of life and property resulting from fires. The Magnuson-Cotton bill, S. 1769, to establish a U.S. Fire Administration, would go a long way toward achieving this end. I want to commend both gentlemen for introducing such legislation and moving it forward. I am informed that hearings on this bill are planned for late September, and I certainly hope that the committee will report the bill shortly thereafter.

Mr. President, on June 9 I had the pleasure of addressing the annual meeting of Minnesota Fire Department Chiefs. My remarks at that time dealt in some detail with the recommendations made by the National Commission on Fire Prevention and Control, which serve as the basis for the Magnuson-Cotton legislation. For this reason I ask unanimous consent that my remarks be printed in the RECORD, along with a relevant article which appeared in the Washington Post on July 29.

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

FACTS ABOUT THE SCOPE OF THE NATION'S FIRE PROBLEM

(By Senator HUBERT H. HUMPHREY)

Fire is a major national problem. While I am talking to you there is a statistical likelihood that more than 300 destructive fires will rage somewhere in this nation.

When they are extinguished, more than $300,000 worth of property will have been ruined. At least one person will have died. Thirty-four will be injured, some crippled or disfigured for life.

Each year, fire claims nearly 12,000 lives in the United States.

Each year 300,000 Americans are injured by fire. Of these, nearly 50,000 lie in hospitals for a period ranging from 6 weeks to 2 years. Many of them must return over and over again for plastic and reconstructive surgery. Many never resume normal lives.

The cost of destructive fire in the United States amounts to at least $11.4 billion a year. And that's a conservative estimate. Beyond calculation are the losses from businesses that must close and from jobs interrupted or destroyed.

Appallingly, the richest and most technologically advanced nation in the world leads all the major industrialized countries in per capita deaths and property loss from fire.

Among the people that suffer most from all of this are you, the nation's firefighters. Yours is the most hazardous profession of all. Your death rate is 15 percent greater than the next most dangerous occupations, mining and quarrying. In 1971, the injury rate for firefighters was 39.6 per 100 men—far higher than that of any other profession.

America's poor fire record, and its failure to marshal enough scientific and monetary resources to improve the record, concerns not only you—you who work in the field of fire protection. It also concerns us in the government, in private industry, and every American who takes the time to think about it.

GOVERNMENT ACTION TO SOLVE THE PROBLEM

Recognizing the seriousness of the fire problem, Congress in 1968 passed the Fire Research and Safety Act, which established the National Commission on Fire Prevention and Control.

In the last two years the Commission has been hard at work on a report to the President detailing the most significant fire safety problems in the United States today, and the greatest opportunity for fire loss reduction.

The report has just been published, and I have a copy of it with me today.

I have read the report with great interest, and now I wish to pass on to you the Commission's recommendations, which, by the way, were not made lightly.

In pursuit of answers to the fire problem, the Commission held hearings over a two-year period in five widely scattered cities; heard testimony from more than 100 witnesses; and spent countless hours learning and deliberating in both formal and informal sessions.

RECOMMENDATIONS OF THE COMMISSION

There needs to be more emphasis on fire prevention; most destructive fires are caused by careless actions of people, largely through lack of concern and ignorance. Many fires are caused by faulty equipment, poor wiring, etc. and could be prevented if people were trained to spot the faults.

Fire fighters need better training and education to improve their effectiveness and to reduce their injuries.

The environment in which we Americans live and work presents unnecessary fire hazards. A major emphasis should be placed on a labeling system for materials and products, so that consumers, at the time of purchase, know what fire risks are involved.

The fire protection features of buildings need to be improved.

Many communities are without adequate building and fire prevention codes, and many nursing homes and other facilities for handicapped citizens are without adequate fire protection.

More research needs to be done in treatment of burn and smoke victims, in the

art of firefighting and in protecting the consumer from combustion hazards.

IMPLEMENTATION OF THESE RECOMMENDATIONS

The Commission feels strongly that fire prevention and control should remain primarily local responsibilities. Local governments—through codes and fire safety laws, and through heavy investments in fire department personnel and equipment—have shouldered the major burden of protecting citizens from fire and should continue to do so.

Those governments appreciate special local conditions and needs more fully than an arm of the federal government would be able to do.

Nevertheless, the Commission strongly recommends that the federal government should be responsible for viewing the nation's fire problem in its entirety.

To achieve this, the Commission recommended that a United States Fire Administration be set up in the Department of Housing and Urban Development.

Right now, many agencies of the federal government are involved in some ways in fire prevention and control. For example:

Burn and smoke research is being conducted by the National Institutes of Health;

Rural fire protection comes under the Department of Agriculture;

Funds for emergency medical training and purchase of ambulance equipment comes under the Department of Transportation;

Funds for the building of firehouses is supplied by the Department of Housing and Urban Development;

Purchasing of second-hand equipment at a discount is supplied by the General Services Administration;,

Surplus government property is made available to local firefighting programs through the Department of Health, Education, and Welfare.

The proposed United States Fire Administration would not replace the government's ongoing programs of research and action, but it would supplement and reinforce them.

To carry out its functions, the United States Fire Administration would establish four major divisions.

A National Fire Academy—to provide a focus for the nation's firefighters. The Academy would not supplant state and local programs but would assist them by providing course materials, by accrediting local programs and by lending special instructors. In general, state and local programs would continue to train fire fighters, and the Academy's own specialized courses would provide high-level management education for fire officers.

A National Fire Data System—to help collect in one place all useful fire data, including death and injury statistics, property loss information, information concerning causes, locations and numbers of fires.

A State and Local Programs Division—to provide grants to states and local governments so they can adopt comprehensive Master Plans for Fire Protection. This division would also provide grants to states and local governments to strengthen all existing fire prevention and control programs, including public education programs, recruitment, education and training of personnel and for the purpose of buying fire fighting equipment.

A Research and Development Division—to develop new methods and technologies in fire prevention and control. For example, the Commission feels strongly that many lives could be saved if homes were equipped with early-warning fire detectors and alarms.

COST OF PROGRAM

The Commission estimates that when this program is in full operation it will cost $150 million a year. Far less than the 11 billion dollar loss sustained by the cost of destructive fire in the United States.

LEGISLATIVE STEPS TO IMPLEMENT PROPOSALS MADE BY THE NATIONAL COMMISSION ON FIRE PREVENTION AND CONTROL

Senator Magnuson of Washington has introduced a bill to enact the Commission's recommendations into law. I am a cosponsor of that bill. A companion bill has been introduced in the House by Congressman Wright Patman of Texas. The House will begin holding hearings on this legislation within the next few weeks. The Senate hopes to hold hearings later on in this session of Congress. There is a great deal of bipartisan interest in this legislation.

In addition to cosponsoring this legislation, I have introduced a bill, S. 294, to make the assault on or the murder of a state or local policeman, *fireman*, or prison guard a federal offense.

This legislation is pending before the Senate Judiciary Committee, and I am hoping for early action on it.

My reasons for this bill: People like yourselves, public safety personnel, put your lives on the line for the rest of us every day of the year. I think it is up to Congress now to assure you that your safety is protected. We can never have a just society when men charged with safeguarding the public welfare—policemen and firemen, live in constant danger of physical attack. During the first month of 1972, for example, 44 firemen were slain in the line of duty.

I also have introduced legislation to provide for widows and families of police and firemen killed in line of duty.

SPECIFIC EFFORTS TO HELP FIREFIGHTERS IN RURAL AREAS

In addition to the above-mentioned measure to help firefighters, I have been in the forefront of efforts to enact legislation to specifically help firefighters in rural areas.

Fatalities in rural fires are 11 times greater than in urban fires. The value of farm property destroyed is 6 times greater than losses of urban property.

Last year, on December 12th and 13th, I participated in a conference in Moorhead, Minnesota to discuss rural fire prevention. The interest in this subject was great.

Minnesota has done a great deal to assess its rural fire protection needs and develop guidelines for bettering its systems. The State Advisory Council on Fire Service Education and Research has been most helpful.

Under Title IV of the Rural Development Act of 1972, a Rural Community Fire Protection Program was established. The money appropriated was $7 million for each fiscal year 1973, 1974 and 1975. However, President Nixon cut out funds for this program in his budget requests this year.

This is a tragedy. Many people in rural areas who were expecting some financial assistance in developing their fire fighting programs will not be getting it.

The Act called for assistance in organizing, training and equipping local fire protection forces. The assistance was both technical and financial, with the federal government assuming up to 50% of the costs. Full and continued funding of the fire protection provisions of the Rural Development Act, is in my judgment, and in the judgment of the National Commission on Fire Prevention and Control, essential.

CONCLUSION

I am proud of all of you. I want to praise you for your work. Even with all the advances of modern technology, the risks to firemen have not been markedly diminished.

There still comes a moment when you, the firefighter, must turn away the lashing tongues of fire. The struggle is there and it's a heroic one. I want to commend you.

PANEL URGES CREATION OF U.S. FIRE AGENCY

(By Ted Frederickson)

Fire takes 12,000 lives, disfigures 300,000 people, and destroys $11.4 billion in property each year in the United States—a problem met with striking indifference by most Americans.

That conclusion is at the heart of a 177-page report compiled by the National Commission on Fire Prevention and Control, which has recommended the creation of a U.S. Fire Administration to lead a coordinated attack on what the commission has called a major national problem.

The report, entitled "America Burning," was commissioned in the Fire Research and Safety Act of 1968 and compiled by the little-publicized, 20-member commission over a two-year period ending with the 1973 fiscal year last week. Although it has been transmitted to both Congress and the President, commission members are still hoping to discuss their recommendations with Mr. Nixon.

Most of the commission's 90 recommendations are embodied in a bill introduced in the Senate in May by Sen. Warren Magnuson (D-Wash.) and in the House by Rep. Wright Patman (D-Tex.). A staff member of the Senate Commerce Committee said hearings on the bill are planned for this fall—probably September or October.

The staff aide said he anticipated little opposition to the bill in the Commerce Committee because it is cosponsored by Magnuson, the chairman, and Sen. Norris Cotton (N.H.), the ranking Republican member.

Fire, says the commission's report, is a major national problem. "Appallingly," says the report, "the richest and most technologically advanced nation in the world leads all the major industrialized countries in per capita deaths and property loss from fire."

One commission member, Dr. Anne W. Phillips, a burn specialist at Massachusetts General Hospital, pointed out in a minority report that U.S. fire deaths (143,550) greatly exceeded U.S. battle deaths (45,925) during the period of the Vietnam war.

After gathering information and conducting hearings in Washington, Chicago, Los Angeles, and San Francisco, the commission said, "It became clear that a deeper federal involvement was needed to help repair the omissions and help overcome the indifference of Americans to fire safety."

The commission called for the establishment of a U.S. Fire Administration within the Department of Housing and Urban Development to assist state and local governments in increasing the effectiveness and coordination of fire prevention and control.

In conjunction with the new agency, the commission recommended:

A national fire academy to help state and local jurisdictions in training and planning for fire protection and education programs.

A national fire data system to collect in one place all useful fire data, including death and injury statistics, property loss information, and data concerning causes, locations and numbers of fires.

A research and development unit to provide for and encourage new fire-preventing and fire-fighting technology, and to act as a central source of research information.

Grants to local governments to prepare and adopt appropriate master plans for fire protection.

Other key points in the commission's 90 recommendations called for:

Legislation to increase the number of burn treatment units in the United States from 12 to 25; increased training for burn specialists and more research into burn treatment.

An increased emphasis on prevention of fires, making it at least equal to fire suppression as a priority.

A high priority for identifying combustion hazards in materials by the Consumer Product Safety Commission.

Adequate building and fire prevention codes in all municipalities, and strict enforcement.

Action by individual homeowners to prevent fire deaths, injuries and losses, by providing exit drills and early warning devices.

Adoption of strict codes requiring specific construction features, exit facilities, fire detection systems and sprinkler devices for institutions caring for the young and the elderly.

Richard E. Bland is an associate professor of engineering research at Pennsylvania State University, a volunteer fireman for the last 30 years and the chairman of the commission. He says the message of the commission report is simple and frightening.

"As we have more people, we have more fuels, we have more power, we have more hazards. Death and destruction from fire are extensive now, and we can expect the death toll and property loss to increase unless action is taken—now."

Why a federal agency? "Well, I don't particularly like the idea of creating still more bureaucracy," said Bland, "but the fire problem is a basic one. All fires are the same natural process, and we need a central place where we can bring it all together.

"There's a real tendency to be provincial in matters of fire, and we feel that a federal agency could cut across boundaries and improve fire prevention and fire suppression everywhere," he said.

"It would not be like a regulatory agency," said Bland. "Rather, it would allow states and cities to run their own fire programs, but would use the leverage of grant-making to encourage master planning."

In her minority report, Dr. Phillips opposes the creation of a federal agency, arguing that the agencies that already have responsibilities in fire prevention and control (primarily the Bureau of Standards in the Department of Commerce) could do the job if beefed up.

Her concern is that something has to be done now, and that lives would be needlessly lost during the time it would take to set up the new machinery.

Dr. Phillips also argues for a smaller overall budget, but more money for educational programs on fire prevention and control, particularly among the young.

"I appreciate her arguments," says Bland, "especially in regard to the young. But the majority felt the fire problem to be primarily a people problem—about 75 per cent people and 25 per cent technological—and we believed the fire program should not be in a hardware-oriented agency like the Bureau of Standards."

"That's why we advocated that the Fire Administration be established in HUD; we felt we could have more impact in the housing area, since about 80 per cent of fire deaths occur in one- and two-family dwellings."

Bland is a firm believer in fire prevention, but says he is not obstinate about it: "I'm not the kind of person who demands 100 per cent safety. But if we can cut fire losses in half, why not do it? If we got a 60 per cent cure for cancer, it would be treated as a big deal, and it is. A similar reduction in fire deaths is probably within our grasp, but we won't do it."

"For example, there's no good reason why buildings over three stories with over 10,000 square feet of floor space should not have a sprinkler system," he said.

The commission report predicts that if its recommendations were carried out, fire losses would be reduced about five per cent each year until losses were halved in 14 years.

People, said Bland, could do much for themselves in reducing fire losses and deaths. His recommendations to them, in order of priority, would be:

"Get an early warning device to detect the products of combustion, such as smoke and heat. They're not that expensive; I saw one in the Sears and Roebuck catalog for only about $45."

"Develop a plan for escaping in the event of fire, and practice it with all members of the family. Being conscious of the danger is important."

"Get a sprinkler system if you can afford it. Since they've started using plastic pipe, they are not as expensive as they once were."

"Have a fire extinguisher in the house. Most big fires start as small fires and could easily be put out with a 5- or 10-gallon extinguisher. I'll never forget seeing a farmer standing next to his barn, which was burning out of control. 'If only I had a fire extinguisher,' he told me, 'I could have put it out easily.'"

FORMER SENATOR JOHN WILLIAMS SUGGESTED TO SERVE ON AD HOC COMMITTEE TO REVIEW PRESIDENTIAL TAPES

Mr. ROTH. Mr. President, I think it is becoming increasingly apparent that the investigation of the Watergate affair has reached a point of stalemate between the Senate Investigating Committee, and our Chief Executive. The matter has come to a head over the disclosure or nondisclosure of certain tape recordings of conversations at the White House. These celluloid reels have become the bone of contention that threatens a veritable constitutional crisis in our Government.

Last fall, I suggested that former Delaware Senator John Williams be named to head the investigation of Watergate and the events surrounding the last June 17 break-in. I was joined in my suggestion by several respected colleagues who also felt Senator Williams' integrity to be beyond reproach. The select committee has been doing a commendable job of fact-searching, and has brought much valuable information to light. Now, however, they are faced with a seemingly insurmountable problem; and, once again, the name of Senator John Williams has come up as a possible solution.

In a recent issue of the Wilmington Morning News, there appeared a "modest proposal for the President" by James J. Kilpatrick, a Washington Star-News syndicated columnist, which recommended an ad hoc committee of Presidentially appointed trustees be allowed to review the tapes, edit, or censor where they feel necessary, and offer a public accounting of their findings. Among those held in high public esteem and suggested by Mr. Kilpatrick is former Senator John Williams. The Delmarva News expressed similar views in a July 26 editorial viewpoint. I ask unanimous consent that both these articles be printed in the RECORD for the benefit of my colleagues.

Such an apolitical, independent group of trustees is an idea with merit, and worthy, I think, of consideration by those facing the current stalemate.

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

[From the Wilmington Morning News]

A MODEST PROPOSAL FOR THE PRESIDENT

(By James J. Kilpatrick)

Richard Nixon has painted himself into a corner on these matters of "executive privilege" and "separation of powers." A way has to be found for him to paint himself back out.

This is not merely for the good of Mr. Nixon and the good of his party; these particular fringe benefits have something less than universal appeal. It is simply for the good of the country that the President discover some face-saving way to save his own face. He is the only president we have, or likely will have, until January of 1977; the Gallup Poll finds that 49 percent of the people now disapprove of his conduct of the office and this is no way to run a railroad.

In refusing to turn over certain tapes and documents to the Senate investigating committee, or to a grand jury, the President conceives that he is acting out of pure principle. He is fulfilling his "constitutional obligation to preserve intact the powers and prerogatives of the presidency." To yield the papers would "jeopardize the fundamental constitutional role of the presidency."

But the trouble with this position—one trouble with it—is that the people generally will not see it as pure principle. They will see it as pure baloney. The doctrine of executive privilege is as pietistically misty, in its way, as the doctrine of the Holy Trinity, and political metaphysicians are no better than doctors of theology at explaining it. A president presumably has the Fourth Amendment right of any other citizen to be secure in his papers against unreasonable search and seizure, but any additional right of privacy has to be inferred from long custom and from extra-constitutional theory.

It is useless, I submit, for Mr. Nixon to keep trying to sell this bill of goods. He is up against a natural, understandable, and justifiable line of reasoning, to this effect: If the tapes helped to establish his innocence in the Watergate mess, the President would release them; the President refuses to release them; therefore, the tapes would not help to establish his innocence.

The President cannot escape such an inference. He is roughly in the position of a witness who declines to answer questions on the Fifth Amendment ground that truthful answers might tend to incriminate him. Such a refusal doubtless is based upon a proper constitutional right, but its exercise lays down a spoor of guilt. The President's present position is politically untenable. It must be discreetly abandoned.

What now? Let me venture a modest proposal. The President's objection is to being questioned by a Senate committee or by a grand jury. He is unwilling to set a precedent by which the executive may be coerced into surrendering its records to a coordinate body of government. Well and good. But suppose, to be supposing, that a way could be found for him to make these records available to an intermediate body with power to act as it deems best.

Specifically, suppose the President were to create an ad hoc committee of White House trustees. Such a body might include Arthur Krock, the most respected retired journalist in America, and former Sen. John Williams of Delaware, a gentleman whose integrity shines like a lighthouse. It might include such respected figures from law, journalism and public affairs as Earl Warren, George Reedy, Dean Rusk, retired Circuit Judge Albert Bryan, and publisher John Knight.

Such trustees, chosen to command public confidence, would be remote from political partisanship and from constitutional inhibitions. The President could make all the

relevant tapes and documents available to them without jeopardizing his constitutional position. The trustees then could transcribe, summarize, include, exclude, suppress or disclose as they wished; and my guess is that a public which is fed up to the teeth with Watergate would accept the trustees' report, with relief, as an honest accounting.

This modest proposal is entirely my own. Others may have much better ideas for resolving the dilemma. My point is that the dilemma must be resolved. The President has 1,274 days, more or less, before his term expires. Many millions of Americans, the Gallup Poll notwithstanding, do have confidence in Richard Nixon; they believe in his programs and want to see him fulfill them; and they do not want their President spending those days under a cloud of skepticism and mistrust.

[From the Delmarva News, July 26, 1973]

JOHN WILLIAMS

It's academic now, but former Sen. John J. Williams' name came up again within the last week in connection with the Watergate affair.

Anyone who knows the Millsboro legislator's record and reputation knows that the name dropping by a television news network did not implicate Williams in the fiasco but suggested him as a possible reviewer of taped conversations made in the oval office of the White House and the executive office building.

With a "constitutional crisis" facing the country because the President will not release the tapes, any thought of a possible reviewer of the tapes can be deterred for at least a year or two.

The results of the showdown between the Congress and the executive branch, and eventually between the judiciary and the executive, will be the most significant items brought about indirectly by the Watergate affair.

"Constitutional crisis" is such a hackneyed phrase that it has little meaning to many. What is at stake, however, is the way our government has been operated for 200 years.

The U.S. Constitution is implicit rather than explicit concerning the separation of powers among the three branches of government. There is some question as to whether the basic question itself of who has final authority, the legislative, the judicial or the executive, will be answered in the upcoming developments. If it is not, a constitutional crisis will have developed.

Watergate is not the reason for the confrontation. It simply provided an excuse for the confrontation to come to a head. The imbalance of power among the branches of government has been slowly but steadily arrived at.

Watergate and the events that follow the Legislative-Executive battle gives lawyers a heyday.

It is interesting that the name of John Williams, not a lawyer but a farmer turned agri-businessman turned politician, should be suggested to decipher tapes which are the crux of the present conflict.

The past week's reference to Williams was not the first time he had been mentioned in helping to solve the Watergate entanglement. Prior to the '72 national election and a special Senate investigating committee's being named, the media suggested that a scrupulous and honest man like John Williams undertake the ominous task of finding the facts.

The suggestions are both a tribute to Williams and the environs which produced such character.

NOMINATION OF G. McMURTRIE GODLEY

Mr. FULBRIGHT. Mr. President, on July 11 the Committee on Foreign Relations voted to postpone indefinitely further action on the nomination of Mr. G. McMurtrie Godley to be Assistant Secretary of State for East Asian and Pacific Affairs. In taking this action the committee also recommended that Mr. Godley be considered for appointment to another post of importance in the Department of State unrelated to Southeast Asia.

Following the committee's action I received a letter from the American Foreign Service Association requesting an explanation of the grounds for the committee's decision. The association's letter was a serious and responsible statement of its member's concerns. In response I wrote to the association on behalf of the committee setting forth our views on this matter.

In order that this exchange of correspondence may be available to interested Members of the Senate and the public I ask unanimous consent that the text of both letters be printed in the RECORD.

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

AMERICAN FOREIGN SERVICE ASSOCIATION,
Washington, D.C., July 20, 1973.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The American Foreign Service Association—professional spokesman of the 12,000 men and women of the Foreign Service—has come to look upon the Senate Foreign Relations Committee as a staunch defender of the career principle and its protection against political abuse. This has been evidenced most recently by the Committee's farsighted action in amending Section 623 of the Foreign Service Act to foreclose the possibility of promotions based on political rather than merit considerations. The men and women of the Foreign Service are indebted to the Committee for this action and the many other efforts it has taken on their behalf.

It is in this context that the Association has become seriously concerned at the possible implications of the Committee's action to reject the nomination of Ambassador Godley as Assistant Secretary for East Asian Affairs. This action has raised questions in the minds of Foreign Service officers about whether their careers may be adversely affected for honorably and effectively carrying out the foreign policy of the United States. We would like to bring some of these questions to your attention.

No one in this Association questions the Constitutional right of the Senate to provide advice and consent on Presidential appointments or the obligation of the Senate to give particularly careful scrutiny to nominees for key policy-making positions. In our view, the Senate would be abdicating its responsibility if it were to exempt career Foreign Service officers from such scrutiny or to grant them automatic approval.

Moreover, the Association recognizes the Senate Foreign Relations Committee's right to question a nominee for a policy-making post, not only as to his qualifications for the position but also as to his views about what future policy should be. However, nominees who are appointed officials, particularly career officials, are expected to have supported basic foreign policy established by duly elected officials in their respective Constitutional roles. The Foreign Service is, and must remain, a strictly nonpartisan institution available for loyal service to each administration.

An officer of the Foreign Service must not feel constrained by fear of future penalty from carrying out a given foreign policy or from giving impartial advice and assessment, however unpopular or incompatible such actions may be with the views of the public, the press, the Congress, or the Executive. To penalize an officer for performing his functions to the best of his ability runs a grave risk of doing damage, not only to the career service, but to the nation.

Unfortunately, many Foreign Service officers are uncertain as to the basis for the Committee's action on Ambassador Godley's nomination. Many believe him to be the innocent victim of a serious conflict between the Executive and Legislative branches over the relative influence each will have in determining the direction of U.S. foreign policy. Others feel he has been made a symbol by the Committee of its strong disagreement with the Administration's policies in Southeast Asia. If either of these were the basis for the Committee's action, we believe it would be an unfortunate use of the advice and consent power, with serious implications for the independence, impartiality and effectiveness of the career service.

We would appreciate receiving a clarification of the Committee's intent in its rejection of Ambassador Godley, and assurances that it will not reject future career nominees because of their record of carrying out policies laid down by the Executive.

Sincerely yours,

F. ALLEN HARRIS,
Acting Chairman, Board of Directors.

JULY 25, 1973.

Mr. ALLEN HARRIS,
Acting Chairman, Board of Directors, American Foreign Service Association, Washington, D.C.

DEAR MR. HARRIS: I have your letter of July 20 expressing the concern of the American Foreign Service Association at the action of the Committee on Foreign Relations with regard to the nomination of Mr. G. McMurtrie Godley. Let me say at the outset that I consider the Association's concerns to be both understandable and legitimate. At the same time I was gratified to note that your letter accorded full recognition to the Senate's constitutional role and responsibilities with regard to the consideration of Presidential nominees.

The Foreign Service Association is undoubtedly aware that many members of the Committee have long felt that the protracted military involvement of the United States in Southeast Asia has had extremely unfortunate consequences for our country internationally and on the domestic scene as well. For that reason the Committee in recent years has consistently sought to use the legislative means at its disposal to bring about a reorientation of U.S. policy in Asia.

In approaching the question of Mr. Godley's nomination the Committee took the view that the selection of a new Assistant Secretary of State for East Asian and Pacific Affairs was an action of considerable significance for the future of U.S. policy in Asia. As a consequence the Committee felt in this instance that the nominee's personal views regarding the past and future role and interests of the United States in Southeast Asia were relevant to its deliberations in a more pointed way than might have been the case had the Committee been considering a nomination to a post in which the incumbent's primary function would have been the implementation of policy directives.

It is the Committee's understanding that throughout his tenure as Ambassador to Laos Mr. Godley was in full accord with Executive Branch policy toward that country and that in implementing that policy, he repeatedly demonstrated his readiness to rely on the massive and often clandestine use of military force as a means of pursuing given objectives. While the Committee does not know to what degree these attitudes may have been figured

in his nomination, they did weigh heavily in the Committee's evaluation of him as the prospective Assistant Secretary of State for East Asian Affairs. It seems only natural for the Committee to assume that if Mr. Godley were to be confirmed as Assistant Secretary of State, such policy recommendations as he might make in the future would reflect his demonstrated inclination and preference for an aggressive U.S. role in Southeast Asian affairs.

It is, of course, Mr. Godley's right to hold these views and the Committee respects his conviction and his sincerity. But it is also the Committee's right to question the wisdom of those views and, more importantly, to question their appropriateness in connection with his possible future exercise of the responsibilities of Assistant Secretary of State at this critical juncture in the course of the U.S. relations in Asia.

Your letter raises the possibility that Mr. Godley may have been "the innocent victim" of a serious conflict between the legislative and executive branches over their respective roles or "a symbol" of the Committee's disagreement with the Administration policies in Southeast Asia. In response I would observe that conflict is an inevitable aspect of our political system, and that when the substantive judgments of the two branches differ and cannot be reconciled, each branch can be expected to use its respective prerogatives to influence policy in the direction which it believes will best serve the national interest. In this instance the Committee concluded that Mr. Godley was not the right man for this post at his time and as a consequence, exercised its constitutional prerogative not to confirm him. Because the Committee's judgment focused on the individual and on the possible impact of his views on future policy I believe it would be a mistake to regard Mr. Godley as either a "victim" or a "symbol" in the senses in which the Association used those terms.

The Committee fully recognizes that if officers in a career service are expected to carry out lawful directives without regard to their popularity with all segments of the public and the Congress then the officers in question should not be held personally accountable in retrospect for the consequences of such actions. Consequently, up to a certain point in an officer's career his diligence and faithfulness in executing orders should probably be the primary factor in evaluating his performance. At the same time, however, I think that Foreign Service Officers should recognize—as I am confident they do—that when they reach senior levels of the service, and particularly when they are being considered for policy making positions which by law are subject to the approval of the Senate their personal views on policy matters are of primary importance to the question of their fitness for a particular post. The Committee assumes that the Executive Branch takes such views into account in selecting its nominees and I was pleased to note that the Association recognizes the Senate's right to do likewise.

Finally, I would like to point out that the Committee was fully aware that its failure to confirm Mr. Godley for the post of Assistant Secretary would affect his career and possibly cause concern within the Foreign Service officer corps. For that reason the Committee, before taking formal action, sought to minimize the personal impact of a possible refusal to confirm Mr. Godley by suggesting to the Secretary of State that his name be withdrawn without prejudice and resubmitted for another post. When the Secretary declined to do this and insisted instead on an "up or down vote" the Committee coupled its refusal to confirm Mr. Godley with a strong recommendation that he be given another important post involving responsibilities not related to Southeast Asia. Thus, it should be evident that while the Committee did not feel that it should confirm Mr. Godley for the post to which he was nominated, there clearly was no desire to "penalize" him.

In closing, I reiterate a hope, which I have often expressed in the past, that members of the Foreign Service will not hesitate to assert themselves on important matters of policy. The career service is a repository of great experience and insight which the Committee would like to be able to draw upon more freely in the future than has sometimes proved possible in the past.

I further hope that the Association will be as sensitive to pressures from other quarters, including those from within the Executive Branch and the Foreign Service itself, which threaten to undermine the independence, effectiveness and morale of the Foreign Service as it was in this instance with regard to the Congress.

The Committee has the highest regard for the career Foreign Service and fully shares the Association's desire to protect its integrity and to enhance its effectiveness. Insofar as I am concerned the Foreign Service may be assured of my continued interest and support in this regard.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

FUEL NEEDS STILL NOT MET

Mr. McCLURE. Mr. President, the fuel shortage is not yet over, despite public statements to the contrary. It has become somewhat localized, but primarily on the farm. And, a farmer trying to keep his combines running does not have time to write press releases. His story is not being told. Quite the opposite. Instead, he reads how the shortage is easing and motorists are having less difficulty finding gasoline. I find, however, that even those statements are inaccurate.

A recent headline, for instance, proclaiming "Gas Station Supplies Up" was based on data from the American Automobile Association—data which I believe to be misinterpreted. The AAA found that 49 percent of gasoline stations were operating regular hours and allowing motorists to fill their tanks, compared with 48 percent last week. First, I do not consider a 1-percent change significant. But, more important, I believe that the AAA is not looking at the figures from the proper direction. The report should read that "51 percent of gasoline stations are not operating normally, showing only a slight improvement from the 52 percent figure last week." The emphasis of the press is wrong, even if it is undoubtedly serving the intended purpose—to encourage motorists to go ahead and travel, and not think hard before using gasoline.

In addition, some regions of this country are burning gasoline and diesel fuel which could have gone to the farmer. But, as testimony before the Senate Committee on Interior and Insular Affairs yesterday revealed, attempts to build refineries in the Northeast have been blocked by environmentalists and local governments. Two of these proposed plants were, ironically, intended to supply low-sulfur fuel oil, to meet the stringent sulfur restrictions of the Northeast. I do not object to the desire of the citizens in this region to preserve their natural environment, as much as is humanly possible, but I do object to having farmers in other regions paying the price for it. In this instance, 565,000 barrels per day of refining capacity was lost—capacity which is desperately needed right now. And, the people being hurt right now are the farmers and ranchers and food processors. But, the urban consumer will share in this during the coming months, as food problems continue.

If the citizens of the Northeast do not want to build refineries, that is their business. But, when gasoline shortages occur, I believe that they have a moral obligation to reduce their consumption, in order that others will not pay the environmental price of their actions.

I was recently challenged by a top administration office "to show him one case of a farmer who is actually out of gas." Preparing a list of 9 farmers "actually out of gas" did not take long. As of July 30, 1973, the office of oil and gas statistics for Idaho show 44 instances of gasoline shortages and 21 of diesel. And, I believe these to be just the tip of the iceberg. Many farmers are too busy driving their pickups to town, filling the tank, and returning to their field, siphoning the gasoline into combines, and then repeating this expensive, fuel-wasting process. They do not have time to call Washington or fill out complicated "voluntary allocation" forms from oil companies.

The U.S. Department of Agriculture has included one extremely disturbing note to this OOG report:

> Acute fuel needs for *irrigation*, especially in Nebraska, have temporarily eased a bit because of rain.

The correct implication is that the adequacy of fuel supplies is increasingly dependent on weather. There is no cushion, as in previous times. This lack of cushion becomes even more critical when we consider the nearness of winter. The dependence of heating oil availability on temperature levels will be a matter of concern to more than just the agricultural community. The report, incidentally, included mention of a request from the city of Los Angeles for "low-sulphur fuel oil." This raises an interesting question—namely, during times of nationwide shortages, does one city have the right to demand fuel of a certain composition, in order to meet requirements that they have set for their benefit?

Now that final action on Senate-passed fuel allocation legislation is in doubt, it is up to the President to use the authority previously granted to him by the Congress, to insure that shortages are shared by all regions and sectors of our economy, with one explicit priority: Agriculture. The fuel shortages are not yet over, and they are falling hardest on the agricultural producers of this Nation. The future well-being of all of us demands that this be changed, in accordance with the expressed intent of Congress and the administration.

NATIONAL ADVISORY COMMITTEE ON THE HANDICAPPED

Mr. WILLIAMS. Mr. President, on Wednesday of this week I joined with

Senator RANDOLPH, chairman of the Subcommittee on the Handicapped, and Senators CRANSTON and STAFFORD in introducing a resolution objecting to the recommendations of the Commissioner of Education in his annual report to the Congress to abolish the National Advisory Committee on Handicapped Children and the National Advisory Committee on the Education of the Deaf and to create a new advisory committee pursuant to section 442 of the General Education Provisions Act. While the Commissioner had proposed to combine all functions of the two advisory committees to be carried out under a new consolidated advisory committee, his actions in creating this body pursuant to section 442 of the General Education Provisions Act and provisions of the Federal Advisory Committee Act (Public Law 92–463) would have meant that this new body had no statutory base, and that it would automatically cease to exist within 1 year unless the Commissioner determined in writing 30 days prior to its termination that its life should be extended.

Mr. President, both of these advisory committees have served the Commissioner and the Congress admirably. In reviewing the recommendations of the Commissioner, I was much concerned over the loss of a statutory base for the committee, and the apparent termination of the committee within 1 year. I am pleased, therefore, to have the agreeent of the Commissioner in the form of an amendment to this annual report that creation of this new committee under section 442 was not the proper way to proceed. In his letter to me today, he indicates that this committee will be created pursuant to section 448(b) of the General Education Provisions Act, thus retaining the statutory base, combining the functions of the former advisory committees and providing that the termination of such committee by the Commissioner can only take place through such explicit recommendation in his annual report and upon the failure of either the House or the Senate to object to this termination within 90 days following tne submission of the report. This resolution is satisfactory to me, and I ask unanimous consent to have the Commissioner's letter to me and also a letter sent to Senator RANDOLPH stating this agreement be printed in the RECORD.

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

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 3, 1973.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter constitutes an amendment to Section III, Advisory Committees and Councils of the Office of Education, of the *Commissioner's Annual Report* submitted to Congress on May 17, 1973. Section III included a recommendation to terminate the National Advisory Committee on Education of the Deaf (NACED) and the National Advisory Committee on Handicapped Children (NACHC) and to create in their place a single committee to advise on the education of the handicapped.

The *Annual Report* cited section 442 of the General Education Provisions Act (P.L. 91–230) as the authority under which the new National Advisory Committee on the Handicapped would be created. I have determined that this is not the proper way in which to create the new Committee. Instead, I propose to create it pursuant to Section 448(b) of GEPA which states that:

"If the Commissioner determines that a statutory advisory council is not needed or that the functions of two or more statutory advisory councils should be combined, he shall include in the report a recommendation that such advisory council be abolished or that such functions be combined. Unless there is an objection to such action by either the Senate or the House of Representatives within ninety days after the submission of such report, the Commissioner is authorized to abolish such advisory council or combine the functions of two or more advisory councils as recommended in such report."

The new National Advisory Committee on the Handicapped would be a statutory advisory council which could be abolished only in accordance with the provisions of section 448(b) of GEPA or through other legislative action. (Under the Act, of course, the NACH could be abolished only by an appropriate recommendation in a subsequent Annual Report to which neither House of Congress objected within 90 days.)

As stated in *the Annual Report* the new committee will have all of the functions now carried out by the NACED or NACHC.

I would like to take this opportunity to reaffirm the Department's commitment to activate the new committee as soon as we are free, consistent with section 448(b) of GEPA, to consolidate the NACED and the NACHC. As Under Secretary Carlucci stated in his letter yesterday to Senator Randolph (attached), we expect to have the National Advisory Committee on the Handicapped established by mid-September. It is our intention to appoint persons presently serving on the existing committees to membership on the new advisory body.

If you need any further information on this subject, I will be happy to provide it.

Sincerely,

JOHN OTTINA,
Acting Commissioner of Education.

Enclosure.

AUGUST 2, 1973.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: I have noted your concerns regarding the National Advisory Committee on Education of the Deaf and the National Advisory Committee on Handicapped Children as expressed in the resolution considered by the Senate last night. It is my idea, as I know it is yours, that we work together on this matter. Therefore, I believe it appropriate that the following information regarding this issue be presented.

With regard to Office of Education advisory committees, Section 448(b) of the General Education Provisions Act (P.L. 91–230) states that:

"If the Commissioner determines that a statutory advisory council is not needed or that the functions of two or more statutory advisory councils should be combined, he shall include in the report a recommendation that such advisory council be abolished or that such functions be combined. Unless there is an objection to such action by either the Senate or the House of Representatives within ninety days after the submission of such report, the Commissioner is authorized to abolish such advisory council or combine the functions of two or more advisory councils as recommended in such report."

As a result of a continuing study of need for and accomplishments of OE advisory groups it was determined that many of the functions of the National Advisory Committee on Education of the Deaf and of the National Advisory Committee on Handicapped Children were similar and therefore should be combined. Because the official name of neither committee was representative of the combined functions of the two groups (one indicates concern only with the Deaf, the other excludes adult populations) it was decided to create a new advisory body, the National Advisory Committee on the Handicapped. This body will retain all of the functions performed by the predecessor groups.

As indicated in the Commissioner's May 17 report, the Office of Education proposes to activate the new advisory body at the earliest possible date. Formal establishment of this committee will be initiated as soon as it is clear that Congress concurs with the recommendation. If there is no objection, I feel that the new committee can be activated by mid-September. It is our intention that persons now serving on the two committees will be asked to serve as members of the new advisory group.

I do consider the functions of both committees to be important and believe these functions should be continued. A consolidation of the functions of the National Advisory Committee on Handicapped Children and the National Advisory Committee on Education of the Deaf into the function of a single advisory group will insure more effective and meaningful input to education policy formulation as it relates to handicapped youth and adults. Therefore, I believe it to be in the best interest of handicapped persons that the Congress accept the recommendation as presented in the Commissioner's Annual Report.

Sincerely,

PAUL CULVER,
Acting Secretary.

IN SUPPORT OF EMERGENCY MEDICAL SERVICES SYSTEMS DEVELOPMENT ACT OF 1973

Mr. DOMENICI. Mr. President, I wish to say a few words in explanation of my vote yesterday in support of S. 504, the Emergency Medical Services Act of 1973.

To begin with, I am convinced that one of the primary reasons President Nixon vetoed this bill was because of his legitimate concern for holding the line on the national budget. I want to emphasize, as I have so many times in my short time here, that I share that same concern.

At this point in time, Mr. President, I am also convinced that the Congress as a whole is beginning to try to live within a responsible budget ceiling. However, it is also evident that at this time, there is not a unified, comprehensive budgetary plan available to the Congress by which to achieve this goal. Consequently, my colleagues and I are forced to consider, to analyze and to decide on each legislative proposal of its individual merits—without the benefit of a definite understanding of its relative priority as part of a larger picture. In that process we must decide on the basis of our understanding of each proposal's usefulness in meeting demonstrated needs of this Nation and its citizens. Accordingly, with regard to this particular bill, I simply feel that I cannot in good conscience deny the best emergency medical service possible to every person in this country.

It is my understanding that one of the most serious deficiencies in this Nation's health system, particularly in rural areas, is the inability to respond immediately and effectively to emergency medical crises. This bill, through the assistance

it would provide in the development of emergency medical systems, is the only real opportunity I see for filling this critical gap in the medical services available to residents of rural areas.

This is especially true in my own State of New Mexico which is presently in the process of developing an emergency medical service program which would be uniquely applicable to our State. A feature which I particularly favor in S. 504 is the provision which will allow for local solutions to meet individual needs in the best manner for individual local problems.

All these things considered, Mr. President, I feel that New Mexicans will be greatly benefited by the enactment of S. 504 as will vast numbers of other Americans who live in areas with shortages of emergency medical services. This assistance will help make up for the tax base in these areas which is often insufficient to provide for the necessary ingredients of an effective, efficient emergency medical system.

I realize that there will be a high initial cost to initiate an adequate comprehensive program. In 3 years, however, I expect maintenance costs to be greatly reduced and the programs continued primarily through State revenues. As I envision the role of the Federal Government in relation to the State's, I see the use of such a plan—the Federal Government encouraging and initiating public programs with public moneys with subsequent expansion and maintenance of those programs to be continued through State treasuries—to be the best hope we have to insure adequate emergency medical care for all our citizens.

Finally, Mr. President, the mounting numbers of deaths and disabilities from medical emergencies are certainly indicators of serious needs in this area. A look at national studies indicates that mortality from accidents alone could be reduced by from 10 to 20 percent by proper medical care at the scene of the accident or en route to an emergency facility. Thirty percent of cardiac deaths could be prevented if the public were educated to recognize the symptoms of heart attack and if ambulance attendants were adequately trained to provide immediate emergency treatment. Five thousand deaths each year from other causes such as poisonings, drownings, and drug overdoses could be prevented by immediate medical attention.

I do not feel that this shocking situation should be allowed to continue in our prosperous land. If proper emergency medical services can be made available for all, I believe we should provide those services. This bill is a proper means, in my opinion, to provide those services.

ON THE LOSS OF CHET WIGGIN AND OTHER NEW HAMPSHIRE RESIDENTS IN A TRAGIC AIRPLANE CRASH

Mr. McINTYRE. Mr. President, yesterday my distinguished senior colleague from New Hampshire paid heartfelt tribute to his friend and longtime associate, Chester M. Wiggin, Jr., who lost his life in the tragic crash at Logan International Airport July 31.

Though my friendship with the late Mr. Wiggin was not as close or longstanding as that of Senator COTTON, it was, nevertheless, a warm friendship based upon my deep respect and affection for a man of such demonstrated integrity, ability, and dedication to New Hampshire, New England, and his country.

Over the years when Mr. Wiggin served as Senator COTTON's administrative assistant, and then as Federal Cochairman of the New England Regional Commission, and more recently as Interstate Commerce Commissioner, his relationship with me and with my office was marked, always, by a spirit of helpful cooperation which was never affected by political differences.

On September 14, 1972, it was my privilege to tell the Senate Committee on Commerce that I supported Mr. Wiggin's nomination to the Interstate Commerce Commission with "pleasure and enthusiasm."

I would like to review what I said on that occasion, because the words reflect my genuine appreciation of a man whose loss is the Nation's as well as ours. The essence of that statement follows:

> Despite our differing political loyalties, I have no reservations about Mr. Wiggin's qualifications for this post. Mr. Nixon would be hard-pressed to find a better nominee in either party.
>
> Chet Wiggin's consummate fairness, courtesy, honesty, and ability will serve him—and a new and much larger constituency—as well as they served him, his previous offices and constituencies in the past.
>
> I have known Chet for many years. If I have not known him as a political ally, I have known him as a friend and as a man who has always had the best interests of his Nation and our people in mind and in heart.
>
> Through his years as an able and devoted Administrative Assistant to my friend and colleague, Senator Norris Cotton, to his more recent—but equally distinguished—tenure as Federal Co-Chairman of the New England Regional Commission, his performance has been distinguished by its professionalism, good judgment, integrity and total commitment to the job at hand.
>
> Mr. Chairman, I want this Committee to know that Tom McIntyre is proud to support the nomination of Chester M. Wiggin, Jr., to the Interstate Commerce Commission of the United States.

Mr. President, I stand by those words. And I add to them now my deepest sympathy to his wife, Joyce, the other members of his family, and to his dear friend, Senator COTTON.

I was shocked as well at the tragic death in this terrible accident of Mr. and Mrs. Robert G. Moran of Manchester. He was an assistant attorney general of New Hampshire. This was a cruel blow to his family and my heartfelt wishes go out to them.

Also lost were Mr. and Mrs. Joseph Fuller of Londonderry, N.H. They leave behind four lovely children. They leave behind Mrs. Fuller's mother, Mrs. Margaret Mooney, and her brother, Ed Mooney, both of whom are old friends of mine. It is hard to find words to express my sorrow for them.

I was grieved at the same time to learn of the loss of Miss Susan Boyle of Nashua, N.H., an old friend and supporter who was much too young to have her life ended.

To the families of all these and the others who lost their lives, I express my deep personal thoughts of sorrow at this tragic time.

SUPPORT FOR S. 504, EMERGENCY MEDICAL SERVICES ACT OF 1973

Mr. MATHIAS. Mr. President, yesterday's vote on overriding the veto of S. 504, the Emergency Medical Services Act of 1973 is of great importance to the Nation and to my State of Maryland. As the Senate Committee on Labor and Public Welfare report on this bill disclosed:

> One of the most serious deficiencies in the health system in many communities is the inability to respond immediately and effectively to emergency medical crises.

Our knowledge about the scope and severity of the problem vividly points out the need for this legislation. Consider, for example, these facts:

The leading cause of death among Americans between the ages of 1 and 38 is neither cancer nor heart disease, but, rather accidental injuries. Consider also that more than 100,000 persons died in this country in 1968 as a result of trauma resulting from accidents; that trauma caused 10 million cases of temporary disability; and that trauma caused 400,000 citizens to enter the ranks of the permanently disabled.

And the other sad fact is that so much of this suffering and human waste can be avoided. According to the committee report, projections from studies indicate that mortality from accidents alone could be reduced by from 10 to 20 percent by proper medical care at the scene of the accident or en route to an emergency facility. Thirty percent of cardiac deaths could be prevented if the public were educated to recognize the symptoms of heart attack and if ambulance attendants were adequately trained to provide immediate emergency treatment. Five thousand deaths each year from other causes such as poisonings, drownings, and drug overdoses could be prevented by immediate medical attention.

Mr. President, the lack of sufficient emergency medical services for our citizens has troubled me for some time.

We visit some of our hospital emergency rooms, particularly in medically underserved areas and crowded cities, we find that the emergency facilities of these hospitals are increasing being called upon to provide more than emergency care; the hospital emergency room is, in fact, the sole source of primary care for many members of the community. And this raises the question of how the emergency victim will receive the necessary care when the facilities of the emergency rooms are overburdened by persons who also use the hospital emergency room for primary care. Obviously, the answer is that emergency victims, in far too many instances, simply do not receive the critical care which their condition would warrant. And I might add that this condition exists through no fault of the hospital staff and personnel. But, of course, the problems

associated with the lack of emergency medical care are not just limited to the hospital emergency room. The quality and adequacy of ambulance services leave much to be desired in many parts of the country. As the committee report notes:

The American College of Emergency Physicians report that only 37 percent of ambulances in a recent survey met minimal design standards, and only 6 percent had facilities to communicate directly with a hospital emergency room.

Again, Mr. President, the solution to this problem can neither be found in the hospital emergency room not the ambulance service. To have an effective system of emergency medical service, we need to encourage the proper utilization of our public safety agencies. In my State, we have demonstrated to the Nation that the use of helicopters, operated by our outstanding public safety officials, is invaluable to the provision of emergency medical services.

We also need fully trained medical services personnel along with continuing education programs for the professional and paraprofessionals on emergency medical staffs. We cannot overlook the need for effective communications systems so that the persons in need of care and those who will be dispatched can be linked together immediately without the agonizing delays which are now widely experienced. And without a sufficient number of vehicles properly equipped with the necessary life-saving equipment the entire emergency medical service system would remain a non-system.

So it is a combination of all of these factors which, if carefully planned, developed, and provided for will fill the void that now exists in the current system of emergency medical care. S. 504 is designed to help fill this void.

During the Congress Easter recess, I decided to explore the problem of the delivery of emergency medical services in my State. Mr. Milton H. Miller, chairman of the Regional Planning Council in Baltimore and his assistant, John Green, were thoughtful enough to arrange for me to meet with many officials and private citizens in the Baltimore area who are actively involved in the operation of the emergency medical care network in Maryland. Mr. President, at this time, I would like to share with the Members of the Senate the names of persons and organizations represented at the meeting because, in my judgment, the wide range of interests which were present clearly underscored the areawide approach and degree of intergovernmental coordination which is taking place in my State. The participants were: Robert N. Young, executive director, Regional Planning Council; Delegate Frederick L. Dewberry, chairman, RPC's Health Committee; Delegate J. Edward Malone, member RPC; Martin C. McMahon, representing Baltimore City Ambulance Service; Chief Russell Palmer, Baltimore County Ambulance Service; Harvey Klansmeirer, Anne Arundel County Ambulance Service; Sgt. Edward Heckmer, Maryland State Police; Edwin Preston, Maryland State Fire Chiefs Association—represents volunteer and professional; Bruce Chilcotte, administrator, Friendship Airport; Jack Phelps, U.S. Coast Guard; J. Alex Haller, M.D., Johns Hopkins; Joseph Berman, M.D., Sinai Hospital; Gustar C. Voight, cardiologist, Baltimore City Hospital; Donald S. Gann, M.D., Johns Hopkins; Eugene Riley, M.D., St. Josephs Hospital; Paul Becker, administrator, Greater Baltimore Medical Center; Leonard Scherlis, M.D., University of Maryland; R. Adams Cowley, director, Maryland Institute for Emergency Medicine; John Bacon, Melvin Griffin, Janet Sorrels, William Hiscock, and John Green, of the Emergency Medical Services Committee.

I also had the opportunity to inspect a municipal ambulance crew and view a demonstration of the crew in action. In addition, the regional planning staff arranged for me to tour the emergency service coronary care unit of the Sinai Hospital, the Johns Hopkins University Hospital's Pediatrics Trauma Center, under the direction of Dr. J. Alex Haller, and the shock trauma unit at the University of Maryland, which is directed by Dr. R. Adams Cawley. Mr. President, it was abundantly clear from my visit and inquiry that my State is developing a comprehensive plan for the establishment of a comprehensive and integrated emergency medical services system and that S. 504 is what our officials want and need to make their system fully effective. Mr. President, I understand that one of the principal objections to S. 504 is that it will thrust the Federal Government into an area which is traditionally a concern of State and local governments. Moreover, that this bill will somehow make local decisionmaking inflexible. I can only respond to this concern by saying that those fears apparently are not widespread in my State. At this point, Mr. President, I ask unanimous consent that a telegram which arrived this morning from Dr. Neil Solomon, secretary of the Maryland Department of Health and Mental Hygiene, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. Mr. President, in addition to the telegram in support of S. 504 from the State government, I have received word that Mr. William Gullett, the county executive of Prince Georges county, Mr. Donald Shaffer, mayor of Baltimore, Wally Orlinsky, chairman of the Baltimore City Council, are all strongly in favor of this bill. In Montgomery County, Jim Gleason, the county executive, is moving ahead with the establishment of an emergency medical services system for that area and I know that this bill can provide the kind of support for the essential components which the Montgomery County system will include. The point is, Mr. President, that S. 50 does not seek to control the delivery of emergency medical services at the State and local level.

It will however, strengthen and supplement the efforts of State and local governments which are attempting to address this critical issue. I realize that some criticism has been leveled at the authorization amounts in this bill. In point of fact, the authorization level is not a commitment to spend from the Federal treasury. The figure of $185 million represents the maximum amount which the Congress can subsequently appropriate for emergency medical services. As a member of the Appropriations Committee, I shall have an opportunity to weigh this question very carefully when the matter comes before the committee. At this stage, the basic question is whether the Congress of the United States is prepared to address, in a positive manner, the pressing issue of the inadequate system of emergency medical care that we have in America today.

Mr. President, S. 504 also contains a provision pertaining to the public health service hospitals. I cosponsored that provision when this bill was first before the Senate and I am pleased to see that the House kept this provision in the bill. On many occasions in recent months, I have indicated my support for the public health service hospitals and I have stressed the harm which will result if these facilities were to be arbitrarily closed. I shall simply urge my colleagues to join me in support of this legislation which will prevent the deprivation and disruption that the premature closing of these facilities will precipitate.

S. 504, overall is a measure which deserves to be supported. Just as it was supported in the Labor and Public Welfare Committee as illustrated by the unanimous bipartisan support it received and the unanimous support it received when the conference report passed the Senate on July 19, 1973, by the vote of 97–0. I hope the other body will recognize the necessity of enacting this legislation and will complete action to give congressional sanction to this program.

EXHIBIT 1

AUGUST 2, 1973.

MESSAGE TO SENATOR MATHIAS DICTATED FROM SECRETARY SOLOMON ON THE SUBJECT OF S. 504

Maryland citizens are drastically affected by the Presidential veto of S. 504 covering medical services. The continued operations of the U.S. Public Health Service Hospital in Baltimore is vital and the funding of a statewide emergency medical service, if not implemented, would surely result in unattended illness and unnecessary death. Your assistance in seeing that this veto is overridden is of extreme importance to the citizens of Maryland.

NEIL SOLOMON, M.D., Ph. D.,
Secretary, Department of Health and Mental Hygiene, State of Maryland.

VIETNAM

Mr. BUCKLEY. Mr. President, the Washington Post today reported that the United States is likely to conclude a 5-year pact concerning the postwar reconstruction of North Vietnam.

Before any reconstruction aid can even be discussed, we must not overlook the subject of our men missing in action—MIA's. There are over 1,000 crash sites in North Vietnam, South Vietnam, Laos, and Cambodia. Yet, the Four Party Joint Military Commission has been allowed to journey to two burial sites in North Vietnam, but were denied permis-

sion to inspect the sites by the North Vietnamese, despite the fact that permission is supposed to be granted under article 8(b) of the Paris Accords.

Mr. President, there is no point to any discussion with the North Vietnamese about any aspect of postwar relations until the Paris Accords are fully complied with, and we have a full accounting of all of our MIA's.

I ask unanimous consent that the Washington Post article on the proposed pact be printed in the RECORD.

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

HANOI-U.S. POSTWAR PACT REPORTED

(By Murrey Marder)

North Vietnamese Politburo member Le Duc Tho said yesterday in Hanoi that the United States has agreed to a five-year plan to help reconstruct his nation, but is delaying the signing of the accord.

U.S. officials countered that Tho's claim answers itself, for without a signature there is no agreement. "No conclusion can be reached until fighting ceases on all fronts" in Indochina, said Maurice J. Williams, chief negotiator in the Paris talks on postwar aid.

"We can't get far along discussing postwar reconstruction until it is truly postwar" in Indochina, Williams said. What the North Vietnamese call "plans" and "agreements," Williams emphasized, are only "proposals" in U.S. terminology.

The exchange underscores the extent to which the outcome of the present military crisis in Cambodia has become the touchstone of relationships between the United States and North Vietnam.

Cambodia's future now hinges on what will happen after the scheduled Aug. 15 cut-off of American bombing support of the Lon Nol regime, which is under heavy challenge by pro-Communist forces surrounding the capital of Phnom Penh.

It was learned yesterday that the U.S. embassy in Phnom Penh recommended to Washington during the last two weeks that it is time to begin withdrawing U.S. personnel from Cambodia. Many foreign diplomats already have been evacuated from the Cambodian capital.

A Nixon administration official more gently described the embassy's message rom Phnom Penh as "a suggestion" to commence evacuation. "The decision has been made" in Washington, he said, "that it is premature."

U.S. official personnel in Cambodia are limited to 200, under a ceiling imposed by Congress, and there are reported to be about 50 private Americans in Cambodia.

Le Duc Tho, who negotiated the basic Vietnam cease-fire with presidential adviser Henry A. Kissinger, showed in his remarks that North Vietnam also is closely watching the struggle in Cambodia. But Tho avoided any direct link between the outcome of the war there and the supply of post-war U.S. aid to North Vietnam. North Vietnam, which supports the Red Khmer insurgents, never has officially acknowledged that it has any forces in Cambodia.

Tho, whose statements were made in the form of a North Vietnamese television interview, said that the United States is "stubbornly violating" the Indochina cease-fire accords, and that it and the government in Saigon "have encountered many difficulties not only in South Vietnam but also in Laos and, in particular, in Cambodia."

In the U.S.-North Vietnamese aid talks in Paris, which were suspended on July 23, Tho said:

"The United States had to agree with us at the D.R.V.-U.S. joint economic commission on funds and their utilization for a five-year plan, including the plan for the first year on U.S. contributions to the healing of the war wounds and postwar construction in the D.R.V. [North Vietnam]. However, the United States is still trying to delay the signing."

Tho added, without amplification, that the United States "advanced prerequisites for the signing and, in an extremely illogical manner, linked the implementation of Article 21 of the agreement [the Jan. 27 Vietnam cease-fire accord] with other provisions."

The United States very firmly linked Article 21, on postwar reconstruction aid, to other sections of the accord, negotiator Williams agreed yesterday. That has been the consistent U.S. position since the aid talks began on March 15, he recalled.

Williams noted that on July 23, when the economic talks were suspended in Paris until further consultations, both sides stated that no conclusions had been reached." Therefore it cannot be said that any "agreement" exists, Williams said.

There can be no agreement until fulfillment of Article 20 of the accord, which requires "a cessation of the fighting and the withdrawal of all foreign forces from Laos and Cambodia," said Williams, who is deputy director of the Agency for International Development. Even with a cease-fire all around, said Williams, the Nixon administration repeatedly has advised North Vietnam that it can only make "proposals to the American Congress."

The Senate Foreign Relations Committee, meanwhile, failed in its attempt to have Secretary of State William P. Rogers testify yesterday in public on what Chairman J. William Fulbright (D-Ark.) called "this critical juncture" in Cambodia.

Rogers offered to appear next week, the State Department said. But Congress then will be in recess. Fulbright has charged that the Nixon administration "repeatedly misled" the nation about its intentions in Cambodia.

U.S. WILL CONTINUE SUPPORT TO CAMBODIA

The White House said yesterday the United States "would continue to provide all possible economic, diplomatic and military support" to the Cambodian government.

Congress has voted an Aug. 15 halt in U.S. bombing of Communist positions in Cambodia. After that date, said deputy press secretary Gerald L. Warren, "we will do whatever is possible under the law."

Meanwhile, the Defense Department indicated there will still be some additional U.S. military role in Cambodia after the Aug. 15 bombing cutoff.

A Pentagon spokesman said the U.S. program would go beyond normal aid already approved by the Congress for both Cambodia and Laos.

Spokesman William Beecher said an announcement would be made today on "what understanding the Defense Department has of what it is permitted and precluded from doing after the bombing halt."

He said the announcement and formal notification to Congress would not concern whether the Nixon administration would ask for authority to continue bombing beyond Aug. 15. Beecher said that is a White House decision.

Asked whether Mr. Nixon contemplated calling Congress back from its August recess to reconsider the bombing halt, Warren said it would be "improper for me to speculate or discuss in any way what future course of action may be under consideration."

IMMEDIATE AND LONG-TERM NEEDS IN THE DROUGHT-AFFECTED STATES OF WEST AFRICA

Mr. HUMPHREY. Mr. President, the Sahelian drought threatents the lives and livelihood of 25 million people living in six West African states.

Ninety percent of the people in this area depend on farming or herding for their livelihood. Four years of subnormal rainfall, last year being the worst, have brought economic ruin for many of these people.

In a good year, these countries produce barely enough to feed their populations. Last year, harvest of export and food crops were down 30 to 80 percent; and between 30 and 90 percent of the national herds were lost because of the lack of water and drying up of pasturelands.

The people have had to leave their farms and dried pasturelands in search of food and water. Proud, independent people have been forced to live in refugee camps around the cities. Most of the cities have more than doubled in population in the last few months.

It will take several years for many of the nomadic herdsmen to rebuild their herds. As the desert has permanently taken over much of the pastureland, many nomads will have to abandon their traditional way of life forever, turning to settled agriculture or urban labor.

Most of the people in the area are weakened by hunger and thirst. Many have already died of diseases they would normally have been able to resist. Thousands more are threatened by disease.

More relief will be needed in the coming year than has been provided so far. I have introduced an amendment to the Foreign Assistance Act providing $30 million for immediate relief and recovery assistance.

This money will be used for food transport, water projects, livestock preservation, seed purchases, and medicines.

It is especially important that funds be available to increase the capacity of these countries to transport food to where it is needed on time. An expanded airlift may become necessary if villages are isolated by seasonal rains. Even without the rains, transportation bottlenecks have been the major problem hindering the relief effort.

More food relief will be needed in the coming year than was needed last year.

Rainfall is again below normal. Crops are at least a month behind schedule. Another year of dryness will probably kill most of the cattle that have survived.

Many farmers have left their lands in search of food and water and have not returned in time to plant this year's crops.

Most of the seed has been lost—either baked in the ground or eaten—and the seed brought in to replace it is not expected to be as productive as that adapted to the conditions of the area.

Nomads who have lost their herds will have to be fed.

Enough food will have to be provided to rebuild people's resistance to disease.

For these reasons, it has been predicted that the international community will have to provide at least double this year's emergency food relief in the next year.

The United States has already committed 100,000 tons to be shipped before October in addition to the 156,000 tons that has already arrived. It is probable that we will have to provide at least another 200,000 tons this year.

The amendment I introduced also

commits the United States to participating in the long-term development of this area.

The steady encroachment of the Sahara desert must be reversed.

U.S. scientific and technical expertise could make a significant contribution to this effort. It has already been suggested that the Earth resources technology Satellite be used to survey the water resources of the area and to determine the best possible cropping patterns. The United States is also one of the few countries that has done extensive research in semiarid agriculture. We have seen in California how the desert can be made to bloom.

Research, technical, and capital assistance will also have to be provided for irrigation projects and well drilling; development and distribution of improved seeds; crop diversification; distribution of agricultural inputs and tools and education of farmers in their use.

This drought and the famine in Bangladesh have revealed the urgent need for the international community to deal more effectively with emergency food needs and to correct the world food shortage.

ERTS and weather satellites must be more widely used to survey water and other resources and to predict shortfalls in food production.

World food reserves must be developed. The FAO proposal for a system of world food reserves provides for the sharing of responsibility among all the nations—developed and less developed—for building food reserves in surplus years. There is no reason why, with proper planning and coordination, all the people of the world cannot be fed, even in a year of world wide food shortage.

The international donor community has been criticized for doing too little too late to relieve the situation in the Sahel. Severe food shortages could have been detected much earlier. A more effective system for coordinating relief efforts could have been established. Food could have been sent earlier, avoiding bottlenecks and alleviating hunger.

National and international disaster relief agencies must be reformed to better deal with this kind of catastrophe. They must be not only geared to providing aid when disaster has struck, but to preventing those disasters which are avoidable.

Economic development assistance must be focused much more on enabling people to feed themselves. The new foreign aid legislation I have proposed would have this focus.

The surplus of the developed countries will shrink in the coming years as a result of the steadily growing demand for food as incomes rise. And we will become increasingly dependent on the developing world to help meet this growing demand.

Agricultural production can be increased tremendously in the developing countries. Yields per acre are usually no more than one-third those in the developed countries. With better tools, fertilizer, improved seeds and better farming methods, these countries could triple their production.

To bring about these rises in production, rural development programs must be accompanied by education in new agricultural techniques and health programs which enable people to work to full capacity. These are the three areas in which U.S. economic assistance will be concentrated if the new foreign aid legislation passes.

I want to express my concern over the cynicism about foreign assistance that many Americans have expressed. It is in our interest to invest in economic development. We are increasingly dependent on the resources of these countries to support our own standard of living. And it is only just and humane to invest a small part of our wealth in the alleviation of suffering. If we lose our humanitarian concern and our sense of justice in a misguided attempt to keep all our wealth for ourselves, we will be poor, indeed.

MUTUAL RESPECT AMONG NATIONS NECESSARY TO PEACEFUL RELATIONS AND WORLD ORDER

Mr. MATHIAS. Mr. President, on the 21st of August, the fifth anniversary of the Soviet invasion of Czechoslovakia, we shall be reminded of a sobering political reality at a time when the major powers outwardly are seeking detente based on an allegiance to principles of international law.

The creation of a stable international order, such as the kind recently espoused by President Nixon and Soviet Communist Party Chairman Leonid Brezhnev, presumes an overriding respect for the integrity and rights of all nations. As the superpowers painstakingly climb to a summit of international cooperation, each should constantly remember the degree of restraint and mutual respect necessary to maintain the delicate fabric of peaceful relations and world order.

In the strategic arms limitation talks and negotiations on mutual and balanced force reductions in Europe, we witness hopeful signs of a retreat from the military posture that facilitated the Soviet invasion 5 years ago this month—August. Nevertheless, we can scarcely expect progress until the major powers agree to refrain from forays across international borders under the badly tattered and frequently discredited banner of "national interest."

ON CRIME PREVENTION—AFTER THE FACT: BEFORE THE FACT

Mr. EAGLETON. Mr. President, I have a very interesting article which has been prepared by Mr. Robert T. Williams, chief of police, Grandview, Mo., which I feel should be brought to the attention of the Senate. Chief Williams has suggested that schools be responsible for developing psychological, emotional and attitudinal patterns in America's youth in an effort to prevent the development of criminality in an individual. This article, which appeared in the June issue of the International Police Chief magazine, is most thought provoking and I commend Chief Williams' suggestions to your attention as one method of reducing the crime problem faced by our Nation.

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

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

ON CRIME PREVENTION: AFTER THE FACT—BEFORE THE FACT

(By Robert T. Williams, Chief of Police, Grandview Police Department, Grandview, Mo.)

Those who say that we, in law enforcement, are succeeding in our fight against crime and other social ills, truly have their heads in sand. Not only are we, in law enforcement, failing in preventing crime, but other segments of the criminal justice system are failing also. Courts, corrections and a host of other public and private institutions are using an after-the-fact brushfire approach in attempting to prevent the development of criminality and other serious social ills. The criminal justice system does not attempt to treat criminality until after it has developed and has become a problem. In fact, there is no effective effort at all in our society that is devoted to the prevention of the development of criminality.

Consider this hypothetical situation. Johnny, age 17, came from a middle-class family and was in his senior year in high school. His minor scrapes with the law included shoplifting and runaway. He had not yet been involved in anything serious enough to send him into the juvenile justice system.

Johnny had a car that his parents bought for him and he was running a little low on money to buy gas. One night, after a football game, Johnny took a tire tool and broke into a drive-in restaurant. While rummaging through the inside of the drive-in, he was surprised by a policeman. Johnny hid behind a door and as the officer walked in to check out the building, Johnny struck him on the head with the tire iron and ran. The policeman died and Johnny was arrested several hours later and charged with the crimes of burglary and murder.

Johnny was interrogated and booked in Juvenile Hall. His parents were called and informed of the charges against him. There was a flurry of activity in Johnny's home; phone calls to attorneys and friends and some near hysterical crying. Finally, Johnny was certified as an adult and was tried for murder. After a three-day trial, he was found guilty of second degree murder and sentenced to the state penitentiary.

There were unsuccessful appeal processes. Johnny went to prison and after serving two years, was released on parole. He was nineteen when he was released and he had learned many clever practices from professional criminals. He halfheartedly looked for a job, but didn't find one. The young ex-con teamed up with a group of professional burglars and was ultimately shot and killed by a police officer.

The cost of a crime like the one just described cannot be measured. The death of the policeman would cause heartache to his family and friends. His death could have tremendous negative impact on his children. When anyone dies prematurely, there is always sadness connected with the death. Whether the deceased is a policeman or a criminal, society is being robbed of potential contributions that might be made. Johnny's family would suffer heartache, embarrassment and emotional trauma. The manpower and facility the criminal justice system would utilize in a case like this would be a great drain on the taxpayer, and all for a losing cause. In Johnny's case, the system dealt with him only after a problem of criminality had manifested itself. This

same after-the-fact approach was used by the system on notorious criminals such as Oswald, Ruby, and Speck.

Most experts agree that our system of criminal justice is shaking at its very foundation. The hypothetical situation involving Johnny represents what can, and does happen, in some of the cases that filter through the cumbersome, and many times, ineffective myriad of bureaucracy.

At the recent I.A.C.P. Convention in Salt Lake City, Utah, the inadequacies of our court system were outlined. The need for reorganization, streamlining and innovative approaches has been identified. There seems to be a feeling among some that if the courts simply stiffen sentences that the pressure on the entire criminal justice system will be relieved.

Penal and correctional institutions are overcrowded and are crying for relief. There is widespread alarm and a call for major reform. Guards and prisoners are being killed on a regular basis. Prison and jail riots are a constant threat. Some prison populations experience as much crime and narcotic traffic as do some American communities of like size. There are recommendations to reduce the length of sentences handed down by the court. There are calls for super parole programs so that rehabilitation might be dealt with in a more humanistic fashion.

The juvenile justice section of the system is bogging down in some areas of the country because of confusion as to whether to put the emphasis on the rights of the juvenile or on the rehabilitation of the juvenile. Some probation and parole officers seem to be more concerned with statistical success than with true rehabilitative success.

It is interesting to note that nearly all of the efforts of the system deal with the prevention of criminality after-the-fact. Whether it be a first time juvenile pot smoker or a forty-year old professional bank burglar, law enforcement, courts and corrections deal with the offender who has already developed a pattern of criminality or anti-social behavior.

We, in law enforcement, probably come closer to dealing with before-the-fact prevention than any other element of society with the possible exception of education. If we are successful, we may deter or suppress a crime from being committed, thus, eliminating the need for courts or corrections to become involved.

If we are not successful in preventing a crime, but are successful in apprehending the responsible party, then courts and corrections begin with their after-the-fact processes.

There is no agency or system in our country that is attempting to prevent criminality from developing. There is no agency or system dealing with the problem of criminality before-the-fact. While law enforcement, courts, corrections and juvenile justice frantically work with the known offender in attempts to apprehend, punish, rehabilitate, retrain and inject the offender back into the mainstream of society, thousands of new criminal minds are being developed. The sad and horrible realization is that this new criminality is being bred in the minds of our very young children. I wonder how many Johnnys are in kindergarten classrooms in our country today.

This question becomes even more acute when we examine recent statements made by Senator Walter F. Mondale (D-Minn.), concerning public education. "Public education is failing millions of American children who are from racial and language minority groups, or who are simply poor." Senator Mondale, like many others, identifies segregation, unequal treatment, unequal opportunity and economic blight as causing for the individual: "A lifetime of lost opportunities; and for the nation, increased crime, unemployment, large welfare rolls and the loss of considerable income and tax revenue." A conservative estimate of cost for imprisoning a married man for one year is $11,000.00. This includes welfare assistance to the man's family, his detention and loss of tax revenue.

From December 17, to December 20, 1972, the Forty-seventh American Assembly met at Arden House, at Harriman, New York. The Assembly discussed in depth the problems of the American Correctional System. Following are a few of the statements made in the report, submitted by the Assembly:

"Public fear of crime and violence in the United States has created extraordinary pressures on the criminal justice system to find new ways to deal with crime and criminals. In the long run, a successful program of crime prevention and control will require a concerted attack on social and economic inequalities and the divisiveness of racial and ethnic conflict. But, American Society cannot afford to await these long-term solutions. We can no longer delay confronting the chaos of the American Correctional System."

Politicians, special committees, presidential commissions and special task forces all over the nation, have been studying and making recommendations as to revamping and repairing our system of criminal justice. The range of recommendations is wide in scope, but for the most part, encompasses the realization that our system is not working now, and something must be done to make it effective.

So far, I have criticized the effectiveness and efficiency of the criminal justice system in the United States. Too many times, criticism is made and no solutions, alternatives, or possible programs are suggested to correct inadequacies. With this in mind, I would like to offer what I believe would be a possible new course of action in our attack on rising crime rates and criminality.

(1) It must be realized that the problems facing the criminal justice system are so vast and complex, that we should not expect easy solutions. We are beginning now, to recognize the full impact of the inadequacies of the system and because of our responsibility to our fellow human beings, we must continue to attempt to improve and streamline all segments of the system.

(2) We must realize that the criminal justice system is dealing with the development of criminality, after-the-fact. The system of criminal justice is not now, nor will it have in the future, an impact on the development of criminality to any measurable degree.

(3) Any approach must be developed in our society to attack the causes for the development of criminality.

For the purpose of discussing the prevention of criminality from developing, we can put the criminal justice system off to one side. We can do this, because if we can prevent criminality from developing, there is no reason for the criminal justice system to become involved.

In Volume I, Issue IV, of the International City Management Association Bulletin, "Target", an article appeared entitled "Elementary School Delinquency Program." The article described a unique program called VISA (Volunteers Influencing Student Achievement) which identifies troubled elementary school children and provides them with guidance and counseling on a one-to-one basis. The author of the article began by saying, "Despite evidence that behavior during elementary school years is a crucial indicator of future delinquency, attention is seldom focused on the problems of young children."

VISA was developed to counter the rise in juvenile delinquency in Placentia, California. The Orange County Probation Department designed the project to deal exclusively with elementary school children in an attempt to head off delinquent behavior. Basically, the program entails identification of young children from years 9 through 12, with behavioral or attitude problems and to provide those youths with special help and counseling from qualified volunteers.

This type of program is closer to a before-the-fact approach in the prevention of the development of criminality. There is much success that can be realized from a program like VISA, but even more success could be realized through programs designed for younger children.

It does not take a super-intellect to identify the fact that the home and church in our country have become less of a factor in creating and perpetuating positive values. The advent of television, multiple-car families, the working mother, and the threat of nuclear annihilation have created an atmosphere of frustration and confusion.

Criminality is caused by an unsatisfactory, psychological, emotional or attitude development in the individual. This realization leads us to discovering the cause of criminality and yes, even the cause of most other social ills. It is quite depressing when we see narcotic, drug and sex education not being emphasized in some cases, until a child reaches junior high school. It is even more depressing when you see narcotic, drug and sex education programs being presented where there is not first an emphasis on the development of satisfactory psychological, emotional and attitude structures.

Everything a child needs to know about the mechanics of narcotics and drugs could probably be taught in a relatively short period of time. On the other hand, developing a satisfactory, psychological, emotional or attitude structure in an individual, takes a considerable amount of time, if not a lifetime. As a child grows older, the chances for altering poor psychological, emotional or attitude habits diminish. Therefore, it seems quite obvious that in order to attempt to prevent the development of criminality in an individual, the process must begin early in that individual's life. Realizing, at the same time, that home and church are becoming less of a factor in preparing children so that they can cope and deal successfully with life, we can see the need for developing a program whereby the ability to cope and deal with life is nurtured and developed. It is in the context of this hypothesis that I suggest the following steps be considered:

(1) The field of education should accept the responsibility for developing psychological, emotnional and attitude patterns, consistent with our society's definition of good social behavior.

(2) A National Commission should be appointed, consisting of experts in the fields of psychology, psychiatry, sociology, education and criminal justice.

(3) The Commission should study in depth the causative factors leading to the development of criminality and anti-social behavior at early ages. A program then should be developed which could be injected into each school system and which would be designed to meet the psychological, emotional and attitude needs of children beginning with kindergarten and continuing through high school. Special consideration should be given to environmental factors such as poverty and racial minority concentration, however, perspective must be retained with reference to a responsibility to all children.

(4) School systems should beef up counseling and guidance facilities so that special attention might be paid to those children who have more serious problems.

I would anticipate that a program of this nature might meet very strong resistance. There are many in the field of education who feel that there should not be strong emphasis placed upon developing the positive values of students. There is a feeling among

some that a program such as this could be misused as a brainwashing tool. These arguments must be discussed and resolved.

In talking with those in the field of education, another major obstacle to a program of this nature would be that of developing the ability in a sufficient number of teachers so that proper implementation would be had. In any event, whether this program is instituted or not, serious attention must be paid to the soundness of the psychological and emotional makeup of our teachers.

I have talked with psychologists, psychiatrists, leaders in the field of education and clergymen. I have found a general agreement that if a program of psychological, emotional and attitude development could be prepared, and if it could be implemented, it would probably go far toward reducing the intensity of some of the social ills, including criminality, that our country faces today. There is, however, strong reservation on the part of many that I have talked to, about the possibility of successfully selling an attitude and emotional development program. To those, I say, if we do not attempt to attack the root cause of criminality and antisocial behavior now, we can reasonably predict that our success in reducing the impact of criminality and other social ills will be extremely limited.

We have discussed the criminal justice system and I think we can see that even if it was operating at optimum efficiency, it will not assure a peaceful and reasonably safe society in which to live. Certainly we have many problems in our country today that we must attend to and attempt to correct. We have that human responsibility. But, our responsibility goes much farther and much deeper than attacking problems after-the-fact. We must develop before-the-fact approaches to the prevention of the development of criminality and pay heed to our responsibility to future generations.

KOREA

Mr. BUCKLEY. Mr. President, the Ambassador of the Republic of Korea, H. E. Dong-Jo Kim recently gave a speech at the Institute on Comparative Political and Economic Systems at Georgetown University. In his remarks, the Ambassador has called attention to many of the important political and military changes which are underway which affect the peace and security of the Korean peninsula. In view of our important national interest in northeast Asia in general, and the interaction of Korea with major U.S. policy initiatives in recent years, I urge careful study of his remarks. I ask unanimous consent that these remarks be printed in the RECORD.

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

FREE KOREA, IN THE MIDST OF ASIAN CHANGES

(By H. E. Dong-Jo Kim, Ambassador of the Republic of Korea, Washington, D.C.)

Dr. Dobriansky, students, ladies and gentlemen, I would like to preface my remarks this evening with an expression of appreciation for this invitation to address the Institute on Comparative Political and Economic Systems. I would also like to take this occasion to congratulate Dr. Dobriansky and the students in the Institute for the fine work they are doing in fostering greater interest in, understanding of, and friendship among nations and peoples of the world. I can assure you that your efforts contribute immeasurably to lightening the burdens of those of us in the diplomatic service.

I am sure you are all familiar with the Kipling quotation—East is East and West is West and never the twain shall meet.

I do not really know whether this well known quotation ever had true validity. Perhaps in some aspects of man's approach to solving his basic problems this maxim has had some truth. However, in the much larger sense of man's basic needs and man's dependence on man, I do not believe this theory is applicable, or for that matter, ever was applicable. Certainly the strong ties between the United States and Korea belie this statement as do more recent events which have enfolded in the international community during the past year.

Perhaps, however, we could make this statement more descriptive of the post World War II period by making a few substitutions and saying: communism is communism and democracy is democracy and never the twain shall meet. Parenthetically I might add, except on the battlefield as evidenced in Korea and Vietnam.

At least the foregoing statement would have held some validity until approximately a year ago when President Nixon made his historic trip to Peking. This trip seemed to act as a catalyst for a series of developments in the international community, developments still in their very early stages of growth but the ramifications of which have had and will continue to have enormous significance for us all. Here was a symbolic beginning of the twain meeting between democracy and communism and portended a drastic break in the framework of the power structure which had characterized international politics for over a quarter of a century.

I am not a historian and I do not presume to be an expert on international relations, but I have thought often during the past year about whether President Nixon's trip to China initiated a new era in foreign relations among the world's nations or whether his trip was rather the realization that a new era in foreign relations had already commenced and the trip was a pro forma announcement of something which had already evolved.

For certainly there is no question but that the cold war era was one of stagnation, hostilities and innumerable frustrations for nations and untold suffering and death for thousands of people caught in the vortex of the cold war, often turned hot, as in Korea. Throughout this period men had been searching for alternatives and it has become increasingly obvious that leaders of both east and west, communist and democratic, have come to the full realization that the future of all nations in the 20th century and beyond depends on governments, settling their differences at the negotiating table, not on the battlefield.

Speaking as a representative of a peace loving and freedom loving nation, I cannot help but add the speculation that underlying this changed atmosphere there was manifest for the first time a willingness on the part of the communist nations to negotiate—a willingness which they had steadfastly refused to manifest for more than a quarter of a century.

At this juncture we are unable to explain this seeming willingness but we cannot afford to not encourage it in every way possible. For we now find ourselves standing on the edge of a new frontier, one of unknown opportunities and perils. Whatever the end results, it presents a challenge which we must meet with optimism and hope, tempered at all times of course with caution.

And precisely because the Korean peninsula—divided between communism and democracy, and east and west, for the past twenty-eight years is a microcosm of the larger division of the world powers, I welcome this opportunity to present to you this evening a synopsis of how one Asian democratic government had adjusted to this new turn of events—both vis a vis foreign and domestic policies.

In so doing, I would like to focus your attention first on the nature of our new relationship with North Korea, and later discuss how this new relationship has influenced our relations with other nations and our domestic policies as well.

First our relationship with North Korea. Actually, it was August 15, 1970, long before President Nixon's trip to China that President Park in an Independence Day address to our nation called on North Korea to desist from its military provocations and to renounce their policy of communizing the whole of Korea by force. Only in this way could tensions on the Korean Peninsula be eased. If the communists agreed, President Park said he would put forth concrete proposals for removing step by step artificial barriers between the two parts of Korea. This invitation was paid scant attention by North Korea at that time.

In August of 1971 our government took another initiative and proposed Red Cross talks between north and south to work toward reunifying more than fifteen million forcibly separated families as a consequence of the Korean War. It was indeed a welcome sign when North Korea finally accepted this humanitarian proposal.

However, it was not until May 1972, almost two years after President Park's plea, that the North Korean government officials agreed to initial contacts with government officials of the Republic of Korea. These initial contacts led to the South-North Communique of July 4, 1972 pledging among other things:

1. Reunification through peaceful means
2. Renunciation of armed provocations
3. Installation of a direct telephone line to prevent precipitous outbreaks of military incidents, and very importantly,
4. Establishment of a South-North Coordinating committee to implement reunification problems.

Since this agreement, dialogue has been held on a two track basis—namely the Red Cross talks to settle the humanitarian problems and the Coordinating Committee meetings for discussion of other serious problems existing between the two parts of Korea.

In pursuing this dialogue with the North, our basic approach has been directed toward seeking a realistic and practical solution. Specifically, we have advocated a three stage formula, commencing with non-political matters such as the reunion of separated families, leading to the next stage of economic and cultural exchanges and finally culminating in political discussions and hopefully ultimate reunification. In other words, we believe there must be sufficient ground work and a solid foundation of mutual trust before definitive reunification talks can be meaningful.

Conversely, the other side insists that the talks move immediately to such unrealistic matters as the withdrawal of the United Nations forces and the mutual reduction of armed forces. Additionally, the north just recently interjected very serious political elements into the Red Cross talks by demanding the dismantling of the anti-communist social system in the south. We view this with grave concern, and are compelled to question their real intention and ulterior motives.

Also we view with alarm a concerted diplomatic effort to undermine the international position of the Republic of Korea as well as a renewed propaganda campaign against the south in direct violation of the joint statement of July 1972.

In light of these recent development, future progress in the talks depends on a North Korean demonstration by deed, rather than words, of their desire for progress.

As you are undoubtedly aware, the frequently stated position of the Republic of Korea on reunification progress has been

on the basis of the United Nations formula calling for free elections throughout Korea under the impartial observation of the United Nations. We have not deviated from this position, often calling on North Korea to recognize the competence and authority of the United Nations, which North Korea has steadfastly refused to do. Rather, North Korea has continued to insist on the withdrawal of United States forces as a precondition to any progress on reunification. Herein has been the stumbling block for progress in our negotiations.

In the hope of ending this impasse in our negotiations, President Park on June 23 announced a Special Statement on Foreign Policy which reflected an objective and realistic appraisal of the Korean internal and external situation. This statement enunciated interim policies which our government hopes will expedite the achievement of peaceful unification of our peninsula. While calling for peaceful unification of our fatherland as the supreme task of the Korean people and continued dialogue with the North, President Park stated that our Government will no longer oppose participation of North Korea together with us in international organizations nor will our government object to the admittance of both Koreas into the United Nations. This new position of our government in no way should be interpreted as our recognition of the legitimacy of the North Korean government or North Korea as a state but rather as a new approach to bringing meaningful dialogue, peace and eventual reunification to our nation. It is our earnest hope that North Korean participation in this international forum will make its government act as a more responsible and responsive nation in the international arena than it has previously demonstrated itself to be.

For our part, we will continue to pursue a dialogue with the north with the full knowledge that any negotiations with the communists is an extremely difficult undertaking and must be done with the utmost of caution at all times.

I am sure from the foregoing that it is obvious to you all that our dialogue with North Korea is at a tenuous and uncertain stage at the present time. And it is because of this great uncertainty about our future that we are more than ever convinced that the continued United States and United Nations presence on our soil is so crucial. Until there is greater stability in the developing nations of Asia and until their respective roles in Asia are more clearly defined, we believe that the American presence remains a critical margin in the equation which will determine whether the outcome of the present process is a relatively stable peace or increased violence and chaos.

I say this fully aware of the implications of the Nixon Doctrine and the desirability of the United States to reduce its heavily overburdened international commitments. In principle Korea supports the Nixon Doctrine. In fact, Korea was the first Asian country to voice its support for the principle of the Doctrine.

However, for us, the most crucial aspect of this Doctrine is its implementation. The timing in each case must be carefully planned so that in no way would the result be detrimental to the existing commitments which the Nixon Doctrine will continue to honor. Presently, the United States is engaged in a five year modernization of our armed forces. This modernization is mandatory based on a comparison with North Korean armaments which are superior to those of the Republic of Korea in almost any category one might designate.

Coupled with this modernization of our arms, the United States, after consultation with our Government, withdrew some 20,000 American troops from Korea as part of the implementation of the Nixon Doctrine. However, until our modernization is completed, or until we are more self sustaining, we need the continued United States presence.

While I have stressed the significance of the United States' role in Korea and the Pacific, I have not lost sight of the role that Asian nations must play in this new era.

In any discussion of this role of Asian nations, of course, Japan has to be a major consideration. Since normalization talks in 1965, Korea and Japan have undertaken a steady development of joint efforts for mutual cooperation in economic fields.

Generally our feeling vis a vis Japan is that, as a highly successful industrialized nation, Japan should contribute more to efforts for regional cooperation. We are apprehensive and somewhat disappointed that at this crucial time in the Republic of Korea's negotiations with North Korea we see an increasing tendency by Japan to get closer to North Korea, both in trade and traffic of personnel.

Recently, several western countries such as Sweden, Denmark, Norway and Malaysia have also established diplomatic relations with North Korea.

Our thinking is that any premature move by our friends to improve their relations with North Korea will hamper our dialogue by weakening our bargaining position. It is our considered view that the hasty recognition of North Korea will endanger the progress of the South-North dialogue by disturbing the most delicate politico-military balance existing between the south and north on the basis of which the dialogue itself was possible.

Although obviously North Korea, the United States and Japan are central factors in our foreign policy considerations in this changing era, I would like to mention another new direction in our foreign policy in recent months. We have always sought to establish diplomatic relations with other nations, seeking mutual cooperation in cultural, economic and political spheres. At present we maintain diplomatic relations with eighty-four nations.

In this connection, I might add that President Park, in his Special Statement of June 23, enunciated a new policy to pursue friendly relations with all the nations of the world. Specifically, he stated that the Republic of Korea would open its door to all the nations of the world on the basis of reciprocity and equality. At the same time, those countries who have different ideologies and social institutions were urged to open their door to the Republic of Korea.

To sum up the basic principle of our foreign policy is to seek the reduction of tensions and thus establish a structure of peace on the Korean peninsula, under which we hope the ultimate reunification of the country will be realized.

Thus far I have pointed out our expectations and new directions in foreign policy in this period of fluidity in the world. However, my presentation would be incomplete if I did not touch upon the internal changes in my country during the past year and our future expectations; for we fully realize that the most effective way to prepare ourselves for whatever eventuality the winds of change bring to our peninsula and Asia is to have a viable and healthy economy and people.

Over a decade ago, President Park initiated a series of Five Year Plans which set goals in virtually every category of economic development. At the present time our third five year plan is in operation in which we are aiming at striking a balance between the industrial and agricultural sectors and between light and heavy industries. Hopefully this plan will establish a firm basis for attainment of our goal of a 10 billion dollar export business and $1000 per capita income by the early 1980's. I think a measure of the success of our five year plans can be seen here in the per capita income which has gone from $95 in 1961 to $305 in 1972 to our projection of $1000 by 1980.

In our efforts to raise the living standards of our people and to eliminate growth imbalance and disparity in rural and urban incomes, we have launched something we call the new community movement aimed at increasing farm income and improving farm living conditions. It combines long term developmental government investment with voluntary farmer participation and will replace the traditional closed agricultural society with a new and modern industry oriented society.

The greatest gains have been in light and heavy manufacturing. We now have a petrochemical complex at Ulsan, refining petroleum for our use and for the manufacture of plastics and other petroleum derivatives. Our electric power generation has been increasing to keep pace with our overall economic development. And, of course, our exports have been expanding. As of the end of 1972 our commodity exports amounted to $1.8 billion.

Since our nation has few resources, we have become a processing and manufacturing country. Our major resources are hard work and manufacturing skills. Our private enterprise, market economy and dependence upon a free flow of imports and exports ties us inseparably to similar economic systems in the United States, Japan and Western Europe.

It is important for us at this time in particular to strengthen our economic security through trade and joint economic ventures which tend to tie nations together.

I hope by now it is apparent to all of you that remarkable changes have been transpiring in our nation during the past year. Of course, these changes are not unique to Korea but rather are representative of changes transpiring throughout the world. A new era has just begun for us all—the future of which no one can predict.

What is reassuring and predictable, however, is that, in spite of all these changes, the prime joint interests between our two nations will remain stable. These I would summarize as stability in East Asia, economic expansion of all nations and people, promotion of the right of all nations to be independent and to follow courses of their own choice without injury to others, and, of course, our paramount mutual interest in maintaining and strengthening peace.

We in the Republic of Korea are anxious to cooperate with all nations in the advancement of all these joint interests. For we all prosper in peace by working together.

Let us hope and pray that this message is read loud and clear in all nations of the world. For as I mentioned at the outset of this speech, the survival of us all is dependent on the realization of this hope.

Thank you.

GROWING AMERICAN CONCERN OVER THE DROUGHT IN AFRICA

Mr. HUMPHREY. Mr. President, I was privileged to speak before an emergency student conference on the drought and famine in the Sahel held on Capitol Hill last Wednesday. This conference demonstrated the growing American concern about the catastrophic drought in West Africa.

The conference was sponsored by a number of groups deeply concerned about the drought and committed to doing everything possible, through the Government and through private organizations, to alleviating the tremendous suffering in these six West African states

A new coalition of black organizations, called Relief for Africans in Need of the Sahel, the Congressional Black Intern Caucus, the Student and Young Adult Division of the United Nations Association, the National Student Lobby, and the American Freedom From Hunger Foundation all joined in sponsoring this conference.

The speakers at the conference represented the broad spectrum of organizations, national and international, that are participating in the relief effort in the Sahel. Undersecretary General of the U.N., F. Bradford Morse, spoke of the impressive cooperation among donor nations and among the various branches of the United Nations in the short-term relief effort and outlined the plans for developing detailed, comprehensive recovery and long-term development programs. The recovery and development effort will be coordinated out of Undersecretary Morse's office. It will be based on international cooperation on an unprecedented scale in providing financial assistance and scientific analysis of the possibilities of the area.

USAID has been one of the major initiators of this broad, "systems analysis" approach to economic recovery in the Sahel and one of the major forces behind the international coordination of this effort. The AID officers who have worked long hours to make this possible are to be commended; and I believe Congress should give them all the support they will need in continuing the U.S. role in the economic recovery and development of these six West African states.

Representing private organizations involved in the relief effort at the conference were Rev. Jesse Jackson, Operation PUSH; Lucius Walker, Interreligious Foundation for Community Organization; and Jan van Hoogstraten, Church World Service.

Fermino Spencer spoke on the Agency for International Development's role in the international emergency relief effort.

Mr. President, I was deeply impressed by the serious concern over the tragic situation in the Sahel expressed by the students who attended this conference and by the impressive international relief effort represented by its speakers. This "creeping crisis" has finally received the worldwide attention it deserves. We have seen increasing numbers of stories in the press describing the situation in the Sahel. Television news teams have gone to the area to bring this tragic story into our homes. And the world has not turned a deaf ear to the reports of starvation and economic devastation in some of its poorest countries.

Churches and other private organization have appealed for special contributions. Governments have joined in the common effort to bring food to those threatened with starvation, medicine to those weakened by hunger and vulnerable to disease, and hope to those who have lost everything. Soviet planes are flying American grain into isolated areas. African officials are distributing food to the hungry, regardless of their national origin. The multilateral lending institutions, the African governments, the members of the E.E.C., Russia, China, the United States and numerous other countries are working together on plans to restore these countries to economic health and make the steadily growing desert bloom.

Most of the hard work is still ahead of us. Next year's food shortages will be even greater than this year's. The need for international relief will be even more pressing.

Water projects will have to be started, seed brought in, and herds rebuilt. But I believe that, with the tremendous international and national concern expressed at this conference, the relief will be provided and the hard work will be done.

Mr. President, I ask unanimous consent that two reports written by Americans who have just returned from the Sahel be included in the RECORD. The first is a Washington Post article written by Robert E. Hunter. The second is the report of Senator PEARSON'S legislative assistant, Rudy Rousseau, on his recent trip to Mali.

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

[From the Washington Post, July 28, 1973]

HOPE IS ON THE WAY TO TIMBUKTU

(By Robert E. Hunter)

BAMAKO, MALI.—At dawn the C–130 Hercules transport, piloted by USAF Captain Mike Langley, lifts off the runway at Mamako in a swirl of red dust. Destination: Timbuktu—with a cargo of 33,000 pounds of sorghum donated by the European Economic Community to the drought-stricken areas of the Mali Republic. This is one of three trips flown every day by the 41st Tactical Airlift Squadron, carrying enough grain from a dozen countries and several international agencies to feed tens of thousands of people for one more day.

In America, Timbuktu means romance, a once-forbidden city near the edge of the Sahara Desert, or simply one of the most inaccessible places on earth. Today, it symbolizes the growing tragedy of six West African countries that encompass the Sahel—the broad band of grasslands and near-desert between the Sahara in the north and the tropical lands of the southern coast. During the past four years, rainfall in this area of unpredictable weather has been far below normal, leading to a worsening shortage of grassland for livestock and grain for human consumption.

Mali is a livestock country, with one head of beef cattle for every citizen—5 million—and with twice as many sheep and goats. Cattle on the hoof—80,000 head or more a year—are Mali's principal export, and virtually the only tangible evidence of wealth in this most poor country. Now 20 percent of the cattle are dead—60 percent or more in the desolate 6th Region in the north, which includes Timbuktu. What late snow did to Wyoming and Colorado cattle last winter, a lack of water had done many times over here in the last several months.

The grain harvest has been equally hard hit. The rainy season, beginning at the end of May, is traditionally a difficult time in Mali, when buffer stocks of millet and other grains from the previous year must last until the September harvest. This year, these stocks do not exist in many parts of the country; some farmers have begun eating their seeds; a few Malians have died of diseases related to starvation. Worse still, the rains that have begun here in the south, incidentally helping to block road transport to distant areas, have not yet begun in the 6th Region.

The Hercules follows the Niger River northeast across the *Office du Niger*, an agricultural experiment of French colonial days in the inland delta formed by this great water lifeline. The *Office* is now largely barren. At Timbuktu, the temperature is 105 degrees, with a hot 15-knot wind off the desert. No sun shows through clouds of dust that hang above 10,000 feet, limiting visibility, and placing heavy stresses on the airplane. Today, this dust has closed the dirt airstrip at Gao, 200 miles farther down river, now cut off until the dust subsidies.

At Timbuktu, another 15 metric tons of grain are unloaded from the plane by Malian workers, who are cheerful and spirited despite the heat and vie with one another in tests of strength. One man carries three sacks of grain in one trip—330 pounds—and sets today's record. Thirty minutes later, carrying souvenirs of Timbuktu, the six-man Air Force crew takes off to pick up more grain. This time the return flight is empty: sometimes it carries Algerian aid in the form of jam and vegetables to Bamako and the south.

This airlift—and ones run here earlier by the Belgians, the French, the West Germans, and others—cannot hope to move all the grain that is needed. But it does help; and it represents a form of international cooperation that is rarely seen. Countries from China to Canada are represented; and the U.S. planes carry whatever food is available, including Soviet wheat that may have begun its voyage in the United States.

As the situation in Mali shows, human tragedy can sometimes be simply a matter of transportation. This is particularly tragic because Mali has long since sought help with its transportation needs—both internal and external—and has met with little success among foreign aid agencies. Not only is there the difficulty of moving grain from Bamako which—relative to some parts of Mali—seems to be a "horn of plenty" with no lack of goods in the shops, but also there is difficulty in getting food aid from abroad to Bamako itself.

The Mali government has asked other nations for 260,000 metric tons of grain to get past the worst period. Over 140,000 tons have now been pledged or shipped by foreign donors—more than one-fourth from the United States directly or through international agencies. However, Mali has only two links to the coast: a single-line railroad to Dakar, in Senegal, 800 miles away; and a road and rail link to Abidjan in the Ivory Coast. Food is arriving at these ports in quantity. Yet at Dakar, 25,000 tons of grain has piled up in warehouses, since the railroad can handle only about 6,000 tons a month. Meanwhile, some grain may rot in the rain at Abidjan for want of inland transport. Nor is a massive airlift the answer, short of a massive "Berlin Airlift" of small planes: even the paved strip at Bamako would break up under the weight of giant transports like the American C–5A.

As difficult as the present problems are, the Malians' biggest difficulties are yet to come. Mali's loss of cattle means a loss of foreign income; a loss of meat for the coastal countries; and a loss of cows needed to replenish the herds when rain hopefully brings back the pasture. Seed that is eaten is not available for planting. Farmers driven from the land by drought may find it difficult to start again, and some will make their way to cities and villages—to unemployment. And the burning off of pastureland by the sun means further encroachment by the Sahara Desert, which presses southward even in the best of years.

Real help, then, is something for the long term. This means help that serves virtually no self-interest of outside countries, except perhaps in the case of France, with its cultural ambitions. Mali has few resources to

speak of, even though Texaco is continuing its search for oil and the Soviet Union is mining gold. Mali no longer serves as a focus for ideological competition. It can do little *for* the outside world and little *to* it. Furthermore, Mali is one of the U.N.'s "25 poorest countries," with so many people living entirely on what they can grow themselves that the term "per capita income" means nothing here. Thus if help comes to Mali—as it does in limited quantities from several countries of both East and West—it comes as a matter simply of helping to support another people's efforts.

Mali does contain some hope. Family ties remain strong, reducing the impact of unemployment on individuals. The Malian farmer tends to be clever and industrious, and in time may export beef to the Common Market. The top level of government is very capable, although Mali is top-heavy with civil servants. Health standards are improving—though this is raising the classical question whether better health will increase the population, and with it poverty, faster than family-planning programs can become effective. Furthermore, literacy, which two years ago was about 15 percent, is leaping ahead because of a new approach to literacy—literacy tied to a man's own needs and work. In this new approach—a major factor in development—Mali has even become UNESCO's showcase. Finally poverty is a relative term. The subsistence farmer in Mali is certainly better off, in a non-drought year, than the landless Indian peasant or the family in a Latin American slum—or perhaps even in a slum in the United States.

Thus, what 40 men of the U.S. Air Force are doing here in Mali, from Bamako to Timbuktu and beyond, may be a limited effort in terms of Mali's larger needs. But it still stands as an example of what *can* be done in the midst of human tragedy, by people from diverse countries. So much more the pity this emergency relief effort would have been less needed—or more successful—if Mali's earlier appeals for help in developing transportation had been heeded.

REPORT ON VISIT TO SAHELIAN DROUGHT AREA

(By Rudy Rousseau)

The primary purpose of the visit to the Sahelian region of west central Africa was to make personal observations and gather up to date information about the impact of the drought on the peoples and economies of the area. The trip began July 19 and ended July 28. July 21 through July 27 was spent in the Sahel.

Travel within the region was restricted to one of the six countries affected by the drought, Mali. The visit was confined to Mali because at the time of the visit the USAF C–130 aircraft which served as transportation within the region were only flying relief supplies from Bamako, the capital of Mali, to airfields within the country.

It was possible to see a range of drought conditions which were representative of the region. In addition to flights from Bamako, we traveled approximately four hundred miles by car and four-wheel-drive vehicles, visiting villages and medium-sized cities in the central part of the country.

Formal and informal interviews with Malian and American officials in Bamako, Timbuktu, Gao, and other cities and villages provided useful information about the impact of the drought and future needs for assistance.

The structure of the visit and the limited period of time spent in the Sahel, placed four basic limitations on the observations and trip:

First, although this observer has spent a reasonable amount of time in Africa, he had not been to the Sahel.

Second, the Sahel is almost as large as the continental United States, although not as geographically diverse. Five days was not time enough to observe all of the varying degrees of intensity with which the drought has affected the peoples of the region.

It should be noted that the parts of Mali which were visited included the reasonably fertile lands along the River Niger as well as the semi-arid areas in the vicinity of Timbuktu and Gao.

Third, the Malian government provided transportation and escorts during visits to the areas around Timbuktu and Gao which have been most severely affected by the drought. We seemed reasonably free to travel but it is difficult to determine what was not shown to us. American officials indicated that we saw a reasonably representative sample of the conditions in the area.

Finally, a five day visit during the rainy season, or what is supposed to be the rainy season, may not be the most appropriate time to view the effects of a drought.

With these limitations clearly stated, this report shall proceed in two parts: first with a narrative of observations made during travel within Mali and second, with a general discussion of the conditions within Mali and possible impact on drought assistance.

SUNDAY, JULY 22

Accompanied by an American who had served in Mali for several years and who has now returned to do a nutritional study on the effects of the drought, we traveled approximately 300 miles from Bamako to the small city of Makala and back. The paved road on which we drove parallels the River Niger and goes through a relatively fertile area of the country.

According to an AID regional officer from Dakar, this region normally produces enough grain and livestock to be self-sufficient. However, this year the rains have not been adequate to produce normal crops. Along the road, corn, which should be chest high, was only knee high. Farmers have lost their first two plantings and were starting a third planting of corn, millet, and other crops. These conditions prevailed along the entire route from Bamako to Makala and if the rains do not come, this is an ominous indication of severe shortages in the coming months. The loss of crops was especially notable because many of the fields were literally within sight of the river. Although attempts have been made to introduce "modern" methods of plowing and planting, crops which have been planted in "modern" rows were not doing noticeably better than those planted in "traditional" hills.

The cattle, goats, and horses which we saw in this area seemed to be healthy and well fed. Grasses, bushes, and trees were green and had received enough water since the beginning of the rainy season to serve as adequate forage for livestock.

Several varieties and substantial quantities of food were available in roadside markets in the cities. I was informed that corn normally serves as the staple food at this time of year until millet and rice come in toward the end of the rainy season. Corn was available in the markets but not in large quantities. The corn must have come from fields in creek bottoms or from fields which were watered by hand. Substantial supplies of peanuts, bananas, coconuts, pineapples and other fruits were in the markets. Fresh and dried fish from the Niger was available in this area.

During this trip, I observed no obviously unhealthy children or adults in any village or city along the route. Fish, local foods and relief commodities from Bamako had evidently provided enough food.

There are obvious limitations to these observations. The sick and hungry could have been indoors or otherwise out of the sight of a visitor. However, Malians and Americans knowledgeable about this particular area believe that adequate food is available at this time.

Despite the relatively good conditions, two potential problems were evident. First, unless substantial rains lasting longer than the usual rainy season reach this area, the crops may well be below normal. Without rain the normally self-sufficient area from Bamako to Makala will not be self-sufficient. Relief supplies and grain from the south of Mali will be needed to sustain the people. Fortunately, this region is accessible from Bamako and the south so there should be little difficulty in moving supplies into the area as they are needed.

The second, and perhaps more critical problem, is that the River Niger is well below normal for this time of year. Rains at its headwaters have not been adequate. Because the Niger is the main route for shipment of adequate supplies of food from the grain surplus areas of the south and from stocks of relief supplies from Mopti, low water means that barges which normally carry up to 200 tons of supplies may not be able to reach the north and eastern regions which are badly in need of food. It is possible that the river will rise enough to permit barges to reach the area, but that it will not stay up for a sufficient period of time to enable the Malians to adequately supply the area. In either case, given the lack of roads and of ground transportation, a continuation of the airlift may be necessary.

MONDAY, JULY 22

Monday was spent in and around Bamako. During the morning, the American Embassy arranged a meeting with the Chief of the Gendarmerie Nationale, Mr. Diallo. At the time of the visit, Mr. Diallo was the individual responsible for the coordination of the relief operations throughout Bamako. Also attending the meeting was the man in charge of the airlift and liaison with the United States Air Force, Captain Aliou Traore, Vice Minister of the Air Force.

Mr. Diallo and Captain Traore described the general structure of the Malian relief efforts. Diallo stated that the central government in Bamako identified local needs through its regional and subregional offices of the Ministry of Agriculture which then reported to the Ministry of Interior. Diallo said that agriculture agents were located throughout the country and that they traveled extensively to gather information necessary to determine needs for relief supplies. He said that supplies were distributed equally to all peoples of the country.

Mr. Diallo stated that he is satisfied with the coordination of the assistance among the various donors and international organizations because the Malian government is the coordinator and is firmly in control of the operations. That statement was later corroborated by both Americans and Malians. The Malians seemed determined to control the entire distribution of relief supplies and have rejected offers of help when the donor attempted to control distribution.

On Monday afternoon, we visited Peace Corps projects approximately 25 miles from Bamako. The crops in this area appeared to be in about the same condition as those toward Makala. Even the Peace Corps Volunteers had lost their first planting of corn and had begun a second planting, but had little hope of success.

Food was available in the villages we visited and no obviously sick or starving individuals were evident.

TUESDAY, JULY 24

Accompanied by American and Malian officials we flew from Mamako to Timbuktu on a USAF C–130 carrying 15 tons of Pakistani rice. Timbuktu is located approximately 400 miles northeast of Bamako and lies about six miles from the main channel of the Niger. The area is on the fringe of the

Sahara and the vegetation is sparse in the best of times.

People are dying in Timbuktu. Many of their animals have already died and unless the rains come or substantial aid is received, a way of life which has lasted for more than ten centuries may end for the nomadic herdsmen and traders of the Sahel.

The rains have not come to Timbuktu. Very little forage is available for the remaining animals. Some goat herds were feeding in the area, along with a few camels and donkeys, but I was informed that most of the animals were either dead or moved south.

It was very difficult to judge the condition of the people in the city of Timbuktu itself. Evidently, they were receiving relief commodities. The worst conditions in the Timbuktu area, and probably the worst conditions in the country, are found in the camps of the nomadic herdsmen, the Tuaregs. The commandant of the administrative region around Timbuktu stated that children die every day in those camps. Some people in the camps appeared to be very close to death. One woman collapsed as she walked toward us. Some children were literally skin and bones. People who had been in the camps for some time looked healthier. The commandant stated that the Tuaregs received a daily ration of commodities and that they had access to medical care. He pointed out, however, that the normal diet of the Tuaregs is milk, meat, and dates, and that changing to a diet of grain was very difficult for them. The people in the camps were preparing grain when we visited the area.

We only traveled to one village near Timbuktu. It was on the river bank and not typical of other villages in the area. Given the shortage of grain and transportation (the commandant said that he had only one truck for the entire area), conditions may have been much worse in outlying areas than in Timbuktu itself.

It is not possible to estimate how many nomads have died during the drought or what proportion of their herds have survived. However, given the fact that the way of life of the Tuaregs is based on the herds and the fact that a substantial proportion of the herds have died, the Tuaregs are in serious trouble and may need substantial assistance for some time to come.

According to Malian and American officials, Timbuktu has three basic problems. First, the drought has caused the failure of crops in the area and the death of much of the livestock. Second, the river did not rise for its normal period last year and may not rise long enough this year to enable large barges to bring in adequate provisions. Third, large numbers of nomadic herdsmen and traders have gathered near Timbuktu in search of food, and therefore have added to the need for relief supplies.

Each of these three problems has a direct bearing on the continuation of relief efforts. The area around Timbuktu is not now an agriculturally self-sufficient region. For centuries, it has been a trading center exchanging salt, gold and animal products for food. Now, with the herds dead or gone, with few traders able to come to town, and with the shortages of grain, the area cannot support itself.

Whether an airlift of relief supplies will be needed in the coming months is completely dependent on the river. If the barges can reach Timbuktu, a year's supplies of food can be brought to the area. If the barges do not come, an airlift may be the only way to move food and other supplies into the area. The rains could come at any time, but at this time, the river is too low for the barges. We drove for several miles through the dry river bed from the "port" of Timbuktu to the banks of the river. The area was littered with dead animals who could find water but no forage. In addition, the flood plain between Timbuktu and the river is supposed to be used to grow rice. If the rice does not rise, the rice crop will fail.

The third problem involves the concentration of people in Timbuktu and other areas in the north and east where relief supplies are sent. The concentration of people means that more food must be brought to the area to feed the refugees. In addition, conditions in the camps raise the possibility that communicable diseases often associated with refugee camps may break out. Given the lack of medical facilities and the debilitated condition of many of the people, an epidemic of any serious disease could be devastating.

WEDNESDAY, JULY 25

We flew to the city of Gao with a load of grain. Gao is located near the Niger, downriver from Timbuktu. The river was lower in Gao than in Timbuktu but the problems of the two cities are similar.

The commandant of the region around Gao estimated that the area received about 100 tons of commodities less than it needed each month. This figure was based on the commandant's calculations about the grain needed to build a three-month reserve. Given the problems in estimating the number of people in the area, the validity of this figure is difficult to judge.

The central market in Gao had dried fish, fruits and other products. I was told that the meat market was almost empty. It had only two thin cows and a few goats at the time of our visit. The people in the city of Gao looked reasonably healthy. I spoke with a young boy who said that his family had received milk and grain. I saw no obviously unhealthy or starving people in Gao.

In the city of Gao, relief supplies were being distributed at the time of our visit. People were gathered in the courtyard of a government office to receive their supplies. The crowds were orderly and evidently in the city, the distribution system was effective.

We went to a Tuareg camp on the outskirts of Gao. An American AID official stated the people in the camp were Tuaregs from Mauritania who had traveled about 400 miles. The people in this camp looked healthier than those in Timbuktu. I saw no children who were as close to death as those in the Timbuktu area.

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The day was spent in and around Bamako. I visited the two rail terminals where relief shipments arrive from Dakar as well as the warehouse where the commodities are stored.

Sacks of grain are unloaded directly from boxcars onto Malian military trucks. The grain which is to be taken to the Bamako airport for shipment up country and that which is to be distributed in the area around Bamako arrives at the main rail station in the city. The military supervises its offloading and presumably its transportation on military trucks. The grain which is to be stored for later use is unloaded at a large modern warehouse on a rail siding outside of Bamako. This warehouse was one-half to two-thirds full of several types of grain—rice, wheat, corn and probably others which I did not see. The offloading operations seemed to be preceding smoothly at both locations.

At the airfields, a continuous line of men carrying two 100 pound sacks of grain unloads the C–130's. Normally, fifteen tons are unloaded in about 20 minutes. A USAF officer told me that the record for unloading 15 tons of grain from a C–130 is 11 minutes. This feat was accomplished by a labor gang at the Gundam airstrip.

As the grain is offloaded at the airstrips, a tarpaulin is spread on the ground to catch spillage. Each sack is weighed and the grain is then quickly loaded onto a military truck and taken to a central storage and distribution point.

Although there have been reports that crowds wait at the airport for the relief supplies to arrive, this did not happen at either Timbuktu or Gao. Few people were at the airport and the unloading process was orderly.

SUMMARY

It is apparent that some people, especially children, are starving or close to starvation in parts of Mali, mainly in the arid regions of the north and east. It would seem that the desert herdsmen, the Tuaregs, have been the most seriously affected.

Regions served by the airlift, and those accessible by ground transportation appear to be receiving adequate supplies of relief commodities or local foods. As yet, there have been no serious outbreaks of disease in Mali, but the potential exists. The relief operation appears to be working well and probably at or near capacity.

ADDITIONAL OBSERVATIONS

There are two basic sets of problems associated with the distribution of relief supplies. First, in Mali and throughout the Sahel, there are severe transportation bottlenecks at ports, rail lines, airfields and ground transport. The U.S. is sending a transportation and logistics survey team to the area within the week and its report should provide a more comprehensive analysis of the transportation system.

Several points are clear at this time. Although the governments of Nigeria, the Ivory Coast, Dahomey, and Senegal have reportedly been most cooperative in expediting the movement of grain through their ports, the ports may be operating at capacity.

In the case of Mali, I was told that all grain moves from Dakar to Bamako by rail, and that the equipment on that rail line is now operating at capacity. If this information is correct, there is an absolute limit to the supplies which can be moved into Mali unless other means of transport can be found.

Again, in the case of Mali, even if more grain could be moved to Bamako, transportation from Bamako to the most seriously affected areas is severely limited. If the river does not rise, trucks can reach some areas, but large parts of the country will be dependent on an airlift.

Unfortunately, the capacity of the airlift is also severely limited. Captain Traore stated that the airport at Bamako can handle no more than four C–130's at a time. We now operate three C–130's. Therefore, the airlift is working at 75 percent of capacity. Clearly, if the river does not rise and if the crops fail, the airlift will not be capable of moving enough grain to prevent serious problems in the north and east. I understand that other airlifts in the Sahel face similar problems.

Transportation is the primary bottleneck in other Sahelian countries. Mauritania, for example, is dependent on shipments of food from the port of Dakar. The grain from Dakar is shipped by Senegalese truck to a town on the border between the two countries where it is transferred to Mauritanian trucks. Then, at this town, Rosso, each truck must cross a river on a ferry—one truck at a time. This bottleneck has severely limited the amount of grain arriving in Mauritania, a country which, ironically, has the best system for internal transportation and distribution of any of the Sahelian countries.

This critical problem of transportation bottlenecks places a premium on careful planning of flows of relief supplies. Shipment of goods which are not needed could displace commodities which are critical to the survival of people affected by the drought.

A second condition affecting relief operations relates to the strong desire on the part of the governments of the six nations of the Sahel to control the flow of supplies to and within their own countries. The Malians were adamant about this point and noted instances in which they had rejected

badly needed goods because foreign agencies asked to distribute them.

According to press reports from Nouakchott, "Trade union leaders from Mali, Mauritania, and Senegal issued a joint statement criticizing the commercial exploitation that the sensational part of the European press has made over the suffering endured by the drought-stricken sub-Saharan peoples. The leaders rejected all forms of aid with an appearance of charity, destined to satisfy the consciences of well-supplied countries.

In summary, it would seem that transportation is the primary bottleneck on the distribution of relief supplies. It is also apparent that the flows of supplies must be very carefully coordinated among donors and with each government.

SUDDEN INFANT DEATH

Mr. MATHIAS. Mr. President, one of the Nation's major causes of death in infants under a year old is a mysterious disease known as sudden infant death syndrome—SIDS—or "crib death." Between 10,000 and 25,000 babies in the United States die of this disease each year; yet its cause and prevention remain unknown to medical science.

Recently there appeared in Good Housekeeping magazine a thought-provoking article by Rena Dictor LeBlanc describing the affects of the death of a baby from SIDS on the parents of the child. Rather than succumb to their grief, Saul and Sylvia Goldberg in 1964 established the International Guild for Infant Survival. At the present time there are chapters in 12 U.S. cities and regional representatives in 30 more, whose objective it is to raise funds for the research of SIDS, as well as to work with parents who have lost infants to this disease. The work of the Goldberg's has been commended by many people for "providing a most important service to parents everywhere."

Mr. President, I recommend to the Senate Ms. LeBlanc's noteworthy article, and ask unanimous consent that it be printed in the RECORD.

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

[From Good Housekeeping Magazine, July 1973]

"SOMEBODY HELP MY BABY!"

(By Rena Dictor Leblanc)

It was a beautiful December day, and warm for Baltimore—55 degrees. Sylvia Goldberg sang to herself as she vacuumed the family room, peeking, every few minutes, through an open window into the sunny backyard where her baby was fast asleep in her carriage.

Then the phone rang. It was her neighbor, Judy, calling to chat. Sylvia asked her to hang on for a minute so she could go outside to check on the baby.

As Sylvia bent over two-month-old Suzanne, a tiny bundle in her pink bunting, she noticed there was perspiration on the child's forehead. Her small, round face was waxen. Sylvia's heart began to hammer. She lifted the child in her arms. Suzanne was as limp as a rag doll. She'd stopped breathing!

Fear plunged through Sylvia's heart like a dagger. Completely forgetting about her friend on the telephone, she ran blindly through her house and out the front door with the child clutched in her arms, screaming, "My baby! Help! Somebody help my baby!"

Another neighbor rushed over. It was Dawn Morrison, a nurse. Quickly, she took the infant from her mother's arms ran into the house and began mouth-to-mouth resuscitation. Judy had hung up and Sylvia called an ambulance. She was hardly aware of her three-year-old daughter, Michelle, beside her, eyes wide with terror.

Speaking from a distance of nine years since the tragedy, Sylvia says, "What I will always hear is what the doctor said to me when I reached the hospital where the ambulance had taken Suzanne. 'Your baby is dead.'"

And so Suzanne Elysa Goldberg, a bright, healthy, alert baby girl with dark hair and big brown eyes, became another terrible example of the Sudden Infant Death Syndrome (SIDS). The disease this label describes is reportedly the number-one killer of babies up to a year old, yet its cause and prevention remain a mystery to medical science. Crib death, as the disease is also known, kills between 10,000 and 25,000 babies in the United States each year, according to various researchers.

In memory of Suzanne—and all babies who have died of this mystery disease—Sylvia and Saul Goldberg started the International Guild for Infant Survival. The guild has helped thousands of people across the country and overseas cope with the sudden, unexplainable death of a baby. Also, the guild contributes money for research into sudden infant deaths and is trying to educate the public about the problem.

"I'll never forget the emptiness and pain I suffered when Suzanne died," said Sylvia, a warm, outgoing woman with short, sandy hair and pale-blue eyes. "Through the guild, Saul and I hope to spare other parents as much agony as possible."

Saul is president of the guild, but it is mostly to Sylvia that grief-stricken mothers pour out their hearts and are soothed by her understanding and words of comfort.

"Suzanne was my third child, and the easiest to care for," Sylvia recalled recently as she sat in her neat, bright living room with Saul nearby. "I had just given her a bottle the morning of that terrible day. She didn't finish it, but fell asleep in my arms. So I laid her on her stomach in the carriage, and it was such a lovely day I wheeled her outside."

Tears brimmed over in Sylvia's eyes and she reached for a tissue from a box Saul handed her. "It's been nine years and I still can't talk about it without crying. Before the ambulance came, I fell to my knees by the stairway. I tried to pray to God, to my dead mother. All I could say over and over was, 'God Mom. Please, please save her.'"

Soon other neighbors and the police, whom someone else had called, were gathered around trying to comfort Sylvia while the ambulance attendants carried the baby out the door. Sylvia arranged for a neighbor to look after Michelle and her four-year-old daughter, Ann, who would be arriving home from nursery school soon. And the police took the mother to the hospital.

Judy, the neighbor who had heard Sylvia's screams over the phone, had immediately hung up and called Saul, an advertising executive, at work. She described what she had heard and told him he'd better hurry home.

Saul, a tall, friendly, studious-looking man with dark-rimmed glasses, recalled, "When I finally got to Sylvia at the hospital, we just clung to each other. We sat and held each other for what must have been an hour. We tried to comfort each other. I told Sylvia, 'It's God way.' She kept repeating, 'She was such a good baby . . . an angel. . . . She had a personality of her own . . . so alert. We mustn't forget her.'"

That night, friends gathered at the Goldbergs' home, a split-level house on a quiet suburban street. They tried to comfort the parents, but most of them were at a loss for words after such a mysterious tragedy.

After the guests left, Saul and Sylvia went upstairs to their room. "We read the Bible and poetry and talked all night," said Sylvia. "We were trying to find strength."

At the funeral, held the next day, 150 people came to bid a silent good-bye to the child in the small casket. "People were wonderful," recalled Saul. "Even the mortuary director would not charge us for the funeral. He said 'How can I charge you for such a tiny child?'"

"I was in shock," continued Sylvia. "I wanted to run somewhere and hide. I wanted to go back in time, grab Suzanne and save her. It was as though everything inside of me was crushed. I used to go into the bedroom and smell her baby clothes—and then the scent began to fade. How I persecuted myself, thinking maybe there was something I had done or not done that could have made a difference."

But Sylvia found solace in her pediatrician's assurance that no one is to blame in crib deaths. "Some mothers suffer even more when ignorant friends, relatives or neighbors voice suspicion that something the mother did must have caused her child's death," Sylvia said.

She was also strengthened by her closeness with Saul and their faith in the Orthodox Jewish religion. Together they set out to find out all they could about this strange killer of babies. Their pediatrician pointed out articles on the subject in medical journals, and they wrote to the authors for more information.

Friends wanted to donate money to some worthy cause in Suzanne's memory, so the Goldbergs set up the Suzanne Elysa Goldberg Infant Research Fund at Sinai Hospital in Baltimore. More than $1,500 was raised.

But the couple didn't stop there. They wanted to help prevent crib death from striking other families, and they wanted to comfort those families where it did strike. On November 23, 1964, they held a meeting in their home with this goal in mind. Fourteen people came to discuss and form an organization.

Saul became president and at a second meeting, a month later, there were 30 people. Now the guild has well over 1,000 supporters in groups across the country: There are chapters in 12 U.S. cities and regional representatives in 30 more.

Many of the guild's members are parents who have lost children to the Sudden Infant Death Syndrome; others have never been connected with the tragedy but just want to help.

According to Saul, "The guild provides personal consolation to any stricken families who contact us. Through our organization's fund-raising events and donations, we have contributed approximately $30,000 for SIDS research."

He pointed out that at least four research projects have been given impetus as a result of the guild's efforts. The group also sponsors meetings at which the public can learn more about the disease through lectures by authorities. In addition, the guild distributes the most up-to-date information about the disease in order to enlighten the public and public officials on the need for research into SIDS and facilities in which to study it.

Saul continued, "For example, the guild campaigned for months to get $433,000 allocated to finish construction of a new Medical Examiners Building in Baltimore. Now Maryland's chief medical examiner, Dr. Russel S. Fisher, can better carry on research into the disease.

"The organization also sent out a questionnaire to the chief health officer of each of our 50 states in order to determine what is known about SIDS. We learned that there

is no standard, accepted description of the problem; 16 different phrases are used to identify it. There is not even a standard definition of what the Sudden Infant Death Syndrome is. The guild, with the aid of medical advisors, proposes the following definition: 'The death of an ostensibly healthy infant or young child which occurs suddenly and unexpectedly and which remains unexplained after postmortem examination.'"

Saul pointed out, "The questionnaire also illustrated the vast disagreement among medical authorities as to how many babies SIDS kills. Some claim two or three per every 1,000 live births are victims, while others say the figure is as high as six per 1,000 live births."

Whenever a crib death occurs in Maryland, the child's body is sent to the office of the chief medical examiner for an autopsy. When the latter writes to the baby's parents, he also tells them about the guild.

"I didn't want to call the guild after our baby died," said Mrs. Arlen Thomas, a young black woman. "My 15-month-old baby boy was dead and I felt nothing anyone could say would comfort me . . . I blamed myself. . . . But when I finally did call, Sylvia made such a difference in my life. I didn't think it was possible for anyone to feel such an aching inside as I felt. But she told me how she had gone through the same thing, along with so many other parents. She's so warm and understanding. She even helped me overcome my fear of having another baby. And now that I'm pregnant again, I call her almost as often as I call my doctor for the support she gives me."

One of the cries for help which Sylvia answered was from Mrs. Bob Bourriague of Santa Cruz, Calif. Her third son, Daniel, "perfectly healthy in all ways," died suddenly and unexplainably when he was ten days old. ". . . I am really scared to chance another pregnancy," Mrs. Bourriague wrote. "It could happen again—there's no guarantee, and I can't even think what that would do to my sons and husband, let alone me. . . . When I happened upon an editorial about crib deaths, with the statistics and your name and address, I was really stunned. I couldn't believe what I was reading. . . . Can you help me? I really need something soon. I just can't go on like this."

Such a plea is typical of the countless requests Sylvia and her guild have received as part of the approximately 100 letters and 150 phone calls they get each week. Each cry for help is answered. Sylvia tells these mothers her own story and how she and Saul planted a cherry tree near the spot where Suzanne died to represent life rather than death. And how life did follow death a few years later with the birth of her son, Jonathon, now a handsome five-year-old.

Thousands of people have been comforted, strengthened and in a few cases even snatched back from the brink of mental illness and suicide. In recognition of this, the organization has been widely lauded.

Vice President Spiro T. Agnew wrote, "My sincere regards are sent to the members of the International Guild for Infant Survival who are providing a most important service to parents everywhere. . . ."

Similar recognition has been given to the guild by the Maryland Senate, Maryland Governor Marvin Mandel and Baltimore Mayor William Donald Schaefer, who proclaimed February as Guild for Infant Survival Month.

At hearings in Washington early last year, Dr. Merlin K. Du Val, Assistant Secretary for Health and Scientific Affairs, spoke on SIDS before the Senate Committee on Children and Youth, pointing out some of the main factors of the problem:

"Victims mostly are between the ages of two and six months; the frequency is highest around the third month of life. . . . SIDS occurs in the young infant who is apparently in good health. . . . The baby is most frequently found dead during sleeping hours. The largest number of deaths occur in the winter. . . . A number of hypotheses have been proposed for the cause of this syndrome. None has yet been proven correct."

In the last few years, thousands of people have joined forces to fight sudden infant death. Sylvia Goldberg continues to battle in her own special way.

Each time one of the two telephones in her small, cozy kitchen rings it could mean an hour-long talk with a distraught mother. Or, it could mean calling out some quick instructions to the kids and rushing out of the house with curlers in her hair and dinner half done to hurry to the side of a woman who has just lost her child.

NERVE GAS AND THE NEW McCARTHYISM

Mr. CURTIS. Mr. President, my colleague from Utah (Mr. BENNETT) had to leave Washington earlier on a flight to Salt Lake City, and has asked that I submit a statement for printing in the RECORD on his behalf.

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

NERVE GAS AND THE NEW MCCARTHYISM

The controversy over the Army's storage of chemical nerve gas near the Denver airport has inspired a new kind of McCarthyism among some elected officials.

I speak not of the late Senator from Wisconsin, but of a former Congressman from New York with the same name who parlayed an unfortunate accident with nerve gas in Utah into a national publicity campaign and an alarmist book in chemical and biological welfare. As I recall, he also attempted to use the issue to get elected to the United States Senate, and was defeated.

There is no question that this is a matter of great concern in my own State of Utah. The Department of the Army has examined several alterantives in an effort to either dispose of the chemical agent or move it to another location to lessen the dangers of storing it so close to a busy airport. One of the alternatives—the one which the Army apparently favors at this point—is to transfer the nerve gas to the Tooele Army Depot in western Utah.

Utahans are justifiably concerned over the safety of such a transfer, and I certainly do not advocate it. The nerve gas would presumably be moved by rail across the Rocky Mountain range and through populated areas of my State. Although the same type of gas is already stored at Tooele, the risks of moving more material all the way from Denver and across mountains poses potentially serious hazards.

But the Army has not made a final decision, and both the Secretary of Defense and the Secretary of the Army have personally given me their word that nothing will be done without complete disclosure to Utah's elected officials and the public.

Unfortunately, nerve gas is a sensational, headline-grabbing subject, and the temptation for demagoguery is great. This is a serious problem which requires cool thinking and cooperation from everyone concerned, including the Army and public officials from both States involved. We cannot resolve the problem with horror tales, sensationalism, hysteria, and distortion. And those public officials who seize on this issue for personal publicity are doing a great disservice to their constituency.

THE CHILDREN OF VIETNAM

Mr. CRANSTON. Mr. President, certainly one of the most tragic and lasting effects of the war in Vietnam is the tens of thousands of children maimed and orphaned as a result of our involvement in that country. Some 8 million Vietnamese—nearly half the nation's population—are under the age of 15. Of these, more than 700,000 are orphans or half-orphans, with 23,000 known to be in orphanages. It is estimated that there are approximately 25,000 children of mixed parentage, only 1,000 of whom are in orphanages. The balance of children not in homes are either living with relatives or eking out an existence for themselves in the streets.

During the course of Senator KENNEDY'S subcommittee hearings on "Relief and Rehabilitation of War Victims in Indochina: Orphans and Child Welfare." it became apparent that there are a number of fine agencies helping to meet child welfare needs in South Vietnam. I would like to include a partial listing of these for the many Californians who have written me to express their concern, and their willingness to help these innocent victims of war.

For detailed information about adopting a Vietnamese orphan, the State Department suggests contacting one of the three voluntary agencies presently recognized by the Government of Vietnam to handle intercountry adoptions of Vietnamese children:

Travelers Aid—International Social Service of America, 345 East 46th Street, New York, N.Y. 10017.

Holt Adoption Program, Post Office Box 95, Creswell, Oreg. 97246.

Friends of Children of Vietnam, 4568 Beach Court, Denver, Colo. 80211.

A partial listing of some of the organizations helping the children of Indochina would include:

The American Friends Service Committee, 160 North 15th Street, Philadelphia, Pa. 19102. One of their projects includes a rehabilitation center on the grounds of the Quang Ngai Province Hospital treating war injured civilians, many of whom are children.

Children's Medical Relief International Inc., 230 East 48th Street, New York, N.Y. 10017. This organization supports a modern teaching hospital in Saigon and provides plastic and reconstructive surgery for children. It is renowned to be the most outstanding hospital and teaching facility in all of Indochina, doing invaluable work for children maimed by bombs and explosives.

Catholic Relief Services, 350 Fifth Avenue, New York, N.Y. 10001. The official overseas agency of American Catholics, CRS provides a broad variety of programs within the area of child welfare. Some of these include the development of schools, foster home placement, improvement of medical services in orphanages, and health immunization of refugee children.

The Pearl S. Buck Foundation, 2019 Delancy Place, Philadelphia, Pa. 19103. This foundation is the only agency that

has as its principal purposes the education and care of Amerasian children born and living in the countries of their birth. It is not a welfare agency. Its functions center primarily around education, and building a climate of social acceptance for these children in the countries of their birth.

HUNGARY AND MBFR

Mr. BUCKLEY. Mr. President, in October of this year, the second round of discussions on Mutual and Balanced Force Reductions—MBFR—will take place. One of the critical failures of the first-round discussions was to include Hungary in the conference. Hungary is strategically important to the political and military stability of Central Europe, and the opposition of the Soviet Union to include discussion of its forces deployed in Hungary casts serious doubt upon their intentions.

It should be noted that Hungary borders Yugoslavia on the North, therefore maintains easy military access to that nation in the event of a political crisis following the demise of Marshal Tito. The Soviet Union being a land power, invariably requires direct overland routes to the nations against which it directs military force. Thus, the Soviet suppression of her satellite states in Eastern Europe including revolts in Poland, Hungary, East Germany, and Czechoslovakia have always been conducted from a contiguous friendly state. Since the Soviets already have several divisions in Hungary, its exclusion from consideration in MBFR serves Soviet objectives well and maintains a significant potential imbalance.

The compromise made in Vienna last May retained the right of the NATO powers to raise the issue of Hungary again in October. There is no question that the geography of Hungary vis-a-vis the NATO nations on the Central Front combined with Soviet deployments make it essential for the continued viability of NATO in a post-MBFR environment to have Hungary included in any discussions involving Central Europe. I urge the administration to make a clear and unambiguous stand on this issue at Geneva in October.

PUBLIC INTEREST LAW

Mr. BIDEN. Mr. President, as a lawyer I am acutely aware of the need for increased legal representation for the great numbers of citizens unable to afford it. I therefore note with satisfaction recent developments in public interest law. This trend was recently described in the July 28, 1973 issue of Business Week magazine in a commentary entitled, "Public interest law can help businessmen as well as activists."

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

PUBLIC INTEREST LAW CAN HELP BUSINESSMEN AS WELL AS ACTIVISTS

The American Bar Assn. will give its imprimatur next month to a movement it only recently regarded as revolutionary: Incoming president Chesterfield Smith, a Lakeland (Fla.) attorney, will form a special committee to foster the growth of public interest law. He will name as its head Los Angeles lawyer Harry L. Hathaway, 36, who will chair an ABA seminar on public interest law in September.

All this activity confirms what many businessmen already suspect—that public interest law is here to stay, with troublesome effects for business. What fewer businessmen realize is that public interest law can also benefit them.

Most executives have no difficulty spotting the trouble potential. The growth of public interest law means that a large segment of the population that formerly lacked legal representation will be able to challenge traditionally private business decisions, such as credit practices, promotion policies, and plant location plans. It also means that corporate legal departments will be expected to do legal work for clients outside the company.

The benefits are subtler. "We perform a sensitizing function," says John Ferren, who heads the public interest department at the Washington law firm of Hogan & Hartson. "Our department's activities make visible a checklist of issues that the other partners must consider as they counsel corporations." In effect, public interest law serves as an early warning system regarding social forces that will eventually alter the markets, manpower, and managerial atmosphere of business.

AN OLD CONCEPT EXPANDS

Public interest law predates its current popularity. Individual attorneys have always represented some clients who could not afford their fees "pro bono publico"—for the public good. But the young law graduates of the late 1960s brought a new approach to this practice. They regarded it as neither optional nor peripheral, and they exerted influence on several fronts.

Some carried the banner into the big establishment law firms that represent corporate interests. "They demanded the opportunity to do 'pro bono' work as a not-so-fringe benefit," says Mark Clark of Boston's Foley, Hoag & Eliot. Some operated out of federally funded poverty law offices. Others set up their own public interest law firms, with foundation backing or in hopes of living off their share of damages won for clients. Still others, influenced by Ralph Nader and his coworkers, created crusading groups such as the Center for Law & Social Policy and the National Resources Defense Council.

Together, they turned public interest law into an instrument of mainstream law. "We're not so much concerned with the rights of an individual in a particular case," says Edward Berlin, whose Washington law firm of Berlin, Roisman & Kessler often serves as a model for public interest law firms, "as we are with reforming the structure of decision-making in government and in corporate board rooms."

Working for ghetto tenants, middle-class conservationists, and other courtroom underdogs, the new public interest lawyers produced an impressive series of victories, including Supreme Court decisions delaying the Alaska pipeline and wiping out Sears, Roebuck & Co.'s repossession procedures. In the process, they weakened the old concept of "standing to sue" (the idea that only a person with a direct dollar stake could legally bring suit) and broadened the scope of the class-action suit. Today almost anyone can get some court to listen to his grievance.

RESULTS

This year's law school graduates make fewer demands about public interest law, partly because a weaker job market discourages demands of any sort, but mostly because they do not need to make demands. Public interest law has become institutionalized.

Evidence of the change abounds. Law students take courses in Poverty Law and Environmental Law. Courts have relaxed their rules on representation so that, for instance, law students can represent tenants before the Philadelphia Municipal Court. The ABA predicts that new public interest law firms, many operating out of storefronts, will absorb much of the output of U.S. law schools, whose enrollment has tripled over the past decade. To help such firms, the Oregon State Bar permits law firms that devote at least half their time to public interest cases to advertise for clients.

The Oregon move is controversial, but the underlying need to modify legal rules to accommodate public interest law is not. The new ABA committee plans to work with state bar groups in changing the canons of ethics to ease client access to public interest lawyers. Another likely topic for the September seminar: new methods of tapping corporate resources for public service.

Some companies have already created their own methods, IBM's legal staff rotates assignments of fulltime work with the Westchester County Legal Aid Society. Whirlpool Corp. lawyers established an information center on money management, neighborhood improvement, and related matters for inner city residents of Benton Harbor, Mich.

ADVANTAGES

Companies and law firms involved in public interest work stress that they, too, gain from the involvement. "We get as good as we give," says Edward R. Kimmel, who oversees 50 Du Pont attorneys in their work with the Wilmington (Del.) public defender. They are better lawyers for the experience, he says. Clark of Boston's Foley, Hoag & Eliot notes that the insight gained in representing minority workers in antidiscrimination cases helps the firm when it represents employers in similar cases. "Knowing both sides lets you represent both sides better," he says.

The public interest partner of another law firm recalls an example. Representing a broadcaster whose license renewal was under challenge by black groups, his associates interpreted the disruptive tactics of the blacks' lawyer as evidence that no compromise was possible. No, he told his partners, it's probably the kind of role playing necessary for a white lawyer to gain credibility with militant black clients to win support for a realistic compromise. Just sit tight, he counseled. They did—and reached an equitable settlement.

THE VENEY SINGERS PERFORM IN ZAGREB

Mr. MATHIAS. Mr. President, the pursuit of international understanding through the discovery of folklore and folklife traditions knows no real national boundaries. It is by its very nature a mélange of history, culture and belief which together comprise a heritage—unique in its immediate bearing upon populations but, at the same time, shared in a universal fabric of human experience. Thus, when brought together through a medium of exchange, various representatives of differing folk traditions can in a real way serve to further the purposes of international goodwill and understanding by simply delineating inevitable similarities in background and

therefore further exemplifying and proving the existent community of heritage. Such are indeed solid bases for establishing common bonds between nations.

A relatively unknown group of black gospel singers, associated with a church in Wicomico County, Md., was invited a year ago to participate in the Smithsonian Festival of Folklore and Folklife, which is an annual exhibition of primarily American folkstyles. The Veney Singers were selected at that time because they uniquely represented aspects of folk tradition found in Maryland, which were considered essential in fitting together a festival specifically honoring the State of Maryland. The group, composed of nine spirited and highly motivated performers, was a resounding success at that year's festival and left its audiences with a renewed respect for the power of traditional gospel music.

In February of this year, the Smithsonian Institution was approached by representatives of the Smotra Folklora who were in the process of organizing the Eighth Annual International Folklore Festival to be held in Zagreb, Yugoslavia. The Yugoslavian officials proposed that a group representing the best products of the rich and lively American folk heritage be invited for an unprecedented participation in their festival. In a letter from Petar Mihanovic, Director of the Zagreb Festival, to Ralph Rinzler, Director of the Smithsonian Folklore Department, the Yugoslavian Government requested candidates for this outstanding honor:

> In our efforts to present traditional folklore of different nations we have not yet had an opportunity to present a genuine folk group from the United States, and would therefore like to ask you to suggest a group . . .

Two groups were originally recommended to the festival organizers as qualifying to represent a portion of America's folk tradition. On the basis of the excellence of their past performances—they have appeared on WETA-TV and were invited to participate in the recent Presidential inaugural festivities—and their acknowledged proficiency in the gospel folk tradition, the Veney Singers were officially selected to be the American contribution to the International Festival in Zagreb.

The group, associated with the John Wesley United Methodist Church in Salisbury, Md., and under the direction of Mrs. Deborah Collins graciously accepted the invitation and immediately set about preparing to make their first trip outside of the United States. Toward this end, the group made an appeal to the local community for aid in acquiring sufficient funds to cover their air fare to Yugoslavia. Participating in benefit concerts, performing in factories and soliciting donations from nearby churches, the Veney Singers managed to amass approximately $600. Unfortunately this amount was hardly enough to meet the $7,257 transatlantic transportation expense which was a stipulation in the agreement between the Yugoslavian Government and the Smithsonian Institution.

This was similar to an arrangement which took place earlier in the year whereby the Government of Yugoslavia sent a troupe of 50 performers to Washington to participate in the Festival of American Folklife. The festival organizers in Yugoslavia were able to support the group once they arrived in Zagreb; they were not able, however, to fund international transportation.

Thanks to an impressive group effort on the part of the Department of State, the Smithsonian, Governor Mandel's office and the Maryland Historical Society, the funds were finally secured. I must say that a great deal of Federal and State cooperation from all corners was necessary to make this trip a reality.

The Veney Singers left the United States on July 20, and returned on July 31, 1973, after a week-long participation in a unique international exhibition of folkstyles and folk heritages. It is my understanding that their reception in Zagreb was exceptional and that it included not only daily performances before multinational audiences, but an appearance on national Yugoslavian television, as well. We are very proud of the accomplishments of the Veney Gospel Singers, whose members include Deborah Collins, president; Annette Wilson, christian adviser; John Dickerson; Patricia Jackson; Barbara Ann Veney; Carolyn Veney; Francine Veney; Gwendolyn Veney and Rena Veney. I would personally like to add my sincere congratulations upon their overwhelming success in this international program.

I would also like to take this opportunity to thank all of those involved in the preparations and arrangements made in support of the Veney Gospel Singers. Specifically I would like to mention Mr. John Richardson, Jr., Assistant Secretary for Educational and Cultural Affairs in the Department of State; Mr. Richard K. Fox, Jr., executive director of the Bureau of Educational and Cultural Affairs in the Department of State; Mr. P. William Filby and his staff at the Maryland Historical Society; Miss Gail Moran, of Governor Mandel's office; Mr. Petar Mihianovic, of the Smotra Folklora; Mr. Ralph Rinzler and his staff at the Smithsonian Folklore Department and Mr. Gerald Davis, who originally discovered this group. All of these people deserve special recognition for all of the assistance they rendered on behalf of the singers.

The Veney Singers are indeed a credit to their community, the State of Maryland and the United States of America. I am pleased that they were able to join with groups from other countries in an exchange of international goodwill and understanding, and hope that this establishes a fruitful precedent for other such exchanges between nations.

AMERICAN ISRAELI RELATIONS AND MIDDLE EAST OIL

Mr. BAYH. Mr. President, I am talking this time to express my concern and disagreement with suggestions that have been made recently here in the Senate and in the press that the sharp projected need to increase oil imports from the Middle East should be the occasion for a review of the 25-year-old friendship between the United States and Israel.

The argument is usually developed along these lines:

First, that oil is essential to the vitality and economic well-being of the United States;

Second, the United States can only meet its energy requirements by importing huge quantities of oil, mostly from Arab nations;

Third, to be assured of an uninterrupted flow of oil we must carry favor in major Arab capitals; and

Fourth, therefore, we cannot continue to maintain our close association with Israel.

This is a dangerous argument, based upon a number of wrong assumptions. While it is true that oil is essential to the economic well being of the United States, it does not follow that propositions two, three and four are true.

To adopt this position shows a lack of understanding of the delicate balance of power in the Middle East and the overall political situation there. And, in addition, overlooks the strategic importance of a strong, American ally, namely Israel, in the Mediterranean. This position also reflects a lack of vision toward meeting U.S. energy needs.

Efforts to buttress this specious argument include the case of Libya, which has taken over U.S.-owned oil interests. While Libya happens to be among the more vehement anti-Israeli nations, it also happens to be one of the less important oil exporting nations.

Saudi Arabia, on the other hand, is probably the most important oil exporting country today, possessing, as it does, greater oil reserves than any other nation. Thus the recent suggestion by a Saudi official visiting the United States that his nation might tie oil exports to the status of U.S.-Israel relations must be looked at more closely.

It is interesting that Saudi Arabia, never among the more militant anti-Israel countries, has found it necessary to respond to the pressure being brought by its fellow Arab nations. While this threat from Saudi Arabia must not be dismissed lightly, there is evidence that Saudi Arabia is not likely to force this issue.

That evidence stems from the fact that Saudi Arabia and other oil exporting countries can little afford to shut the United States off from its marketing structure. First, the supply-demand curve is likely to shift against the oil producing nations of the Middle East as new sources of oil in the North Sea and in Alaska are uncovered. The fact is, if Saudi Arabia and other Arab States decided to boycott the U.S. market they would hurt their own interests by artificially excluding themselves from a profitable market at a time when, hopefully, we will begin to have greater access to oil.

In addition, we might learn from the comments of Dr. Abderrahman Khene, secretary general of the Organization of Petroleum Exporting Countries, who said recently:

I consider that by inciting people and trying to offset governments one against the other, is the worst way possible to try to solve a situation which could become very serious for the world.

In that same interview, Dr. Khene went on to emphasize that the oil exporting countries—of which Saudi Arabia is the leader—have placed their primary emphasis on using their new found key position and wealth for fostering development in their countries and in other less developed nations. To do without the U.S. market would require a sharp retreat from the rising expectations in developing nations, something which clearly would have dire internal political implications.

We should not be surprised that the Arab States would like to use their oil as a club in driving a wedge between the United States and Israel. But the facts suggest that the club is more bark than bite.

It is also worth noting, Mr. President, that Iran is second only to Saudi Arabia in terms of oil exports available to the United States. Iran has never been part of the anti-Israeli bloc in the Middle East. Indeed, the recent successful visit to Washington by the Shah of Iran, and his strong desire to purchase aircraft from the United States, make it clear Iran is not at all interested in shutting off oil exports to the United States.

While I think that the danger of our losing sources of oil is not grave, I am convinced that regardless of whatever pressures might someday be brought to bear by the oil producing nations, the nature of the unique relationship between the United States and Israel is such that it must not be sacrificed for commercial expediency. In this regard, I was pleased to note last week that our Ambassador to the United Nations, John Scali, properly and responsibly cast a veto against a U.N. resolution which was decidedly unfair to Israel.

This resolution would have condemned Israel for occupying lands captured in the 1967 war, yet it ignored the fact that Israel has been willing since 1967—as it was prior to the Six Day War—to negotiate with its neighbors on the question of the territories as part of an effort to reach a peace agreement for the Middle East.

The lack of any progress on such negotiations rests not with Israel, but with her Arab neighbors who have clung to the irresponsible position throughout Israel's 25-year history of, first, denying its eixstence and yet seeking its extinction and now of ignoring its willingness to negotiate directly.

While I wish it were never necessary for us to cast vetoes in the U.N. Security Council, I can only conclude that Ambassador Scali acted properly in this instance. We would be abandoning our own principles, and those of the United Nations, if we permitted the world body to be exploited in attempts to undermine the position of Israel, a brave and close ally.

I noted a moment ago, Mr. President, that I am convinced it is not in our interests, and I might add it is not in the interests of world peace, for us to abandon Israel—regardless of whatever pressures Arab oil producers attempt to bring to bear on the United States.

The reason for this is that it is essential to our own national security to limit Soviet influence in the Middle East. Israel is a key ally of the United States for several reasons: One of the most important of which is its strategic geographical location in the Mediterranean, and its ability to influence the course of events along the Suez Canal, the Persian Gulf, and the Indian Ocean—all critically important waterways and avenues of international commerce.

Indeed, if we were to permit Israel to fall to her enemies in the hope of protecting our oil supply, we could find ourselves without the constant oil flow from Saudi Arabia and Iran since the door to the Middle East would be opened to increased Soviet influence in that region and the Soviets have never looked with favor upon the moderate regions in Iran and Saudi Arabia. This could, in other words, prove to be an entirely counterproductive policy in the long run.

Beyond this, there are things we should be doing to reduce our dependency on foreign energy sources. For the worthy goals of lessening our balance-of-payments deficit and of reducing the extent to which we have to pay high foreign prices in bidding wars against Japan and Western Europe, we should be moving toward once again being energy self-sufficient.

This is not a pipe dream; it is an entirely reasonable possibility requiring only an adequate Federal commitment to energy reasearch and development.

Earlier this year, I joined in sponsoring legislation to provide just such a Federal commitment to developing domestic energy sources. The main objective of this legislation, the principles of which I am pleased to note the President adopted in his most recent energy message, is to develop clean methods of using our abundant coal supply.

Indiana is only one of many States with substantial coal reserves. Through gasification or liquifaction it should be possible to use this coal without harming the environment. The supply is sufficient to meet our national energy requirements for centuries to come; giving us more than enough time to do the necessary research into innovative energy sources such as solar, geothermal, fusion, and tidal energy.

It makes little sense for us to remain dependent on foreign sources of energy, not only in terms of preventng any attempt to exploit Arab oil to foolishly disrupt our relations with Israel, but for a variety of reasons—prices and balance of payments among them—we should be moving forcefully to energy self-sufficiency.

Finally, for those who see the current energy shortage as an excuse for changing our attitude toward Israel, let me just reiterate that national security is far more than a guaranteed energy supply. Among the essentials of national security are dependable, democratic allies in crucial geographical areas. Israel continues to be a refreshing, vital democracy in an area of great tension, and is an ally whose friendship is to be valued and protected.

SMITH CAPITAL OF THE UNITED STATES

Mr. DOLE. Mr. President, Smith is a great name in America. It is far and away the most numerous family name, and it has been attached to many places over the course of our history.

The State of Kansas is no exception to this national characteristic. We have a Smith County, the county seat of which is Smith Center, and it is located in the congressional district which was served for 7 terms by my predecessor in the House of Representatives, the Honorable Wint Smith.

Naturally, this part of Kansas is really Smith country, and one resident has decided that it is the ideal place to give formal recognition to the Smiths of America.

Bill Lee of Smith Center is the retired publisher of the Smith County Pioneer. He considers himself an unbiased observer of the Smith phenomenon. Although his father's middle name was Smith, and Bill has come up with an idea to make Smith Center the Smith capital of the United States.

Since Smith County, Kans., is the geographical center of the first 48 States, I can imagine no better location for the American Smiths to establish their tribal headquarters.

Bill Lee's idea has received national attention. And in order that my colleagues in the Senate, none of whom—since the gracious and distinguished Senator from Maine, Margaret Chase Smith—has borne this proud name, might become familiar with an idea of interest to millions of their Smith constituents, I ask unanimous consent that an article from the April 16, 1973, Los Angeles Times be printed in the RECORD.

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

SMITH CENTER, SMITH COUNTY—U.S. CAPITAL FOR SMITHS SOUGHT

(By Charles Hillinger)

SMITH CENTER, KAN.—If W. E. (Bill) Lee, 68, has his way, this tiny Kansas cow town will someday be the gathering place for all the Smiths in the country.

Lee is trying to promote a national capital of Smiths.

"There's supposed to be about 3 million Smiths in the United States," said Lee, retired publisher of the Smith County Pioneer. His father's name was William Smith Lee.

"I can't think of a better place for a Smith Center, U.S.A., than Smith Center, Smith County, Kansas."

PREVALENT NAME

Smith is the most prevalent name in the United States with Johnson second, Williams third, Brown fourth and Jones fifth.

There are four Smith counties in the country. The others are in Mississippi, Tennessee and Texas.

Texas has a Deaf Smith County and Virginia has a Smyth County.

"But there's only one Smith Center in America," said Lee. "It's the county seat of Smith County, the geographic center of the Continental 48 states."

Smith Center boasts a population of 2,500, Smith County, 7,000.

"Every county should have something unique to offer. I can't think of anything better than making this the capital city of the Smiths," said Lee.

"It would do wonders for this place—attracting large numbers of Smiths here each year."

Lee dreams of a Smith Museum filled with statues, photographs and exhibits about famous Smiths "beginning with John Smith, who established the first permanent English settlement in America at Jamestown in 1607."

He envisions Smith Archives that would include a genealogy of Smiths and a super Smith family tree. And a Smith census bureau.

"We would have a convention of Smiths each year," Lee continued. "There are endless possibilities . . ."

LOCAL SMITHS

As in most places in America, a number of Smiths live in Smith Center and Smith County.

Bruno Smith is pastor of the Grace Baptist Church. Esther Smith is the local Avon lady. M. D. Smith, by the way, is not a doctor. There are two John Smiths in town and Smith and Sons sells musical instruments.

Entrances to the town are marked with signs proclaiming: "Welcome to Smith Center, the Heart of Uncle Sam."

Smith County is primarily agricultural, with cattle, wheat and milo the principal products. There is a little industry—a bathtub factory and a company manufacturing hog houses.

When the local high schools were consolidated a few years ago into one it was decided not to continue to call the only school left Smith Center High.

"We felt other communities in the county would be offended by the name. The schools were very competitive in sports before consolidation," explained Lee.

So, the only high school in the county now goes by a number instead of a name—Unified School District Number 237.

At football and basketball games the cheers sound sort of strange to outsiders, but not to the Smithys:

"Go 237. Fight 237. Fight, Fight, Fight."

NAMED FOR SOLDIER

The county was named in honor of a man who never set foot here, Major John Smith, killed in the Civil War.

Someone suggested that the nation's capitol be moved here "to be centrally located for the convenience of the people of all the states."

"But the people of Smith County didn't think it was a good idea," said Lee.

"They figured if the capitol were moved here from Washington, D.C., we'd be importing a lot of trouble we don't have."

LACK OF CONFIDENCE IN GOVERNMENT

Mr. MOSS. Mr. President, confidence in the integrity of Government in America has reached an unprecedented low. Those of us who are honest with ourselves will concede there is reason for such mistrust.

The current miasma of confusion in Washington and the Nation has been unparalleled in my some 15 years as a U.S. Senator. It stems from one word: Watergate. The implications and ramifications of this greatest of American political scandals cannot be washed away regardless of how high may be the office of those who try. But to claim that all people in political life engage in such travesties of justice and honesty is patently untrue. The vast majority find such activities abhorrent to practices of common decency. To insist that the election of any individual is important enough to justify the illegal practices used in the recent Presidential campaign, boggles the mind. It destroys all conceptions of fairness in a campaign. No man approaches such an aura of greatness as to warrant blind allegiance. Yet certain misguided paranoids evidently believed this. It is little wonder that many Americans fear the future.

Furthermore, popular admiration of public officials cannot be expected when half-truths, if not full-fledged lies, are constantly perpetuated by individuals in high Government offices. And mistrust of Government is not decreased when political officials arrogantly refuse to provide information to the American people because of a belief that the general public cannot comprehend the significance of that information.

The Watergate hearings are not being held to punish individuals. They are being held to provide information so legislation can be drafted to prevent from ever occurring again the type of corruption so evident in the recent Presidential campaign. Also, the despicable campaign tactics utilized so effectively by certain individuals who were associated with the President's campaign must be publicized. If any individuals are guilty of crimes or of misconduct or malfeasance in office, they must be dealt with appropriately, regardless of their station in life, or the office which they hold. Only then can a modicum of confidence in the highest political office in this land be restored. But, it must be emphasized, any punishment that is meted out must result from due process of law.

Many people tend to blame Government in general for all of our problems; such an assumption is entirely unjustified. Nothing affects our lives more than does Government. And responsible Government "provides for the common defense, promotes the general welfare, and secures the blessings of liberty to ourselves and our posterity." But certain anomalies are apparent. Government today has grown into an unamanageable monstrosity. Many fear it. Many ridicule it. But, at the same time, many revere it. People come to Washington to see how this Government functions. They make gestures of respect toward men and women who occupy responsible positions in Government. And then they return to their homes buoyed up with new feelings for this untouchable entity that they have briefly viewed. But I fear that most have not gotten any greater understanding. When understanding is gone, so, ultimately, is faith and confidence. Only when the American people have a full understanding of what our Government can do, and cannot do, and what it is, and is not doing, will their faith in it, and us, be restored.

To some, the basis of our problem is an "antiquated" Constitution. Such an assumption is wrong. The Constitution of the United States is the best ever conceived by man. It has provided broad guidelines for our Government through periods of peace and war, prosperity and depression, domestic tranquillity and chaos. It has provided a means by which this Nation has evolved from an agrarian, rather simple society, to a complex technological and industrial society that is the wonder of the world. A constitution that can survive through such diversity is basically sound, is flexible, and must be given veneration. It must be remembered, however, that a constitution that is "framed for ages to come, and is designed to approach immortality as nearly as human institutions can approach it" is not always tranquil. It must allow change—change which can be made within the framework of that constitution.

Mr. President, it is not the Constitution that is at fault for our problems today. It is not Government structure that is a fault. It is not alien communism that is at fault. The illegal activities of certain men are at fault. Some men who hold high political office tussel within themselves over whether their personal interests should outweigh the public interest.

It is only human to try to make one's image as attractive as possible. But no political figure can be a law unto himself. And none of those around any political figure can take the law into his own hands, even though he views what he is doing as manifest destiny.

Nor can these officials be excused for deciding that what they are doing is not the business of the American people. The myopia of certain governmental officials regarding the inability of the people to understand the implications of important issues has created a morass of indecision in Government that threatens its very fabric.

Far too often a few men in ivory towers seem to think that the people do not want to know what transpires in Government. Unfortunately, some individuals seem to forget that our Government is a representative Government. Public officials are not only trustees of the American people, but also they are delegates. We must remember that, if we do not understand that we are responsible delegates we will not have a Government. It may be asked, what can be expected other than confusion when, in answer to legitimate inquiries, we hear the need for secrecy constantly imposed by political leaders, or in some instances, by unknown underlings. Secrecy has never provided the best of all possible worlds. It is not a panacea. Man is not an ostrich. Problems do not end just because the people do not know what our Government is doing.

The argument espoused by some individuals that a democratic form of republic which does not assure an individual's right to acquire information is unconscionable. Without information the Congress cannot adequately pass good legislation. Without information the American people cannot intelligently assess the worth of various programs. When the failure to provide information is a result of invoking executive privilege, it adds to the suspicions of the American people. When executive privilege is used to refuse necessary information to a Sen-

ate investigating committee that has been duly called to investigate irregularities in a campaign election, or to a special investigator of the Justice Department, it is demeaning to all for which Government stands. And to compound the fearsome fault of secrecy, we note that the information was made available to a former appointive official, then a private citizen.

Mr. President, the difficulties our Government is facing today are not easily explained to our constituents. Can they be told that every political figure is free from taint and contamination? It would do no good. Their opinions have largely been formed by the recent disclosures of the behavior and thinking of a few individuals who have been, or are, associated with our Government. The possible corruptive nature of Government that has been drummed into the minds and sensibilities of Americans is a result of these disclosures.

Unfortunately, people do not always remember the good that Government does. They recognize only its failures. And the more serious the failures, the more jaundiced the observation. We must do something to end this fear. The future may not appear to be bright today. But let us not despair. There are still many good and honorable men in Government. We must rely on the judgment of such individuals to get us through this troubled period.

The growing acquisition of power in the hands of the executive department leaves much to be desired and furnishes a legitimate area of concern. James Madison, the "Father of the Constitution," recognized in the Federalist Papers that "the accumulation of all powers . . . in the same hands, whether of one, a few or many . . . may justly be pronounced the very definition of tyranny."

We need to reassert that liberty in America cannot continue if the President acquires too much power. Proper checks must be put upon the irresponsible usage of power. President Martin Van Buren observed some 120 years ago that "irresponsible power of itself excites distrust, and sooner or later causes, on the part of its possessor, an impatience of popular control, and in the sequel, a desire to counter-act popular will."

This theme was embellished by a U.S. Supreme Court Justice almost 30 years ago, when he wrote:

> Arbitrary power and the rule of the Constitution cannot both exist. They are antagonistic and incompatible forces; and one or the other must of necessity perish whenever they are brought in conflict.

It is time that we give such observations some careful attention.

Mr. President, these views are not exclusively the result of my own observations. Mail from Utah indicates an unusual and increasing amount of dissatisfaction among citizens, with their Government. Reference is made to Watergate, inflation, unemployment, the seemingly endless quagmire in Southeast Asia, the sale of wheat to the Soviet Union, and just generally complete frustration ad infinitum.

With such seemingly insolvable problems, many which are a result of misdeeds by a few high government officials, it is only natural for Americans to turn to their elected representatives in the Congress. We must assure them they are justified in doing so.

Congress has its faults and Congress has had its rascals. Down through the years, from time to time some Member of the Senate or the House is proved dishonest—or dishonorable in some way. Congressmen hold no corner on virtue.

But it can be said honestly that in the day of this greatest of government scandals, Congress has risen to the occasion. We have asked the executive branch for an accounting, and we have asked for it in open hearings where all of the people can see and hear and judge what has happened. We are asking the men who have been involved to explain themselves and the policies which they have espoused. We are asking them "why?" This openness is the very antethesis of the secrecy which has occurred and which is the hallmark of Watergate. Congress has, and is, acting responsibly.

A renewed esteem for all Government officials is necessary if Government is to be effective. To create such esteem involves more than a mere reshuffling of personnel from position to position in the Executive office. It involves more than bringing ever increasing numbers of military figures into high policy-making positions. It involves more than handing out patronage positions regardless of qualifications. It involves more than wrangling over technicalities in hopes that same small point may prevent justice from being achieved.

We must return to the principles of justice and honesty. If corruption is found among Government officials, it must be handled as relentlessly and as fully as in the case of a private citizen. Of course, safeguards for individual rights should not be neglected, but it should never be true "that it isn't what you know that counts, it is who you know."

Mr. President, it has not been easy to make these remarks. They touch at the very fabric of all that we cherish. But out of my respect for the great tradition and heritage of this Nation, it was felt that these remarks were necessary. Never has honesty been needed so much. Never has there been a need for more men of unimpeachable integrity in public office. The downgrading of public officials should end, not through cover-up or compulsion, but through building respect for the integrity which they bring to that office. Those in Government must create a climate of integrity in which the highest levels of ethical behavior are demanded. The temporary activities of a few must not be allowed to unravel the fabric of honest, devoted service put together by the many.

DRUG DISCOVERY—BACKGROUND AND FOREGROUND

Mr. HANSEN. Mr. President, the complexity of modern technological progress is nowhere more evident than in medicine. Health care delivery capabilities are under strain everywhere, and many agree that significant relief cannot come until we find new, and more efficient means of improving care.

Historically, one great source of improved efficiency in medical care delivery is the development of pharmaceutical preparations. It was through such means that this Nation was able to close its tuberculosis sanitariums, and to retire its iron lungs for polio victims. Drugs have made the difference in reversing our mental hospital population rates and cutting death rates from high blood pressure in half.

But in recent years many doctors have voiced concern about the slowdown in the pace of new drug introductions, and have noted that it takes far longer to bring a new drug discovery into medical practice in this country than it does in Europe.

One man of stature who has addressed this problem is Dr. Max Tishler, university professor of sciences at Wesleyan University. For many years the leader of the research programs of Merck & Co., Professor Tishler speaks out of personal experience and a lifetime of dedication to meaningful progress in medicine. He addressed a symposium on clinical pharmacological methods at Tulane University last March, and I would commend his remarks to my colleagues. I ask unanimous consent to have his statement printed in the RECORD.

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

DRUG DISCOVERY—BACKGROUND AND FOREGROUND

(By Dr. Max Tishler)

I was especially pleased when I received the invitation from our chairman, Dr. F. Gilbert McMahon to participate in this symposium on clinical pharmacological methods. My desire to take part in these deliberations is based on my long involvement with the discovery and development of medicinal agents. The issues discussed in this symposium relating to these activities have been of deep concern for nearly a decade to me and, in fact, to everyone here at this symposium.

It is almost three years since I retired from the pharmaceutical industry to become professor of chemistry at Wesleyan University. This is the first professional meeting concerned with the development of potential drugs that I have attended since I joined academia and I have been looking forward to it with considerable nostalgia and anticipation. During this time I have had little direct contact with the activities and problems of "the industry". A great deal of my information comes from talks and correspondence with people from different walks of life and from different countries, from the press, some sympathetic and some antagonistic, and from the professional literature. The temporal and geographical distances which separate me from the industry have changed some of my views and have strengthened others.

Today, I should like to address myself largely to the future of research in the pharmaceutical industry—its promise and its problems as I see them now. In spite of the difficulties of the past 10 years, I am fully convinced that the research laboratories of the pharmaceutical industry will continue to exert a major impact on the future of medicine.

With the demand for the best medical care for all people—the very poor to the most affluent—drug research is even more essential than ever before. Let us reflect for a

moment on what the cost of national health programs would be today if the physician did not have antibiotics for bacterial infections, agents for treatment of tuberculosis, hypertension, some of the cardiovascular diseases, gout, and the inflammatory diseases, just to mention a few. It is perfectly clear that effective drugs are a major factor in medical care and as a rule are the least costly part of the health bill.

Unless the search for new drugs continue on a broad and intense scale the best medical care for all people, an essential goal of our society, will not be attainable. For no country, no matter now wealthy it may be, can afford to make available to all citizens stricken with coronary thrombosis the costly technology of specialized ambulances and hospital units fitted with complicated and expensive electronics, manned by teams of specially trained personnel including a new heart—either a transplant or an artificial one. A more practical solution would be to find a drug which would prevent coronary thrombosis.

Let us also reflect for a moment about the home of research for new drugs. Where is it and what is it? It may come as a jolt to some people, particularly to the laymen of influence who effect public decisions, that the modern research laboratories of the pharmaceutical industry is the *only* major institution where the search for new and better drugs takes place on a large and sophisticated scale and where scientists of many different disciplines are joined together with the common objective of finding chemical agents for preventing and controlling disease. Let me make this point crystal clear. There is no other organization in this country or abroad than the laboratories of the pharmaceutical industry that is so well organized within capable scientific people directed towards the search of safer and more effective drugs and which has all the essentials of taking an idea or a laboratory observation, its own or one furnished by university or clinical investigators, from the laboratory to the physician's prescription.

As an illustration of this capacity, the happenings of the past 25 years in the area of bacterial infectious diseases is a good example and backdrop. How we have been able to control the problems of bacterial infections as our major antibiotics became ineffective against rising resistant organisms is one of the miracles and major triumphs of our times.

This achievement, due in part to the new, partially synthetic penicillins and cephalosporins and the newer antibiotics were mostly discovered and synthesized for the first time in the laboratories of the pharmaceutical industry and are in large measure responsible for our ability to avert major epidemics. It is difficult to image what the practice of medicine would be like without the research contributions of the pharmaceutical industry of such medicinals as vitamin B_{12}, sulfa drugs, antibiotics, hypotensives, tranquilizers and antidepressants, diuretics, hormones and anticonvulsants.

Yet in spite of our tremendous progress since the thirties and the immense increase in our understanding of disease, something has gone wrong with the productivity of drug research during the past ten years if measured in terms of important single entities. This has happened in spite of its growth in terms of people and financial support. In my talk today, I shall examine this situation and endeavor to assess it.

Whenever the drop in new drug entities is discussed, spokesmen for the regulatory agents quickly deny responsibility and suggest that the fault lies with the industry's research program. "Not enough basic research" and too much "molecular manipulation"' are among the most common criticisms. As one who has helped to create the modern pharmaceutical research laboratory, I vehemently disagree with this view. On the contrary, the basic knowledge coming out of the laboratories of the pharmaceutical industry is greater than ever and the science of Medicinal Chemistry is growing by leaps and bounds. Our chemists and biologists are finding in the laboratory just as many compounds with interesting biological activity as ever before—in fact, many more. Those who would doubt this statement should compare the third revision of "Medicinal Chemistry" edited by Alfred E. Burger and released in 1970 with the second revision published a decade earlier. The 1970 edition is no longer a single volume—as was its predecessor—but rather consists of two volumes, about twice its former size, even though much of substance in the earlier edition was excluded in the revision.

On the subject of so-called "molecular manipulation", let me set the record straight. Somehow the critics have demeaned this term and have used it as a tag to attack industry research. "Molecular manipulation" is a mature scientific tool in medicinal chemistry and it has led to invaluable medicinals. To give a few simple examples, the addition of a single methylene group is all that makes codeine dramatically different from morphine. The elements of methane—CH_4—makes the difference between the male sex hormone testosterone and the female sex hormone estradiol. The elimination of two hydrogen atoms from cortisol has yielded prednisolone which because of its lesser side effects has displaced cortisol almost entirely from the physician's armamentarium. There is no way for the medicinal chemist to know when he undertakes the synthesis of a new molecule whether he will be accused of having indulged in a trivial effort or whether he will be praised for having achieved a medical breakthrough.

Let me repeat, it is not a degeneration of capacity to discover substances with potential therapeutic utility that is responsible for the slow down in productivity of new drugs. Rather it is the long, arduous and inordinately expensive trip in terms of manpower and dollars which has changed the pace of new drug introduction. It is clear that the major reason for the decrease in new, important, single entity pharmaceuticals is the power and activities of the Food & Drug Administration.

To say that this statement is untrue and to lay the blame largely at the door of the research laboratories of the pharmaceutical companies is simply being unrealistic or knowledgeable about what drug research and development is all about.

The cost today of taking a substance with potential as a therapeutic agent from the laboratory to the physician's prescription pad in terms of manpower, facilities, materials, animals, patients and clinics is so great that it has frozen initiative, motivation, and even imagination. Faced with the huge task of preparing sufficient amount of a compound for eventual FDA approval and the inordinate amount of preclinical work that must be submitted to FDA before even taking a compound to a clinician, no matter how capable or distinguished the clinician may be, it is doubtful that investigators would now proceed towards the clinic because of an inspirational concept or because they wanted to confirm in man an exciting and important observation made in experimental animals.

Unless the incentives are very strong, investigators are apt to give up a drug development in its early stages, particularly if some unexplained side effect is seen. In the present environment the opportunity for serendipity has almost entirely disappeared from drug discovery. This is disconcerting for as I look back over the past 35 years, I am struck by the fact that nearly all our important drugs had an element of serendipity in their development, some almost completely like cortisone and others in park like allopurinol. Who would have been willing to pay the costs and invest the enormous amount of manpower and facilities to synthesize cortisone and to make it available for clinical studies with only Addison's disease as the motivating factor?

To put this into more realistic terms, the logistics of carrying out the preclinical studies on cortisone essential for today's IND would require the consumption of 15–25 kilograms of cortisone before a single dose could be administered to a patient. Having participated personally in the develoepment of cortisone, I am positive it would have never happened, in our lifetime at least, if these limitations had to be overcome. It took several years of a large scale collaborative effort between the late Nobel Laureate E. C. Kendall and his people at the Mayo Clinic and the Merck group of chemists and chemical engineers to synthesize cortisone for the first time and to produce only 600 grams, herculean effort in those days.

This situation, the upward spiral of research costs and the enormous difficulty of obtaining affirmative regulatory action represent terrific obstacles to the research people in the pharmaceutical industry who like good scientists would like to follow all promising leads in the search for medicinal agents before concentrating on a single chemical. The present situation is forcing early decisions when observations and data are inadequate and when sound conclusions are as tenuous as a roll of the dice.

Frequently, we see references to statements that aspirin and penicillin would never be approved by FDA under present NDA requirements. This is nonsense and should be put to rest completely.

There is no question that aspirin and penicillin would obtain FDA approval and would be made available as a prescription drug provided the sponsoring pharmaceutical companies would not become discouraged along the lengthy and difficult road of obtaining an NDA. But I believe that in this polemic the real question has not been answered, namely: would aspirin be made available at all if it were discovered today? Would any company under present circumstances be willing to undertake and complete the development of aspirin as a drug knowing the difficulties in demonstrating its effectiveness in the indications for which aspirin is used and knowing that it has significant side effects some of which occasionally can be serious?

Obviously, if costs and manpower needs are overwhelming, fewer drugs will be introduced because fewer compounds with interesting drug possibilities will be brought to the clinic. No one could afford to study most of them in patients.

As I view the developments of the past few years, I gain the impression that the major emphasis of the chief regulatory agency, FDA, seems to be to protect the public from drugs with a potential for harm, or, to quote one of the top FDA officials, "to come as close to absolute safety as possible" . . . It is this kind of philosophy that makes me feel that neither FDA nor any other agency has the mission of accelerating the availability to the sick of new agents with therapeutic potential not attainable by the existing drugs.

In this concept, I am not thinking about statistics of drug introduction but rather about the human suffering . . . the man or woman or child who suffers an affliction, while help is possibly within technological reach. There is no way truly to quantify pain, just as there is no way to quantify comfort brought about by past medical studies. You have to experience it yourself, or see it in the eyes of patients who have been helped, or in the faces of their families, as the burden and dread of illness is lifted. When you see these things, you become less tolerant of delays in the developments of promising medications.

A major consequence of the new drug regulations is the release of important new drugs abroad much before they are available in this country (if indeed, they ever become available in this country). In April of last year Paul DeHaen published his so-called "watch list" of drugs in research in the U.S.A. which he considered of some importance. Of that list of 50 drugs, 31 of them were already being marketed abroad, some of them for considerable time.

Now, of course, some of these might be considered more important than others. But one must ask the question: important to whom? To the patient whose condition is improved or controlled by a particular drug, that medicinal is the most important in the world. What does it matter to him if statistics show that most other people are helped by some other drug or that his is a relatively rare situation?

The lag between other countries and the United States has not been limited just to drugs of possible benefit to a mere handful of patients. Take Rifampin, for instance, a drug considered to be a major break through in the treatment of tuberculosis which became available in Italy in 1968 and in England in 1969, but it wasn't until May 1971 that it was approved in the United States. It is worth noting that 37,000 Americans were stricken with tuberculosis in 1970, and 5,000 died from it.

There are many other examples of lag periods which are distressing. Furosemide (Lasix; Hoecnst) was introduced in Germany in 1964 but became available in the U.S.A. after a delay of 5 years. Last year fluphenazine decanoate (Prolixin Decanoate; Squibb) was approved in the United States for use in the management of manifestations of schizophrenia; five years after it has been available in England and Germany. The antibacterial drugs, Ampicillin and Cephalaxin were released two years earlier in Great Britain than in the U.S.A.; carbenicillin three years earlier. The specific antidote for iron poisoning deferoxamine (Desferal) was introduced in Great Britain in 1962 and in the United States in 1968. The use of Azathioprine for renal transplantations in the United States was delayed four years.

Very recently I received a list of drugs from a very distinguished British physician which he considered to be very useful in the practice of medicine. The drugs on this list are available in Great Britain but not in the United States. The list is long and I think that most knowledgeable clinicians in the U.S.A. would regard these drugs as useful.

Among the hypotensive agents are Bethanidine and Debrisoquine which are regarded as effective and no more hazardous than guanethidine. In fact, Dr. Edward Fries who received the Lasker Award in 1971 for his classic study of the effectiveness of drugs in reducing morbidity and mortality from high blood pressure was, according to a report in the January 28, 1972 edition of *Medical World News*, critical of FDA for not approving bethanidine which has been available in Great Britain for at least ten years.

The absence of cromoglycate sodium (Fison's Intal) from the United States for the treatment of allergic asthmatic patients is perplexing. According to reports from Great Britain, Intal has demonstrated, since its release four years ago, definite advantages in a large fraction of asthmatics.

In the field of bacterial infectious diseases, fusidic acid is still unavailable in the U.S.A. but perhaps a more disconcerting situation involves a combination of the sulfa drug, *sulfamethoxazole*, and the folic acid antagonist, *trimethoprim* which was released in Great Britain in 1968 under the names of *Septrin* and *Bactrim*. The two drugs in this combination act synergistically in the control of bacterial infections.

Among other drugs released in Great Britain but unavailable in the U.S.A. are:

(1) the anticonvulsants *Sulthiame* and *Carbamazepine*

(2) the potassium sparing diuretic, *Amiloride*

(3) Carbenoxolone, a valuable drug for peptic ulcer

(4) Practolol, believed to be a better beta blocker than Propanolol.

And as we examine this record and assess the lag times in terms of human lives and human suffering, we need to ask ourselves how many deaths in the United States could have been averted or how much morbidity could have been prevented if these missing drugs were made available in the United States even one year earlier.

We must also ask ourselves whether we are discharging our obligations to the people of this country by accepting this time lag in the name of an "unrealistically high margin of safety" a phrase recently used by Dr. John Larragh, Professor of Medicine at Columbia University's College of Physicians and Surgeons in criticizing FDA for holding up of four antihypotensive drugs. Indeed, our obligation to the people is to make available the most effective medicines of the day. To do anything less than this would be failing in our responsibilities. And in this "time lag" that exists between the United States and such countries as England, Germany, France and Sweden, I am sure that no one would suggest that their regulatory agencies are less expertise or less concerned about the welfare of the patient than ours.

Undoubtedly, this time lag is due in part to the failure or delay in filing an IND or NDA. If this situation exists and is important, it is easy to understand. A fear complex pervades the people of the pharmaceutical industry in their dealings and relationships with the people of FDA. In fact, this same fear prevails among a large segment of the medical profession, particularly among many of the clinical investigators.

A sad commentary on this situation is the 1971 statement of the Cutter Laboratories to its stockholders, "After a great deal of soul searching and analysis, we reluctantly came to the conclusion that, in today's research and regulatory environment, we could no longer continue our effort to develop pharmaceutical specialities. Thus, we have terminated a research program in this area that began in 1957 . . .".

These are the situations that need for their resolution the best scientific minds in the health sciences. These are the kinds of problems that must be deliberated dispassionately in symposia and meetings involving medical scientists and informed people from different walks of life including people from the government. And these are matters that should be discussed and weighed in objective forums and not in congressional hearings.

All this brings us back to the pharmaceutical industry and to the critical situation its research people face. Nevertheless, we can't turn back the clock nor would we want to if we could.

Public interest in the activities of the pharmaceutical industry and in its regulation by government is here to stay. We can only hope that the pharmaceutical industry and the medical researchers throughout the country and the regulatory agencies will learn to work together more closely for the good health of all people, learning from experiences in the United States and from experiences in other countries such as Great Britain which also have had a long tradition of good medicine and good medical research. Everyone associated with health problems wants sensible regulation of the pharmaceutical industry but, without what looks to many, the obstacles which are stifling progress.

Sir Derrick Dunlop in his Lister Memorial Lecture of October 1972 titled *Medicines, government, doctors and pharmacists* analyzed the contributions and abuses of the pharmaceutical industry and made this observation. "In some future utopia, non-profit motivations may produce the same result without side effects. Till then, we must take the world as we find it, remembering that since the October Revolution, the state owned industries in the USSR and its satellites have hardly produced a single new medicine of therapeutic importance. We should be careful not to kill the goose which has laid so many golden therapeutic eggs by excessive bureaucratic restriction—still worse, I think, by nationalization."

Now what can we do about this—and when I ask this question I am mindful that this is *your challenge*. How can we get the vital process of drug discovery and development moving ahead once again at a rate more responsive to the needs of patients and more reflective of the great medical capability that has been developed in this country during the past several decades.

First there are the technical problems in drug development many of which are subjects for examination by the people of this symposium. There is so much truly unknown and unpredictable in the life sciences as compared to what is known and predictable. It is the darkness of inadequate knowledge which conjures fear in the minds of people and until much of this darkness is lifted progress will continue to be slow.

In the field of pharmacogenetics—the relationship between genetic factors and drug efficacy and safety—needs to be opened up much more extensively and much more rapidly. We must learn why a particular drug is effective in some patients, not in others and why some patients experience manifestations of toxicity while others do not. We must look forward to the day when our knowledge of pharmacogenetics is so well developed that physicians will be able to predict with accuracy whether a patient should or should not be treated with a particular drug. In a similar way, the significance of animal data needs to be understood particularly in terms of pharmacological and toxicological responses in man.

There is one more area of darkness that needs to be lifted. This concerns the frightening observations of the past 10 years on carcinogenesis, mutagenesis and teratogenesis in experimental animals produced by certain chemicals and drugs and the *in vitro* observations of these substances producing breakage of chromosomes and cell transformations. Now what do these observations mean in terms of man? It is clear that we must mount a massive study on these phenomena since the specter of carcinogenesis and mutagenesis hangs over our environment as well and is beginning to affect our economy.

Now these are problems which concern everyone and until some fundamental answers appear, it will be difficult to maintain objectivity. It is here that I feel the pharmaceutical industry and the universities must work closely together—industry with financial support, and the universities with its people and facilities. This will be a very costly program and industry must bear most of its cost, if for no other reason than no other sources of funds are available. While the pharmaceutical industry spends a high portion of its profits for research and development, there is much more it must afford. Indeed, this is a wonderful opportunity for the pharmaceutical industry since it can help obtain answers to some of the problems now haunting society and at the same time give some support to research in the life sciences during these difficult times. This is the time that industry can help fill the breach the government has created when it drastically cut funds for medical schools, clinics and research institutions. I have never felt that industry has done enough for the university, the cradle of knowledge, nor have I felt proud when people of influence have

observed from time to time that marketing and promotion expenses in the pharmaceutical industry are very substantial when compared to research expenditures.

So far I have spoken largely about the involvement and responsibilities of other participants in this complex business of drug development. Chiefly, I have dealt with the regulatory agency, the drug industry and the research scientist, all of whom must examine their own contributions, attitudes, and commitments to the task of meeting the needs of the sick.

In working out solutions to the many problems, each of the groups involved must come to understand the whole process of drug development and approval, so that each can better appreciate the specific problems and needs of the other groups. In other words, their interests and concerns must extend beyond the more narrow confines of what might be considered their area of expertise.

And nowhere is this more true than the broad field of clinical pharmacology which I define as the entire process of predicting and measuring the values and limitations of drugs in man.

I believe that clinical pharmacology and particularly its leaders, such as those gathered here, have both a unique opportunity and specific responsibility to help correct the broader problems that retard evolution of new drugs in this country.

If we agree that there has been adverse impact on drug development by such social phenomena as false consumerism, opportunistic politics and regulatory bureaucracy, then the people in this room must find a way of dealing with these problems as well as problems that relate exclusively to clinical pharmacology. If, seeing things happen we don't agree with and we are willing to stand by and let them happen—if we do not involve ourselves—we have only ourselves to blame.

Now what else can be done to help the situation?

First, we can reinforce the quality of our professional performance—in study design, in peer review, in patient consent, in data analysis—so that new knowledge and new standards are more uniformly characteristic of our endeavors.

Second, we can strengthen—at the same time as we work to minimize risk and maximize benefit—public, political and regulatory awareness that certain risks must be accepted if the desired benefits for patients are to be achieved.

Third, we can convince sponsors of drug research, whether public or private institutions that they increasingly provide data, resources and direction, permitting the growing capability of clinical pharmacology to be exploited to the fullest in terms of the patients welfare.

Fourth, we can take the initiative and make sure our professional voice is heard every time the values and limitations of new drugs are debated in the halls of Congress instead of sitting back and permitting Congress and their executive agencies to select witnesses whose misguided zeal permits misconception to dominate the public record.

Fifth, we can more effectively participate in the advisory committees and expert panels of FDA and other regulatory and non-regulatory agencies of the government. All of us would agree, I am sure, that it is there that key decisions are made effecting the future of both clinical pharmacology and of medicine.

Finally, there is a new concept which was presented by Stanley Lebergott University Professor of Wesleyan University to the Subcommittee on Monopoly of the Senate Small Business Committee on March 14, 1973. In discussing the lag time problem of new drug introduction in the United States, Professor Lebergott suggested that lists of all new drugs unavailable in the U.S.A. but available in other countries be published periodically so that professional pressures might be exerted on the regulatory agencies and on the pharmaceutical company for the benefit of patients. I like this concept and suggest it be expanded. I would like to see a group of people, scientists and laymen, under the aegis of the National Academy of Sciences be assigned the task of monitoring the listings and influencing the release of new useful drugs that are unavailable in the U.S.A. It would be their job to find out why such drugs are being held up and to exert moral pressure whenever they believe it essential.

In concluding my talk, I want to stress that I believe completely that the future of drug discovery and development has never been brighter. What we need to do is to nurture our capabilities and rededicate ourselves to the welfare of the patient. I believe in the ingenuity of man and I'm optimistic enough to believe that the problems we now face in evolving new medicines will be met—and will be met on the basis of professional knowledge and judgement. We can accelerate the process if we accelerate our involvement in programs and forums such as this one where we can talk as scientists, free from political pressures and free from the fear complex which has frozen the scientists involved in new drug research. With this kind of dedication, new drug research knows no limitations.

UNITED STATES-ISRAEL RELATIONS

Mr. CRANSTON. Mr. President, yesterday the Los Angeles Times carried a front-page story about a letter sent by the chairman of the board of Standard Oil Co. of California to the stockholders of that company.

The letter urged that the United States "should work more closely with the Arab governments to build up and enhance our relations with the Arab people."

I, for one, find the suggestion that there should be a change in the U.S. posture toward the participants in the Mideast conflict to be totally unjustifiable. I have written to the chairman of the board of Standard Oil Co. of California and expressed my concern.

I would like to share this letter with my colleagues. I ask unanimous consent that the text of my letter to O. N. Miller be printed in the RECORD.

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

AUGUST 3, 1973.

O. N. MILLER,
Chairman of the Board, Standard Oil Co. of California, San Francisco, Calif.

DEAR OTTO: I was most distressed by your July 26 letter to Standard Oil of California stockholders. It has been widely interpreted as implying that the United States government should reduce or withdraw its support of Israel because of our reliance on Arabian oil.

It is my understanding that Standard Oil is far more dependent on Arabian oil than is the United States. I can understand your desire as chairman of the board to ensure uninterrupted oil supplies for the good of Standard Oil. But I do not share your apparent inference that what is good for Standard Oil is necessarily good for the United States.

Indeed, I'm not sure that what you recommend is even good for Standard Oil. It is certainly not my view that continuing supplies can best be assured by a change in U.S. foreign policy in favor of the Arab nations against Israel.

Peace in the Middle East is the best guarantee of uninterrupted oil production. And American support of Israel is the best guarantee of peace in the Middle East. It is a stabilizing force designed to maintain a balance of power by offsetting Soviet aid to the Arab nations.

The present American policy in the Middle East is a continuation of a policy that has been carried on successfully by the Truman, Eisenhower, Kennedy, Johnson and Nixon administrations with the overwhelming bipartisan support of the Congress. It is in the best interest of the United States and, I suspect, in the best interest of Standard Oil as well.

I am determined to do all that I can to see that it is continued without diminution in any respect. The decision of he Congress, in which I joined, to proceed immediately with the trans-Alaska pipeline is yet another indication of American determination not to become dependent on Mideast oil.

Cordially,

ALAN CRANSTON.

AMERICAN INDEPENDENCE DAY FESTIVAL IN REBILD, DENMARK

Mr. HART. Mr. President, as we, in this country, celebrated our Independence Day, a Michigan choral group joined a Danish-American observance of our independence holiday.

A 34-member chorale from the nationally known and respected Interlochen Arts Academy performed at the American Independence Day Festival in Rebild, Denmark. And we, in Michigan, are especially proud of their appearance for it confirms the international pride in the United States and the products of her cultural heritage.

The festival, which is sponsored by the Rebild National Park Society is celebrated to commemorate the warm friend ship between Denmark and the United States. Since its inception in 1912, the festival has been presented in Rebild, a small village in Northern Jutland, Denmark, and currently draws between 20-000 and 40,000 visitors each year. In addition, it is completely televised and radio coverage reaches many European countries.

Although three Interlochen conductors have presided over European podiums in the past, the invitation to the chorale marks the first overseas trip for any Interlochen student group. The chorale, under the direction of Dr. Kenneth W. Jewell, is the elite vocal ensemble of the of the larger Interlochen Arts Academy choir.

Dr. Jewell also conductor of the academy choir and director of choral music at Interlochen has been a music educator and conductor in Michigan for more than 30 years. He also conducts the highly respected professional singing group, the Kenneth Jewell Chorale of Detroit which has earned a prominent national reputation for its work with the Detroit Symphony.

Indeed, the academy has put real meaning into their philosophy of artistic involvement. For they are, assuredly, "dedicated to world friendship through the universal language of the arts"—and we can all take pride in their representation of the United States.

REMARKS OF SENATOR EDWARD W. BROOKE CONCERNING THE REFUGEE SITUATION IN CAMBODIA

Mr. BROOKE. Mr. President, I am sure that everyone in the Senate is heartsick at the deepening tragedy in Cambodia. Reports today indicate that fighting is now taking place on the immediate outskirts of Phnom Penh. The southern defenses of the city are apparently under extreme pressure from the insurgents.

Most distressing is the fact that this intensified fighting has further increased the tragic situation of the refugees. In my recent report on Indochina, I wrote that there were in April 1973, upward of 300,000 refugees in the capital city of Phnom Penh. As the fighting has continued over the intervening months, I am positive that the number of refugees in the city has significantly increased. Permanent and lasting improvement of the refugees' lives will occur only when the killing has ceased and they are allowed to return to their villages and to a more normal existence. Unfortunately, it does not appear likely that this will take place in the near future. Therefore, we are left with a situation where, without extensive U.S. humanitarian aid, the tragedy could be compounded tenfold.

The administration has stated its intent to continue to give all the economic military, and diplomatic assistance it can under the law once the August 15 deadline is reached. I have yet to receive clarification on exactly what is meant by this stated intent. Congress must make sure that any further aid to Cambodia is strictly in compliance with the law. My hope is that the major portion of any such aid will be directly allocated for relief purposes. Immediate efforts to allocate justified amounts for relief of the suffering refugees will receive my support.

In all good conscience we cannot, we must not fail to exhibit our concern and commitment to helping the victims of this war.

THE POSSIBILITY OF PEACE FOR CAMBODIA

Mr. BROOKE. Mr. President, in the past several months I have frequently uttered my opposition to continued U.S. military activities in Cambodia. On August 15 of this year that involvement is to come to an end. I am distressed that the termination of the bombing will likely not occur sooner. Nevertheless, some comfort can be taken from the fact that there is a date certain for the final cessation of our military activities in Indochina.

As this tragic military involvement comes to an end, it would be myopic not to balance our revulsion at our contribution to the tragedy of Cambodia with a recognition that others, specifically the North Vietnamese, have contributed greatly to the evil of this war by failing to exhibit a willingness to withdraw their troops from Cambodia. Such a withdrawal would certainly have been in the spirit if not the letter of the Paris peace agreements of January of this year.

There are approximately 30,000 to 40,000 North Vietnamese troops in Cambodia according to U.S. sources. For the past 5 to 6 months the secondary role of these troops has been to provide support functions for the Cambodian insurgents. The North Vietnamese Army has not been extensively engaged in the active fighting. Their primary role has been that of insuring North Vietnamese access to and control of the various salients into South Vietnam from Cambodia.

While the North Vietnamese troops have not taken an active part in the fighting in Cambodia, they nevertheless have contributed greatly to the continuation of the conflict, providing the material supplies and moral support needed for the insurgents to carry on the struggle. In a very real sense, they have played a role for the insurgents similar to that played by the United States for the present regime.

Any peaceful settlement of the war in Cambodia should be predicated, in part, upon a tacit North Vietnamese agreement to withdraw their forces from Cambodia on a date certain basis. If they are unwilling to do this then the world should clearly recognize Hanoi's share of responsibility for any further deterioration in the situation.

Regardless of whatever action the North Vietnamese may take, it is clear that any further involvement of the U.S. military in Cambodia would be both unwise and dysfunctioned to the cause of peace. This is a reality that must be faced. It is a reality that should preclude any agreement by Congress to a request for an extension of the bombing dateline.

As in most wars, there are no winners in Cambodia, only victims. Should Cambodia fall to the insurgents in the near future, the victory for them will likely be a "pyrrhic" one. Their country has been so ravaged by the "winds of war" that it will be many years before tranquility will return to the Combodian people, a people for whom I have a deep and abiding affection. My intent is to do everything possible to hasten the time when the Khmer's can once again live in peace. I trust a similar intent exists throughout the Congress.

OUR HIDDEN VIETNAM CASUALTIES: DOES NOBODY REALLY CARE?

Mr. CRANSTON. Mr. President, the Washington-Star News has recently published a series of articles by Michael Satchell, describing the difficulty many Vietnam veterans are experiencing in readjusting to civilian life, and the, at times, tragic consequences when their readjustment is not achieved. He quotes a veteran as saying:

> That was what was wrong with this goddamn war. Nobody cared except those that went over. And now nobody cares about us.

His articles describe how some veterans reacted to this situation on their return home when they tried to take their place again in civilian society. The readjustment difficulties in some cases led to marriage breakups, and such tragedies as unsocial behavior, criminal acts and even suicide and manslaughter.

These tragic episodes did not occur immediately after discharge from the armed services, but in many cases occurred some 2 or 3 years later.

Mr. President, while previous wars have had their psychiatric casualties, the so-called "post-Vietnam syndrome" may well be more pronounced and more frequent in its incidence. And the time lag seems unprecedented. This pattern was first dramatized, insofar as I am aware, at oversight hearings I held in 1969 and 1970 as chairman of the Subcommittee on Veterans' Affairs of the Labor and Public Welfare Committee, and in the last 2 years as chairman of the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee. As a result of these hearings, I first introduced legislation on June 17, 1971—then included in S. 2091 in the 92d Congress—to make these returning veterans eligible for readjustment medical counselling in Veterans' Administration facilities.

This provision was also included in legislation, called the "Veterans Drug and Alcohol Treatment and Rehabilitation Act of 1973," twice passed by the Senate—in S. 2108 last Congress and in S. 284 passed this session on March 6, 1973, by an 87-to-2 vote. More specifically, it would authorize the Veterans' Administration to provide readjustment medical counseling and appropriate followup care to each Vietnam era veteran with other than a dishonorable discharge upon the veteran's request. The purpose of this provision is to make fully available—and to encourage and facilitate the use of—the full resources of the VA's medical services to those returning veterans who feel the need for professional counseling to help them in their readjustment to civilian life. I believe that in the sensitive field of psychological or psychiatric counseling, availability, and ease of access to such services must be emphasized and all necessary barriers removed. A recently returned veteran should know that help is available, and that if he asks for it his request will be speedily and compassionately honored.

Under present VA law and regulations, a veteran is not eligible for outpatient care unless it is established that he is suffering from a service-connected condition or is in need of hospitalization. Under this new provision, all VA facilities which can assist in readjustment will be made more visible and accessible. The provision of readjustment counseling in all VA facilities under the general direction of the VA Department of Medicine and Surgery—taking full advantage of its skilled staff consisting of some 961 psychologists, 304 psychologists attendants and technicians, 707 psychology trainees, 2,198 social workers, 335 social worker associates, and 479 social work trainees—can be of significant assistance to the successful readjustment of large numbers of recently discharged veterans.

In addition, current law in title 38, United States Code, provides a presump-

tion of service connection for an active psychosis developed within 2 years of discharge from service. The Senate has twice passed my amendment—also included in S. 2108 and S. 284—to extend this period to 3 years after discharge and to make it applicable to any psychosis rather than only an active psychosis.

Mr. President, I ask unanimous consent that the pertinent provisions from S. 284 be printed in the RECORD, along with explanatory material from the committee report (No. 93–56).

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

S. 284

A bill to amend chapter 17 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities, 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 "Veterans Drug and Alcohol Treatment and Rehabilitation act of 1973".

SEC. 3. Section 602 of title 38, United States Code, is amended by—

(1) striking out "an active" and inserting in lieu thereof "a"; and

(2) striking out "two years" both times it appears therein and inserting in lieu thereof "three years".

SEC. 4. (a) Subchapter II of chapter 17 of title 38, United States Code, is amended by adding after section 612 a new section as follows:

"§ 612A. Eligibility for readjustment medical counseling

"The Administrator, subject to the provisions of section 3103 of this title and within the limits of Veterans' Administration facilities, shall furnish readjustment medical counseling and appropriate followup care and treatment under this subchapter to any person who served in the active military naval, or air service during the Vietnam era and was discharged or released therefrom with other than a dishonorable discharge and who requests such counseling in order to assist such person in readjusting to civilian life following his discharge or release from the Armed Forces. The Administrator, in cooperaton with the Secretary of Defense, shall take appropriate action, as provided in section 241 of this title, to insure that all veterans eligible for assistance under this section are advised of their eligibility for such assistance and are encouraged to take full advantage thereof."

(b) The table of sections at the beginning of chapter 17 of such title is amended by inserting immediately below

"612 Eligibility for medical treatment."

the following:

"612A. Eligibility for readjustment medical counseling."

PSYCHIATRIC CARE AND READJUSTMENT MEDICAL COUNSELING

The Committee was convinced by extensive testimony developed at hearings on veterans readjustment conducted by the Subcommittee on Veterans Affairs at the end of the 91st Congress and hearings on this legislation in the 92d Congress and by medical evidence that significant numbers of Vietnam era veterans who are not addicts have nevertheless suffered severe psychiatric problems. These problems are frequently of a subtle nature and do not always manifest themselves soon after discharge. Therefore, the reported bill provides that a psychosis which arises within three years after discharge, rather than an active psychosis which arises within two such years (as at present), will be presumed to be service-connected. The effect of this is to authorize the provision of unlimited outpatient care for veterans meeting these criteria of disability.

In 1951, section 602, containing the original active psychosis presumption, was added to title 38 by Public Law 82–239. The House-passed bill—H.R. 320—had included a three-year period for active psychosis and the Senate reduced it to two years—(S. Rept. No. 749, 82d Cong., 1st Sess. 1951).

The Committee is of the view that the same justification underlying the original provision for active psychoses arising from World War II and the Korean conflict should be applied to the types of psychiatric conditions which seem to characterize the Indochina War. The purpose and rationale of section 602 were described in the 1951 House and Senate committee reports as follows:

"The Committee is of the opinion that the bill is fully justified in view of the difficulty medical science has in tracing the exact causes of psychoses. The additional presumptive period would authorize service connection in many meritorious cases which are barred under existing law. The presumption is of course rebuttable when there is affirmative evidence to be contrary . . . (H.R. Rept. No. 239, 82d Cong., 1st Sess. 2 (1951)).

"It is generally recognized that the disease of psychoses is not only an individual problem but involves broad social aspects as well. It is urgent that those who suffer from this unfortunate malady should receive prompt and complete institutional care and treatment. Although war veterans are now entitled to hospitalization by the Veterans' Administration for non-service-connected psychosis, their admission is subject to availability of beds and their inability to defray the expenses. . . . "(S. Rept. No. 749, 82d Cong., 1st Sess. 2 (1951)).

Of greater significance, the reported bill directs the Administrator to provide readjustment medical counseling and appropriate follow-up care to Vietnam era veterans with other than a dishonorable discharge (or a discharge barred under section 3103 of title 38) upon the veteran's request. The purpose of this provision is to make fully available—and to encourage and facilitate the use of—the full resources of the VA's medical services to those returning veterans who feel the need for professional counseling to help them in their readjustment to civilian life.

In the sensitive field of psychological or psychiatric counseling, the Committee believes that availability and ease of access to such services must be emphasized and all unnecessary barriers removed. A recently returned veteran should know that help is available, and that if he asks for it his request will be speedily honored.

Under present VA law and regulation, a veteran is not eligible for outpatient care unless it is established that he is suffering from a service-connected condition or is in need of hospitalization. Under this new provision, all VA facilities which can assist in readjustment will be made more visible and accessible.

The Committee believes that the provision in the reported bill to provide readjustment counselling in all VA facilities under the general direction of the Department of Medicine and Surgery—taking full advantage of its 961 psychologists, 304 psychologists' attendants and technicians, 707 psychology trainees, 2198 social workers, 335 social worker associates, and 479 social work trainees—can be of significant assistance to the successful readjustment of large numbers of recently discharged veterans, both addict and nonaddict.

[From the New York Times, Aug. 28, 1972]

POSTWAR SHOCK BESETS VETERANS OF VIETNAM

(By Jon Nordheimer)

SAN FRANCISCO, August 20.—The flight from Saigon and Danang reach California in 18 hours, telescoping night into day and into night again, and the big jet transports drop out of the gloom of the Pacific sky to land at Travis Air Force Base as another sunrise rims the high peaks of the Sierra Nevada range far to the east.

On board the planes are sleepy young soldiers, members of the dwindling force of American troops in Vietnam, coming home from a war in a strange land where they had served with gradations of comprehension and devotion.

They step out on the chilled tarmac and stretch and shiver. The temperature is more than 30 degrees cooler here in northern California than it had been the day before in Vietnam.

It is the first shock of reentry for the Vietnam veteran. In the coming months, as he goes out in America and tries to pick up the threads of the life he had left behind, there will be more.

For it is now becoming clear, at a time when it is almost too late to do anything about it, that a significant number of Vietnam veterans are encountering serious readjustment problems on return to civilian life that, for some at least, is as severe a test of emotional stability as any stress they encountered in the service.

The ailment has been called the post-Vietnam syndrome, or PVS, but the term is not sufficiently broad to encompass the wide range of emotional problems that some of the veterans are experiencing.

HARD TO DEFINE

Just what Vietnam service does to a young man emotionally is difficult to define, but it is related to the shattering experience of war itself, with the added ingredient that this war, unlike others, does not give many of the men who wage it feelings of patriotism, or even purpose.

The men who suffer post-Vietnam syndrome are not dramatically ill. They do not go beserk or totally withdraw. Instead they are bewildered, disillusioned, unable to cope. Their problems usually crop up after they leave the service and previous indications of trouble almost always went untreated by the military.

For the last few years, the Government has declared that the special circumstances of combat in Vietnam produced the lowest psychiatric casualty rate in the history of modern American warfare. The Defense Department contended that the rate of mental breakdowns was 12 per 1,000 troops; the corresponding rate for Korea was 37 per 1,000, and in World War II it was 101 per 1,000.

These figures are hotly disputed by private physicians who have made empirical studies of the PVS, and the debate has taken on political overtones that chilled the issue, with the Government digging in to defend its policies against what is perceived in Washington as an attack by critics of the war.

Essentially, the Government has viewed the problem as mild compared with the staggering number of combat-zone breakdowns that occurred among World War II servicemen. The critics have countered that what they describe as the Government's blindness and intransigence, produced by a desire to gain public support for the Nixon Administration's war policy, were contributing to a mental health disaster for the more than three million soldiers, sailors and airmen who had served in Vietnam.

SERIOUS SOCIAL PROBLEM

There is evidence that the problem is more pervasive than has been acknowledged by the Government, and may indeed be building to a social problem of serious magnitude.

Yet it is equally apparent from an extensive survey that the problem is slow to develop and difficult to identify and that its complexities defy easy explanations.

One interpretation advanced in some psychiatric quarters is that guilt over participation in a war many see as immoral is disturbing the veteran upon his return home.

Unquestionably, that is a source of dislocation for some of the better educated and more sensitive veterans as typified by the outcries of the Vietnam Veterans Against the War, and to some extent it may be detected in many others who have made no overt antiwar expressions and may even support the country's Vietnam policies, the survey showed.

But for the majority of the emotionally distressed veterans it would appear that the restive nature of American society itself is a contributing factor, and the rapidly changing values the veteran finds at home, the hostility of his peers, the guilt of his parents and the lack of interest of his community may combine with a poor job market to keep him off balance from the moment he takes off his uniform.

A psychiatrist compared the difficulty of the Vietnam veteran to a boy at an amusement park. "He has spent an exhausting day on the scariest, most dizzying thrill rides with apparent success, but he finds it impossible to step aboard a moving merry-go-round. His equilibrium has been upset, and he can't perform a simple task of balance. When he pukes, the people watching him can't figure out why such a simple exercise is so unsettling."

AN UNKNOWN FACTOR

The survey made clear that in the majority of cases the emotional disorders of men who have served in Vietnam showed up not in the combat zone but, rather, after the return to the United States. This, unlike other wars, has been the chief psychiatric phenomenon of Vietnam for the American soldier.

In some hospitals, more than 80 per cent of the mental patients suffered breakdowns after discharge from the military service. What is not known, when these figures are compared to past experience, is to what extent the greater sophistication about mental illness has contributed to a willingness among veterans to seek professional help than in the past.

Another finding was that the Government has been less than diligent in providing resources to investigate the nature of emotional illness that the veteran brings home from Vietnam and to deliver health care services to him.

Although the rate of full-blown psychosis among Vietnam servicemen has been low, and in line with what would be expected among this age group in the general population (for schizophrenia, about 8.5 per 1,000) the emotional problems in the greater number of cases have been characterized by anxiety, disillusionment, confusion, apathy and listlessness—fairly mild disorders that nonetheless can be as disabling in a social setting as schizophrenia.

Only infrequently does the ailment reach a point where the individual becomes a problem to society and is remanded for psychiatric care. Usually, because the Vietnam veteran tends to come from a low socio-economic or minority group where his tensions and fears cannot find easy access to mental health care, his "odd" behavior or inactivity simply goes unnoticed or is dismissed as inconsequential to the community's safety.

This lack of access, it has been found, has led to the growing usage of drugs by the veteran back in the United States whether he had been addicted in Vietnam or not. The availability of drugs in this country, as it had been in Vietnam, can offer instant escape from tensions and anxiety, whether these fears have been created by the weapons of war or the more subtle hazards of civilian life.

Moreover, it was found that bureaucratic red tape and the lack of a focus of resources have cut psychiatric services to the veteran, should he seek help. The Veterans Administration has only in the last year officially recognized the scope of the problem and moved to adjust its program of care for the emotionally disturbed veteran. Yet a shortage of qualified psychiatric personnel still makes the V.A.'s 165 hospitals largely dependent on the dispensing of tranquilizers as the primary treatment schedule.

STAFFS ARE STRAINED

The best and most effective treatment of the PVS, when it is detected, would appear to be sympathetic counseling, which is what the V.A. has attempted to introduce in the last year, but the professional staffs have been strained by the rising number of veterans seeking help, particularly in the urban areas where they are doing more counseling work with drug addicts.

Another drain on manpower is the large number of neurological casualties coming home from Vietnam—men with damaged brains whose lives have been saved by the new technology of surgery and medicine but who have been deprived of the mental resources to care for themselves.

In 1967, only a small number of the V.A.'s 80,000 hospital beds were occupied by Vietnam veterans; by 1972, more than 50,000 psychiatric in-patients from Vietnam had been cared for and a larger number sought help in outpatient clinics, and admissions have grown each year.

Dr. Marc J. Musser, chief medical director of the Veterans Administration, who oversees the nation's largest total health care system, conceded in an interview that the veterans "usually have to get in pretty bad shape before they'll turn to an institution like ours for care."

He said that the V.A. was caught short by the differences in needs between the younger and older veterans, that the changes to provide care for "the new breed" were being implemented in hospitals around the country and that hospital directors had been encouraged to experiment with new programs. He remains unconvinced, however, that the differences have meaning beyond the generational approaches to life, he said, and added that the dire mental health development predicted by critics of the war had failed to materialize.

MORE CANDID VIEWS

While V.A. administrators in Washington minimize the extent of the PVS, some experts on regional V.A. staffs, the men and women personally involved with veterans, are convinced that the figures used in Washington are more revealing of political pressures than reality. For the most part these physicians were reluctant to express their views publicly for two reasons: They feared bureaucratic reprisals for challenging the views of superiors and they felt that the absence of hard research on the problem left them exposed to challenges that their conclusions could not be supported by documentation, which they concede.

At the same time, however, they point out that the V.A.'s own evidence is scanty and rests solely on research done with veterans whom it has made contact with and little or nothing is understood about the countless troubled veterans who shun V.A. assistance because the agency represents the system the veteran is reacting against at home.

"If you're all messed up inside," remarked one V.A. psychiatrist, "it's pretty hard to seek help in a Government hospital where the first thing you see is the picture of Richard Nixon on the wall, the guy who sent you to Vietnam in the first place."

There were others with wide experience in the V.A. system who have become largely independent of it and consequently were more candid about the nature and scope of the problem.

"I'd say that 50 per cent of the men returning from Vietnam need some form of professional help to overcome the problems of adjustment," asserted Dr. Cherry Cedarleaf, a senior staff psychiatrists on a leave of absence from the V.A. Hospital in Minneapolis.

"That's not to say that one out of two veterans is crazy," she explained in an interview, "but that a sizable number of young men are returning to society as unmotivated, listless and apathetic individuals who would benefit from counseling."

Dr. George F. Solomon, an associate professor at Stanford University who has been attached for 10 years to the psychiatric research wing of the V.A. Hospital in Palo Alto, Calif., insisted that the Vietnam psychiatric casualty rate defended by the Government was "utterly misleading." He referred to the statistic that only 12 soldiers out of 1,000 broke down under stress in Vietnam.

A PROBLEM FOR SOCIETY

"I've worked with lots of veterans outside the hospital and you see a lot of things that never come to the attention of the V.A.," Dr. Solomon said in an interview.

"I think the V.A., within the limitations of its bureaucracy and budgeting and the fact that it was designed for another era, is trying," he went on. "But I don't think this problem should be perceived as just another problem for the V.A.—it should be a problem for society at large."

He said that the military services had failed to follow through on cases of emotional illness that become manifest in Vietnam. In most cases, he said, soldiers who break down there are returned to duty after a period of rest and the individual is regarded as normal unless the problem resurfaces or becomes exaggerated.

Moreover, he noted, soldiers displaying emotional symptoms are often given expeditious administrative discharges, branded as disciplinary problems instead of psychiatric. Military drug abuses are considered medical cases, he said, when they should be evaluated in relation to the stresses in Vietnam that led them to seek solace in drugs.

"I have strong feelings that drug-taking behavior prevented psychiatric casualties that otherwise would have been manifested in more traditional ways," Dr. Solomon said. "Heroin is a powerful tranquilizer."

SIGNALING FOR HELP

No one knows how many of the veterans who experience re-entry problems had first signaled for help while still in the military. The Defense Department has not published studies on the subject and, as far as could be determined, has not commissioned any.

There is no follow-up. If a soldier breaks down for one reason or another, he is considered cured if he starts acting rational after a reasonable period of rest.

An understanding of the mood of the returning Vietnam veteran is dependent on some knowledge of his Vietnam experience and the multiple pressures and frustrations he encounters on his return home. This is set forth here, based on scores of interviews across the country with veterans, physicians and Government officials.

The italicized segments are based on conversations with Vietnam veterans who are

psychiatric patients in V.A. hospitals or who have had serious adjustment problems. The segments are interspersed here because they illuminate some of the dominant psychological problems that afflict the Vietnam veteran.

NORMAN

"Why are they afraid of us? Family, friends and strangers? Why do they ask us questions about how many people we killed? I killed a few, but I don't want to talk about it. It was self-preservation. Why can't they understand that and let us alone?"

The one-year tour of duty in Vietnam has been cited as the chief asset in keeping psychiatric casualties low. From the day he entered the country, the American soldier knew the exact date of his departure, and all his efforts were directed toward surviving the next 365 days.

This knowledge was especially comforting if the individual, as was true in a great number of cases, did not support the cause he was asked to risk his life for, or if he felt the military was restrained from exercising its full might against an ambiguous enemy, further jeopardizing his personal safety. The result is that the soldier had no investment in the war and its outcome other than his own survival.

There were other advantages that militated against emotional trouble. The United States enjoyed superior fire power and controlled the skies over Vietnam. There were no enemy air or artillery bombardments, except at temporarily besieged outposts, that placed prolonged stress on the "grunt" in the field. There was also the awareness that, if wounded, the soldier could be evacuated within minutes by helicopter, and that fewer than 3 per cent of those who arrived alive at the base hospital later died. These were powerful therapeutic factors contributing to the mental health of the men in the field.

Still, there were breakdowns in the field, and in all of the years of fighting in Vietnam there were more emotional problems that came to the attention of the medical units than the combined total of those who had been killed or wounded by the tangible acts of war.

CARY

On his way into the field for the first time in Vietnam, Cary witnessed another marine cradling a dead buddy and sobbing beyond comfort. "I promised myself I'd never let that happen to me. I'd play the loner and not get attached to anyone who is going to get killed. It was like I lost all respect for love. So I built a wall around me." The wall crumbled one summer day below the DMZ. "Alpha and Bravo companies were wiped out and we were sent in to pick up the bodies. After three days in the hot sun the bodies stunk. I picked up one and the arms came off in my hands. All the time we were under fire. I couldn't help myself. I just went to pieces."

The history of military psychiatry dates back to World War I when "shell shock" was considered to be the physical impact of an artillery round's concussion on the brain, resulting in eccentric or hysterical behavior. By World War II, "battle fatigue" was interpreted by Freudian psychiatrists as a manifestation of deep, inner personality conflicts, and casualties were moved from the front lines to the safety of hospitals and the rear, and yet the illness persisted and even deepened.

The cumulative lessons of the two World Wars and Korea were refined into a plan of treatment and put into practice in Vietnam. Essentially, the thesis was that mental breakdowns in the field were due as much to physical exhaustion as to any other cause.

The patient was confined to bed rest as near his unit as possible, and impressed always with the fact that he was going back to duty as soon as possible. He was never evacuated to the rear, where his guilt over deserting his outfit might reinforce his fixation, unless he was a psychotic and helpless.

NERVOUS EXHAUSTION

This treatment of "nervous exhaustion" produced impressive statistical results and perhaps prevented more serious psychic damage. Yet the long-range effect on the soldier who returned home fully aware of his moment of mental collapse is not known. Ronald Glasser, a former Army medical officer who wrote the book "365 Days," which recorded the experiences of physicians in Vietnam, raised that point.

The new treatment works, he wrote. "The men are not lost to the fight and the terrifying stupidity of war is not allowed to go on crippling forever.

"At least, that's the official belief. But there is no medical or psychiatric follow-up on the boys after they've returned to duty. No one knows if they are the ones who die in the very next firefight, who miss the (boobytrap) wire stretched out across the tract, or gun down unarmed civilians. Apparently the Army doesn't seem to want to find out."

Military psychiatrists identified three major periods of stress for a G.I. in Vietnam: when he first arrives and is overcome by culture shock and his illusions about the war are shattered: when he goes off on his rest and recreation leave, and the last month of duty when he has to sweat out the final days of survival so he can go home alive.

"Everybody has the date he's going home circled on his calendar and the emotion is very extreme because he's getting out and leaving his buddies in the unit." observed Eleanor Kyle, a chief social worker in the V.A.'s medical and surgical program in Washington.

"There's some guilt about leaving them, but the desire to survive is greater. What effect these strong emotions have on a person's mental health is something we don't know. Some of the guys can't handle it, but many do quite well."

RICHARD

"When I was on short-time calendar was when I got all messed up in my head. I had 10 days left in my tour and they ordered me to go on bunker duty with a bunch of [new guys]. I said I wasn't pulling no with a bunch of new guys, they'll get me killed, but they put us out there anyway. Imagine, me with 10 days to go. I was scared. I wouldn't let any of them stand guard duty alone. They would've fallen asleep and gotten all of us shot. I sat on top of that bunker for 10 straight nights, sweating out every minute. I started smoking for the first time in my life and I still haven't broken the habit, and that was two years ago."

The soldiers who survive are flown to California with the mud and dust still on their shoes. They are in a hurry to get home and they get their wish, reaching the living rooms of America in less than two days from the war zone. They are processed for discharge at the Oakland Army Terminal in four to six hours by an assembly line of doctors and clerks set up in an old post office building that looks like a cargo shed.

The new veterans are the lucky ones—the survivors—coming home sound in body from a struggle that has killed more than 38,000 of their number and wounded 303,000 more. But the war's casualty list does not end at the gate to the Oakland Army Terminal.

"THE GOOD OLD DAYS"

There are no bands there. No welcoming committees of grateful citizens. There is a black ghetto, the smell of industrial wastes, and usually a long line of traffic backed up to the ramps of the Bay Bridge to San Francisco. For the young men who pass this way, the cab ride from Building 640 to the airport is the slowest thing that has happened to them since leaving the jungles of Vietnam barely 24 hours earlier.

"One advantage of the good old days of World War II," remarked Dr. Jonathan Borus, of Walter Reed Army Research Center, who believes he is the only Army psychiatrist to have done extensive research on the problems of the returning Vietnam veteran, "was the troop ship that took three weeks to a month to come home. A man had more time to go through the transition of change, and he could have some of his fantasies about home knocked down by the other guys.

"And in the States he spent a few weeks in a processing center, which broke him gradually into civilization before he got home. Now events move too rapidly. My God, the Marines even brought them home in jungle fatigues."

PAUL

"I'd write home and tell my parents I had been in a firefight, and when I got home I found out they actually thought I spent the year in Vietnam fighting forest fires. We'd sit around those first few days watching the war news on television and my dad would say, did you do that? And I'd say, Yeah. I did that. I had to do that to go on living. And my folks got scared, man. They thought their little boy was a killer."

A lot of the veterans were having trouble at home before they entered the Army, and any expectation that things had magically changed was dissipated a few days after their discharge.

Dr. Carl R. Stuen of the psychiatric staff at the V. A. hospital in Tacoma, Wash., studied a group of disturbed patients who had served in Vietnam and learned that more than 80 percent had enlisted in the service and had not been drafted. Correlating this with other background data, Dr. Stuen speculated that enlistment had been an attempt to escape problems at home or with society, or was viewed as a way to "find a place to belong—to create an identity."

In another V. A. study compiled by Dr. Gayle K. Lumry and Dr. Gordon A. Braatz of the psychiatric staff at the V. A. hospital in Minneapolis, which contrasted the Vietnam veteran against his World War II counterpart, it was found that the incidence of schizophrenia was lower among the former group (Vietnam). But the porportion of personality disorders had climbed from 35 per cent (World War II) to 54 per cent (Vietnam).

SUICIDAL ACTS ON RISE

In large measure because of the battlefield treatment of such cases, the incidence of a classical combat neurosis like hysterical paralysis has nearly disappeared in Vietnam, Dr. Lumry said in an interview. However, there has been a corresponding rise in suicidal acts, which she suspects is related to dramatic social changes in the society and not in the combat experience.

And because the nature of the draft from 1964 to 1969 tended to draw men from the minorities and lower economic ranges of whites, she noted, this crop of veterans is more ill-prepared than perhaps any other in the ability to gather forces, shape plans and cope with a complex society and rapid transition from military to civilian life.

Dr. Lumry agreed that her findings, like the Stuen report in Tacoma, were based on research done with patients who for one reason or another had sought help from the Government, and no data existed on the faceless veterans who have remained silent and unidentified.

Still, the Tacoma and Minneapolis studies have formed the core of the V.A.'s response to the problem and the conclusion that the Vietnam veteran has not been greatly disturbed by his combat experience and that those who have suffered mental breakdowns or severe depressions had either a predisposition to mental illness or had encountered problems at home that could not be worked out in a satisfactory manner.

SONNY

Sonny said he had wanted to enlist in the Marine Corps at 17 to make his father proud. "I wanted to turn Vietnam into a grease spot and I dreamt about coming home a hero to tickertape parades. Maybe if I came back with only a single row of ribbons I'd be proud, like I had done something for my country." His Vietnam tour ended unheroically. A corporal in his outfit struck him and he lost the sight of one eye. He tried to resume high school after his medical discharge but "could not stand the looks of my classmates when they found out I had been in Vietnam." He could not find work. One night at a party he took mescaline for the first time. "The bathroom turned into fields of Vietnamese I had killed and all I could see was blood all over the walls and the floor, and the bodies of gooks grinning at me." A few nights later he swallowed 48 sleeping tablets. "I couldn't commit suicide in a violent way. It had to be in a soft, gentle way. I had my stomach full of violence." Friends found him and rushed him to a hospital.

The PVS proponents have charged that the Government's refusal to accept Vietnam as a trauma that has had a profound and lasting pschological impact on a considerable number of veterans has resulted in a policy of official neglect to the young men it had asked to serve the country.

Dr. Robert Lifton of Yale, Dr. Gerald Caplin of Harvard, Dr. Chaim Shatin of New York and Dr. Peter Bourne of Atlanta, among others, have detected disturbing elements among nonpsychotic veterans that they feel are quite unlike the disorders that developed after other wars. Significantly, these physicians have worked primarily with veterans who have been reluctant to seek help in the V.A.'s wards and clinics. Their conclusions, while they do not consistently share one another's views, point to a malaise that is directly traceable to the Vietnam experience.

Dr. Lifton referred to "psychic numbing," the inability to love, and Dr. Shatin mentions the "grief of soldiers," the compounded shame and guilt over surviving a war where so many others had perished. And there is the question of the morality of the war itself.

MICHAEL

Michael is embittered by those veterans who express guilt over the war. He thinks they are copping out, placing the blame on Vietnam when the problem really exists deep within themselves. He sees his own troubles that way, and yet in long conversations his thoughts always seem to return to Vietnam and the agony and sweat of the war there. "I was in Vietnam three days. I was 18 years old. And we found this G.I. hung up by the river and he was shot in the knees and the shoulders and the VC had cut out his groin. They were like animals. You had to get down to their level."

He was wounded on one patrol and left for dead until his cries summoned back his unit. "But the worst for me was a chopper lift into the Horseshoe south of Danang. We were trying to land and rounds were coming through the floor. The chopper was cut up so badly we had to return to the landing zone and board another and head back into the whole goddam mess again. A friend of mine—Whitey, we called him—got killed before the chopper even landed.

The tour changed his attitude about the war, which he now calls "such a stupid wasteful thing." Back in this country he began having blackouts and unexplained attacks of anxiety. He lashed out blindly at friends. "I got to hate what I was, a sort of semimercenary. I wouldn't even wear the uniform if I could help it. It was like everyone thought you were a killer or something worse."

He works now as a lineman for New York Bell Telephone Company and believes he has his problem under control with the help of 100 milligrams of Librium a day. "Just enough to knock the edge off my nerves, just like a good shot of whiskey." But the Librium has not stopped the recurring nightmare that is always the same. He is wounded and covered with blood and the mud of Vietnam, and he sees the VC moving silently through the eel grass toward him. He screams for his buddies to come back and help, but they are all dead. Overhead, in a circling helicopter, is Whitey, but he, too, is dead.

The veterans keep returning and slip back into America with no bands playing and almost without notice. They land in California, heavy with sleep, and are processed for discharge in Oakland.

"We can separate 225 bodies a day here, 24 hours a day, seven days a week—it's efficient as hell," says Capt. Barbara Parker, the base information officer. "The paperwork is routed into data processing machines in one direction and the bodies go off in another direction and the two meet up at the end, all packed up and ready to go home."

The men are issued final paychecks and leave on a journey to retrace the steps that carried them one year earlier to an uncertain war. On their way off the base, they pass Warehouse 4, the mortuary, where other military travelers from Southeast Asia are also processed, awaiting final shipment home in crated wooden coffins.

When the paperwork is complete, the men are gathered in a briefing room where 10 color combat photographs taken in Vietnam hang on the pale green walls, and a chief warrant officer named Edward Terwilleger cautions them about excessive taxi rates to the local commercial airports.

Then Warrant Officer Terwilleger stiffens and says: "Gentlemen, on behalf of the President and the Chief of Staff, thank you very much for your service. Dismissed."

Mr. CRANSTON. Mr. President, this legislation is now pending in the House Veterans' Affairs Committee, and I am hopeful action will be taken very soon, so this kind of urgently needed assistance can be made available to the "hidden Vietnam casualty."

Mr. Satchell's article of August 2, 1973, reports on conflicting statements made by officials of the Veterans' Administration on their awareness of, but lack of plans to deal with, the severity of the problem. These statements reinforce my deep concern that action must be taken immediately to provide the assistance these veterans need in making the adjustment to life in the civilian community.

Mr. President, I ask unanimous consent that the series of Washington-Stars-News articles by Mr. Satchell—of July 22, 23, and 26 and August 2—be printed at this point in the RECORD followed by an August 28, 1972, article from the New York Times, entitled "Post War Shock Besets Veterans of Vietnam."

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

OUR HIDDEN WAR CASUALTIES

(By Michael Satchell)

No one will ever be quite certain why Stephen Carl Gaylor killed himself . . . why Don Kemp, who loved his wife dearly, killed her with an automatic . . . why Dwight Johnson was shot to death in a nickel-and-dime stickup.

With four friends yelling for him to stop, Gaylor, a 21-year-old Oklahoman back from the Vietnam war, calmly slid a cartridge into his revolver, spun the cylinder, placed the barrel to his head and fired. He lost his personal game of Russian roulette on the third try.

Don Kemp, another Vietnam veteran, spent time in a Milwuakee hospital being treated for a psychosis. The first night after his discharge he awoke from a raving nightmare and killed his wife. He had been dreaming about fighting "gooks."

Dwight Johnson was a hero, a Medal of Honor winner. With a submachine gun and a .45 caliber pistol he single-handedly had killed between five and 20 enemy soldiers. Back in Detroit, he was idolized by raggedly black urchins in the ghetto and respected by the white junior executive crowd. A week before his 24th birthday, he tried to knock off a corner grocery store a mile from his home. In a shootout with the store manager, he was felled by five bullets.

The tragic incidents involving these three men are unrelated, but there are those who insist that Gaylor, Kemp and Johnson, along with unknown numbers of other veterans, are the hidden victims of the Vietnam war—a virtually unknown army of "psychiatric casualties."

About 2.6 million men served in Vietnam and a lot of them came home with mental wounds perhaps as damaging as the physical wounds of veterans who returned with missing limbs and mangled bodies.

The Veterans Administration has no firm statistics on the number of psychiatric casualties from the Vietnam war, but it cites studies to help a lower incidence of battlefield mental casualties than in other wars. This is not disputed by VA critics.

What is hotly disputed, and currently the subject of bitter debate between the VA and many private psychiatrists, is the number of vets who became ill a few months or even three or four years after their return from Southeast Asia—a condition called "Post-Vietnam Syndrome (PVS)."

VA officials tend to show anger when PVS is mentioned; officially, they insist, there is no such thing.

Dr. Marc J. Musser, chief medical director, and Dr. Charles A. Stenger, chief of psychology, in a technical paper on Vietnam vets, wrote: "Thus far, there has been no evidence of the delayed psychiatric illnesses that some experts have thought would result from the unique conditions of the Vietnam conflict.

"It had been predicted, for example, that guilt over participation in an unpopular war would create special emotional stress. Most servicemen . . . do find the hostile components of their reception upon returning home to be disturbing, but apparently it is not affecting their emotional stability to a significant extent."

That assessment was made a year ago. In a recent interview, Stenger and Dr. Eugene M. Caffey, deputy director of mental health for the VA, reiterated that PVS was little more than a phony issue dreamed up by VA critics, principally Yale psychiatrist Dr. Robert Lifton and Dr. Chaim Chatan of New York University.

"A lot of this talk is rooted in these people's anti-war feelings," Caffey insisted. Added Stenger: "Chatan and Lifton, these guys are really hung up on the war. They say we're playing the President's game."

Caffey refused to categorize PVS as an illness. "It's a frame of mind which is disturbing to them, and it affects no more than 5 percent of the veterans," he said.

Stratton Appleman, chief public relations spokesman for the VA, called the critics "self-styled experts" who make "derogatory remarks about veterans based on generalizations."

Appleman writes. "The persistence of this group in using their professional status to spread insidious theories about veterans while they pretend to feel concern for them is remarkable in view of the many times they have been discredited."

But a large body of psychiatric opinion, within and outside of the VA, challenges this view and offers evidence that PVS is widespread. This tended to be reinforced by Star-News interviews with VA psychiatric patients. Another indication of the problem's growth is self-help groups that have sprung up in about 25 cities across the country.

Dr. Giuseppe Scarcella, chief of psychiatric service at the Washington VA hospital, asked about the official VA position on PVS, suggested that the bureaucracy at national headquarters was out of touch with what has been happening in the hospitals.

"They are responsible to the Department of Defense and thus they look at problems from a political consideration," Scarcella said. "We look at them from a clinical aspect."

At an American Psychiatric Association meeting in Dallas, at which Musser presented the VA's views on PVS, several doctors countered his opinions.

"Recently it has become increasingly clear," said Dr. Carl Segal, a former Army psychiatrist, "that there have been delayed emotional and behavioral reactions to combat experiences." Dr. Marcus R. Stuen reported that his studies at the VA hospital in Tacoma, Wash., showed "a rather dramatic increase in the inability (of the Vietnam vet) to adjust to civilian life."

At the same meeting, Dr. Jonathan R. Borus, a psychiatrist at the Walter Reed Army Institute of Research here, wondered whether the Army was providing adequate psychiatric care for those who served without problems on the battlefield but broke down later.

Chatan, associate professor and clinic co-director of the New York University post-doctoral psychoanalytic training program, noted that psychiatric illness that begins two years after a man leaves the Armed Forces cannot be designated officially as "service connected" and thus receive priority treatment.

"VA is run mostly by World War II vets who have no understanding of the present Vietnam generation," he says. "It's a superannuated organization; it's understaffed; they don't have the men to treat these people, so they pretend there's no problem and thus avoid opening a psychiatric Pandora's Box."

Chatan offered this capsule description of "Post-Vietnam Syndrome."

"Nine to 30 months after demobilization, many veterans begin to 'go through changes.' They notice—often for the first time—growing apathy, cynicism, alienation, depression, mistrust and expectation of betrayal as well as the inability to concentrate, insomnia, nightmares, restlessness, uprootedness and impatience with almost any job or study."

What this translates to in everyday terms is the immense difficulty thousands of veterans find in "getting their heads together" after they come home from an unpopular war which they and the public rarely understood.

Instead of cheering crowds and welcome banners, they come home to discover problems. Many say they have difficulty holding jobs—if they can find them. They have trouble in their personal relationships, and that usually means marital difficulties.

"I was a nice, easy 'going guy before I went to the' Nam," one Washington VA psychiatric patient said. "When I come back, I was an impossible son of a bitch to live with—and my wife couldn't. It's as simple as that."

There are those who feel obsessed with the brutality of the conflict, carrying massive guilt feelings. Some return hostile and fight with strangers, with their best friends, with their wives.

They can't stand crowds or attention, and many seek solitude or even have subconscious wishes to commit suicide—by taking the "Easy Rider" motorcycle trip through the Deep South, or constantly wrecking cars or picking fights.

And, as Chatan points out, perhaps the most poignant feature of their alienation is the nagging uncertainty about their continued ability to love and trust others, and to accept affection.

"You paid a high price for trusting other people in the 'Nam," he quotes one returnee as saying. "Every time you acted human, you got screwed."

The VA is curently making psychiatric disability payments to 65,000 vets from the Vietnam era, 13,000 of them with 100 percent disability. But that is not an accurate measure of the problem because many veterans—mostly those from middle-class backgrounds—tend to seek private treatment for their illness. Some seek no treatment at all.

Many are simply suspicious of the VA, seeing it as little more than an extension of government establishment that sent them to war. The VA, worried about not reaching vast numbers of Vietnam vets, is producing films featuring hip, hirsute VA counselors in an effort to create a new image.

The VA's Stenger and Caffey estimate that "not more than 5 percent" of those who served in Vietnam—in combat or in support missions—suffered psychiatric illness ranging from severe psychosis to mild symptoms not requiring hospitalization or intensive treatment.

But this estimate is challenged by others, including the Washington VA hospital's Scarscella.

Said Scarscella: "Five percent sounds low to me. Not to be too controversial, but I would say twice that number is more accurate although 10 percent is a very conservative figure.

"If there was such a small number of (psychiatric) casualties, why is the VA putting so much emphasis on this program? I think it's because a low percentage of Vietnam vets are seeking treatment in VA hospitals—they are suspicious of the VA establishment."

Others have suggested that the total of Vietnam returnees needing psychiatric help is much higher. Dr. Chery Cedarleaf, senior staff psychiatrist at the Minneapolis VA Hospital, said he believed half of the veterans "need some form of profesional help to overcome the problems of adjustment."

OUR HIDDEN VIETNAM CASUALTIES

(By Michael Satchell)

With his scuffed truckin' boots, faded denim jeans, outrageous beard and flowing ponytail, the skinny young hippie named Paul could have been plucked from any Georgetown "head shop" or Dupont Circle bench minutes before and deposited in the room he now occupied.

For over an hour, he rapped about his troubles—hassles with the law, problems with his old man, his lonely, mixed up personal life, the difficulty of getting his head together. He had just returned from a court hearing; he had been caught smoking marijuana, an offense committed not in his rented pad in Rockville but at the Veterans Administration Hospital in Washington where he had been a psychiatric patient for the past month.

Ten years ago, a young hospitalized veteran like Paul would have been stripped, shorn, censured and ordered to shape up. But that was before Vietnam, one result of which is that veterans like him are their "thing" in the regimented drab world of the VA hospital.

"What do you do with a guy like this—throw him out?" asked one staffer who, along with the other hospital psychiatrists, agreed that surreptitious pot smoking would be better dealt with by them than the police. "We've got to face it—times have changed."

The unique character of the Vietnam war has produced a different breed of veteran, men who are angry, resentful, who question orders, who make demands, not requests. It has left VA with a legacy of new problems in caring for the conflict's casualties—a huge portion of them vets who survived their year in Vietnam physically intact but who crumbled mentally when they returned home.

Every war has had its psychiatric casualties. In World War I, the doughboys who broke down were called "shell shock" victims.

In the second World War—Gen. George S. Patton notwithstanding—having the chronic jitters had become more acceptable; it was termed "combat fatigue." Although the symptoms may have been anything from backache to blackouts, the problem was still mental.

Then came Vietnam, a conflict that the VA's medical hierarchy was contrasted with other wars in these terms:

"The World War II GI knew why he fought, had the unequivocal support of his countrymen, returned with pride and received extensive recognition and appreciation. In stark contrast, the Vietnam serviceman is ambivalent and uncertain about the war he has fought, knows that the cause for which he fought is controversial and unpopular with many at home, lacks a sense of patriotic accomplishment, and neither expects nor receives a hero's welcome when he returns home."

Add to that assessment opinions of doctors such as Dr. Giuseppe Scarscella, chief of psychiatry for the Washington VA hospital, and Dr. Robert J. Lifton, Yale psychiatrist, and the views of men such as John Kerry, the former Navy lieutenant and Silver Star winner who was a founder of Vietnam Veterans Against the War.

Said Scarscella: "First, look at the type of war it was. When you go from North Africa to Berlin, you accomplish something; but these boys in Vietnam went nowhere. The VA has pointed to the one-year limit on the tour of duty in Vietnam as being of considerable help in lowering psychiatric casualties, but I think this was very destructive—very stressful because they served their 365 days one day at a time.

"Vietnam deprived the soldier of the mythology of winning a war. Some have told me they felt like missionaries rather than soldiers, others that they were fighting as unwilling mercenaries. There was the constant emphasis on killing—on body counts. There was no question of defense of their country.

"The Department of Defense says that it has had a low incidence of psychiatric problems in Vietnam, but this is a false situation. Some men were treated over there, on the battlefield, and the result was a delaying mechanism. When the vet came back home, he returned a full-blown psychotic.

"It looks to me like the Vietnam psychiatric casualties are more severe than in World War II. When they are sick, they are really sick."

Lifton, the author of the recently published book "Home From The War"—a study of Vietnam veterans—sees the cause of their myriad mental problems buried in what he considers the "extraordinary cruel" nature of the conflict.

"The enemy they were fighting in terrible ways often turned out to be the women and children they theoretically were sent there to save," Lifton states. "To survive, to make these experinces endurable, to remain physically and psychologically intact, the GI's had to become dehumanized."

The day before 700 Vietnam veterans astounded Congress and the country by tossing their medals and combat ribbons into a heap on the Capitol steps on April 21, 1971, their leader, Kerry, summed up the sentiments of his group for members of the Senate Foreign Relations Committee.

"The country doesn't know it yet," he said, "but it has created a monster . . . in the form of millions of men who have been taught to deal and trade in violence . . . men

who have returned with a sense of anger and betrayal which no one has yet grasped."

Any fears of large urban gangs, skilled in killing and guerrilla warfare, taking out their revenge on the populace, have not materialized. But the results of the complex Vietnam conflict are showing up in the high incidence of mental illness and related problems among returned veterans.

A recent check of patients at the Washington VA hospital showed 101 Vietnam veterans. Thirty were being treated for medical and surgical conditions and 10 for neurological problems. The remaining 61 men were in the psychiatric wards.

In fiscal 1972, the VA discharged 68,901 physically wounded Vietnam era veterans from its hospitals and 45,788 psychiatric, psychotic and neurological patients. The latter group is not counted in Pentagon totals of Vietnam casualties.

One VA study by psychologist Cecil Peck estimates that about one in four Vietnam era veterans who end up as psychiatric patients in VA hospitals have attempted suicide.

Readjustment problems have also shown up in other ways: In the high incidence of Vietnam vets in prison populations, in the high unemployment rate, and perhaps most visible of all, in the use of drugs.

Estimates vary considerably on just how many servicemen used drugs in Vietnam, how many brought the habit home, how many got into dope heavily after returning.

It is generally agreed, though, that drug dependency is a symptom of psychological trauma, that a lot of vets used dope in Vietnam, and that VA is only attracting a tiny percentage of users and addicts to its treatment programs—8,300 men, to be precise.

Accustomed to heavy drinking by men who were psychiatric casualties in previous wars, the VA found itself facing an entirely new situation with its Vietnam patients.

"It was about a year or so ago when the population suddenly changed," said Dr. Paul Barnes, director of training and education at the Washington Veteran's Hospital.

"We found a high incidence of drug usage and it was a whole new thing. Our patients had been exposed in Vietnam to a whole range of drugs—amphetamines, marijuana, heroin—and they posed a real barrier and a challenge to us.

"They had turned to drugs for relief and it made our job more difficult . . . how to relate to them? Many patients dated their psychotic breaks in Vietnam to drugs. We had long experience with booze . . . now we had to learn about drugs and I think we have started to make progress with them."

Any discussion of the psychiatric fallout from the Vietnam war, observers say, must be considered in the light of what has happened in this country in the past decade, and of the type of soldier who served. There are some who see the mental casualties as victims of the turbulent times in general, not simply of the war.

They also point out that the average Vietnam serviceman was a draftee from the lower end of the social scale. This group, apparently less equipped to handle the stresses that produce mental crackups, returned from Vietnam with high expectations. They had served their country, done their duty, and they wanted repayment from society in the form of education and jobs.

"A lot of them come back and say they want to go to college . . . to learn computer programming . . . to get high paying jobs," Scarscella noted. "They have these high expectations and they are told they deserve these things. But many are high school dropouts or were hard-core unemployed before they went to Vietnam. They just can't get these jobs . . . it is impossible for them . . . they become disillusioned . . . they turn to drugs, crime . . . they cannot adjust."

Added a colleague, the VA hospital's Paul Barnes: "When they come home, they find the welcoming committee is just not there, and then the problems begin. We are simply going to have to devote more attention to re-integrating these men into society."

NOBODY CARED MUCH THEN—OR NOW

(By Michael Satchell)

A few weeks ago, John Gambino, on vacation in San Francisco, was strolling through Chinatown. It was dark and it was raining.

"All of a sudden," he recalled, "I couldn't see anything but Oriental faces. Gooks. Then there was a clap of thunder and I dived 20 feet and threw myself down behind some trash cans. People looked at me like I was crazy."

About the time Gambino was on the West Coast, Paul Jackson found himself preoccupied with a strange and frightening new pastime.

"I was drawing designs of the Man—pigs (policemen) and stuff like that—taking them out in the woods and shooting at them, seeing if I could hit them in the kill zone," Jackson said. "I've got a 9mm Chinese pistol, a .380 automatic and a .308 semi-automatic stashed away. I bury 'em and pick 'em up, bury 'em and pick 'em up. . . ."

On a morning when Jackson might have been digging up his weapons near his Rockville home, Andy Howard left his house in the District to take a bus to his printing job.

"I walked out of the house and I felt dizzy," Howard remembers. "The next thing I knew I was lying on the bedroom floor sobbing. I was shouting 'why is the world so f—d up today.' My wife came home from work and found me."

Gambino, Jackson and Howard (not their real names) today are psychiatric patients at the Washington Veterans' Administration Hospital. They are suffering from mental illness that has lain dormant for months or years after their return from the Vietnam war, a condition called "Post-Vietnam Syndrome."

Interviews with mental patients at the hospital revealed each man's personal problems to be different. However, several common threads ran through their wartime experiences: The brutality they say they witnessed, the high incidence of drug usage in Vietnam, the confusion over their role as soldiers or airmen in a war they didn't understand.

Each man talked of the difficulties he faced when he came home—getting jobs, picking up the threads of personal affairs, having marital difficulties, finding himself withdrawn, hating crowds, having nightmares, being unable to trust people, experiencing vivid flashbacks and numbing depression.

A common approach among these men was the fixing of blame. Each man interviewed thought that if he hadn't been to Vietnam, he would not have become mentally ill.

Jerord Cook (the name is fictitious) is a 22-year-old vet from Hampton, Va. He enlisted in the Army because he wanted to travel, went to Vietnam a curious, wide-eyed 19-year-old, and came home a junkie. Today, he says, he has a bleeding ulcer, is a paranoid schizophrenic and gets so scared of people that when his sister traveled to Washington recently to visit him in the hospital, he was unable to talk to her. "She frightened me," he said.

Cook's first problems in Vietnam came with the cultural shock of being transported there—from one world to another—in 13 hours.

"I was in Seattle one minute—next minute I was in Cam Ranh bay," he said. "The first night I was there, I stood guard. The next day, I met some guys on the beach and we smoked pot and drank beer all day. I thought 'this is the life.' We did that for three days.

"Then I got sent to Quang Tri City. It was hot, sweaty. There was no running water. It was filthy."

From that point on, as Cook describes it, everything was downhill. He began buying pills from the Vietnamese—"BT's" he called them. "I don't know what was in them," he said. "They gave you a nice secure feeling and they made you mean," he said. "You could get in a firefight and not be scared. I was popping about 12 a day."

Cook also began using a variety of other drugs, fighting with other soldiers, running afoul of the military police. "I got to Saigon four or five times and every time I ended up in jail," he said.

Today, Cook spends most of his time sleeping and worrying about his bouts of paranoia, trying to fend off the devils in his head that signal their coming when he gets a light, floating feeling and then starts tightening up, his body balling like a clenched fist.

"I hear a lot of sounds," he murmurs.

John Gambino, a 28-year old District Heights resident, also traces part of his mental illness to drug problems in Vietnam—but from an entirely different perspective. Gambino, a third-generation Italian-American is a graduate of the University of Maryland, has been accepted as a predental student at Howard University, and has been hospitalized for three weeks after suffering recurrent flashbacks.

He went to Vietnam in 1971 as a first lieutenant and took charge of a 225-man company. "The first thing I discovered was that roughly 75 percent—yes, 75 percent—of the men were using hard drugs," he said. "It was incredible. I spent most of my time in Vietnam bottled up with my men and their personal problems and though I didn't realize it at the time, I can see now that this is what caused my present troubles. Combat was a minor problem compared to the drugs.

"I get flashbacks and they are terrifying. Usually it is seeing one of my men blowing his brains out with a .45 when he got a Dear John letter from his wife. I see two of my friends who were blown up when the VC rigged a grenade in the gas tank of their truck. I find myself walking through a Vietnamees marketplace."

Gambino says he was being treated for the flashbacks as an outpatient but as they increased in intensity and frequency, he checked into the hospital.

"I don't think I'll ever get rid of them," he said. "I just hope I can keep them to minimum."

Davis Smith, 26, from Capitol Heights, Md., displays his "Death Before Dishonor" and skull-and-dagger tattoo and recalls that he was the original "gung ho, meanest mutha in the valley" Marine that ever graduated from boot camp and set off to kill the VC. He didn't return that way.

When he arrived in Vietnam in July 1966, Smith says he immediately volunteered for reconnaissance patrol, a tough, dangerous mission in which five men spend five or six days in the field, scouting the enemy.

"My whole recon outfit was shaky and nervous," he remembers. "For five days you're out among them (the enemy). You can sit and hear your own heartbeat. You can't cough, sniff, talk, do nothing. Your nerves get wrecked."

Smith did one tour of duty and signed up for a second. He arrived back in the States on a July 4 after his first tour and recalls somebody letting off a firecracker close by. "I hit the ground" he said. "That first night home, I went to a drive-in movie. I couldn't stand it—I felt like everyone was looking at me."

Unaware that he might be having symptoms of psychiatric illness, Smith returned to Vietnam and ended up on recon again. But he caught malaria after a few months and was sent to Bethesda Naval Hospital, where, for the first time, he suddenly realized that he was becoming mentally ill.

"I was in a reception lounge waiting to be admitted," he said. "I stared and stared at this man's wife, saying nothing. He came up and asked me if I had a light. I shook my head and continued staring. He got nervous

and left, and I continued staring, for no reason. That was the first time I knew I had changed."

Since then, Smith's marriage has collapsed, he has drifted in and out of jobs and he has attempted suicide twice by taking pill overdoses—most recently, on June 1.

"My nerves are gone," he admitted. "I just got tired of losing all the time."

Finally, there is Bruce Coble, a hulking 27-year-old former Air Force enlistee who blames not only his experiences in Vietnam for his present condition, but also what he found when he returned.

After nearly eight years in the Air Force, he has been unwillingly discharged, his alcoholism licked but his nerves frayed. His marriage is on the rocks and he has attempted suicide.

"Not too much bothered me in Vietnam," he said, "except seeing the little kids suffer. I remember once going into a village to try and help after the VC had been in and butchered a lot of people because the men wouldn't join them. All these kids were running around with no parents and I couldn't stand it. I was an orphan until I was eight years old.

"What really distressed me was when I got home. People didn't care about what was happening over there . . . they didn't seem to want to get involved. I believed in what America was doing in Vietnam, I cared about serving my country, about helping these people over there.

"Those hippie sons-of-bitches weren't over there to see what was going on, and I couldn't stand it. I remember going to support Carl McIntyre (the fundamentalist conservative preacher) and getting into a fight with some hippie protesters.

"That was what was wrong with this goddamn war. Nobody cared except those that went over. And now nobody cares about us."

VA Differs on Viet Vets

(By Michael Satchell)

Unpublished studies by the Veterans Administration and the military services indicate that one in five of the approximately 2.6 million men who served in Vietnam are having "serious and prolonged readjustment problems."

"To a lesser degree," the studies conclude, readjustment problems "were experienced by all" of the returnees.

This assessment, which contrasts sharply with the VA's publicly stated view that readjustment problems are far less widespread, is contained in an internal memo written by Dr. Charles A. Stenger, the VA's chief of psychology.

"Only a small percentage of veterans have sought or received these critically needed mental health psychosocial readjustment services," Stenger wrote recently in a message to the VA's department of medicine and surgery.

"The consequence includes major economic and social cost to society stemming from the failure of these veterans to make effective readjustment as well as the personal adverse psychological effects on the veterans and their families . . ."

The Stenger memo emerges during a period of growing awareness and controversy over psychiatric and related problems among Vietnam veterans during their readjustment period—a condition popularly known as "Post-Vietnam Syndrome."

Veterans' self-help groups and a growing number of psychiatrists within and outside of the VA have charged the VA leadership with playing down the seriousness of Post-Vietnam Syndrome or refusing to acknowledge it as a problem.

The increased focus on the subject is reflected in a bill scheduled to be introduced today by Sen. George McGovern, D-S.D., to provide mental health services on a contract basis to veterans and also to individuals who may have a significant impact on their well being—girl friends, fiancees, wives or other relatives.

The McGovern bill would allow the VA to contract and pay for a wide range of services such as psychiatric help and counseling to be provided by private physicians, public agencies, even unofficial veterans' "rap groups."

President Nixon also is expected to sign into law soon a veterans' benefits bill like one he had vetoed earlier to provide similar forms of help to veterans and their dependents.

Stenger denied yesterday that his assessment that 20 percent of the Vietnam returnees have serious problems conflicted with the VA's public statements, although he agreed that this figure had not been used publicly by either him or other VA leaders.

Asked how the "serious and prolonged adjustment problems" the veterans are facing might be solved, Stenger said: "I assume that in the great American tradition they will function independently and make their own way in society."

He emphasized that not all of those men, in the VA's opinion, were suffering from mental illness. "This is different from Post-Vietnam Syndrome," he said. "We're not talking about anybody who is emotionally ill. Most of the men I'm talking about are from minority groups, the blacks and the high school dropouts.

"Their problems are all concerned with readjustment—joblessness, welfare, and among a small proportion, alienation and anger that grows and ends up with them becoming police problems."

In an interview three weeks ago, Stenger and Dr. Eugene M. Caffey, the VA's deputy director of mental health stated flatly that no more than 5 percent of those who served in Indochina were suffering from Post-Vietnam Syndrome. At that time, they refused to categorize PVS as solely a mental illness, calling it instead "a frame of mind which is disturbing to them," causing readjustment problems.

In an apparent contradiction of that statement, both men yesterday insisted that Post-Vietnam Syndrome meant mental illness and they held to their earlier 5 percent figure. This, said Stenger, is separate from his estimate that "one in five" veterans are having serious readjustment problems.

Now that the VA has publicly acknowledged that a widespread problem among veterans exists, there appears to be no agency trying directly to solve it.

Stenger said that the VA's job is to provide health care services and that solving veterans' readjustment problems was not its mission. His memo on the seriousness of the problem, he said, was merely to point out the situation.

VISIT OF CHINESE SCIENTISTS TO STATE UNIVERSITY OF NEW YORK COLLEGE OF ENVIRONMENTAL SCIENCE AND FORESTRY

Mr. JAVITS. Mr. President, an important visit with long-range consequences recently took place in Syracuse, N.Y., when six scientists from mainland China visited the State University of New York College of Environmental Science and Forestry.

The visit was regarded as the "first environmental delegation" from the People's Republic of China—a visit that evolved from the historic negotiations held by President Nixon and his advisers in China.

The delegation, which consisted of four chemists and two entomologists, was particularly interested in discussing the outstanding research being done at the college in the area of insect hormone research on the problem of what is commonly referred to as the Dutch elm disease.

Those of us from New York were extremely proud that the delegation visited one of our outstanding colleges in the State University of New York system. According to Edward E. "Bob" Palmer, president of the college, the visiting "scientists were very interested in the college's program and particularly interested in the work we have been doing in chemical ecology, about which they had heard a great deal through publications emanating from the college and through the international reputation of Robert Silverstein."

Mr. President, this kind of exchange is very meaningful and I would call to the attention of my colleagues an article regarding the visit appearing in the Syracuse Herald-Journal and ask unanimous consent that it be printed in the RECORD.

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

Syracuse Visit—Chinese Study Pest Control

(By Susan Preston)

The first "environmental delegation" from the People's Republic of China met today with SUNY College of Environmental Science and Forestry officials studying advanced chemical ecology programs.

Included in their tour of college facilities was a trip to the college's European bark beetle traps behind the Syracuse University crewhouse in Onondaga Lake Park.

The six-man team, including four chemists and two entomologists, learned about the work the college is doing with controlling the bark beetle which causes the Dutch Elm disease.

The visit, one stop on a tour of several facilities in the United States, arose from negotiations held in the People's Republic of China last year by President Nixon and his advisor, Henry Kissinger.

Security was extremely tight for the "strictly scientific" visit and handled by the State Department.

The Chinese scientists are also working on controlling the population of destructive insects without using pesticides, college officials said, particularly insects destroying corn, rice and cotton.

The team arrived in the U.S. June 25, and have been visiting colleges, government facilities, and private corporations manufacturing insect-control instruments.

Included in their visit were tours of Harvard, Columbia, Cornell, Texas A. and M. Universities; the Universities of Wisconsin and California, and the U.S. Department of Agriculture facilities in Maryland. They will return to China at the end of the month.

Before arriving here last night, they spent the day at the Geneva experimental station of the Cornell University College of Agriculture. They left late today for Wisconsin.

They met with six scientists from the chemistry and forest entomology departments on campus. The professors studying how female bark beetles attract other beetles to elm trees through various hormones, officials said.

The college's study hopes to find ways of controlling the bettle population without using pesticides.

The Chinese are particularly interested in controlling pests which destroy their food supply such as the corn borer—an insect also found in the United States.

The Chinese group is being accompanied on their tour by a delegate from the National Academy of Sciences.

Prof. Chen Te-ming, professor of physiology and biophysics of the Institute of Zool-

ogy of the Chinese Academy of Sciences, is heading the delegation.

Hsu Chao-hsiang, an oganic specialty expert from the Bureau of Foreign Affairs, Scientific and Technical Association, is deputy head.

Other members are Prof. Chiu Shih-pang, professor of insect control, Chinese Academy of Agricultural and Forestry Sciences; Chou Weishan, of the Shanghai Institute of Organic Chemistry of the Chinese Academy of Sciences; Shen Lien-gang, scientific worker of instrumental analysis of the Kirin Institute of Applied Chemistry of the Academy; Liu-Meng-ying, scientific worker of the organic synthesis of the Academy.

AN EQUITABLE NATO ALLIANCE

Mr. JACKSON. Mr. President, the distinguished Senator from Georgia (Mr. NUNN) joins me in making the following remarks:

Not long after the Congress reconvenes in September the negotiations on mutual and balanced forced reductions in Europe will get underway in Vienna. In the interval, and while many Senators will be reflecting on the defense procurement bill, we urge that our colleagues give careful consideration to an amendment that we intend to propose to the defense procurement bill.

It is our purpose in proposing this amendment that the Congress participate constructively in the formulation of American policy with respect to burden sharing in the North Atlantic Alliance, and that a fair, equitable, and stable formula for the deployment of American forces in Europe be guided by clear statutory authority and negotiated within the alliance.

Alliance policy itself, both among the member nations and vis-a-vis the Warsaw Pact, has had to cope with levels of participation and burden sharing that have often seemed to Americans to be unbalanced and unfair; and, for those of us who wish to see the MBFR negotiations succeed, the partial and sometimes half-hearted commitment of some NATO allies has been a source of frustration and disappointment.

These are multilateral problems and they require a multilateral solution. They are the sorts of problems with which every alliance of free and independent nations must contend; and it is in the spirit of promoting a fair and constructive resolution of them that we intend to offer our amendment.

Today, the alliance as a whole faces the dilemmas posed by its own success over the past 25 years. A weak and wartorn Western Europe has been superseded by a thriving and prosperous economic and political community. The United States is today a partner in, rather than the principal patron of, the West's security interests in Europe.

It is high time that this situation be fully recognized by all the members of the alliance, and that the Congress of the United States make its own position unmistakably clear.

From an American perspective, the most pressing problem before the alliance is the disproportionate burden the United States is bearing for the defense of Europe. The balance-of-payments deficit arising from the deployment of U.S. troops has contributed to the weakness of the dollar, itself a source of monetary instability and associated problems in the Western community. Direct NATO-related budgetary costs, made more severe by recent dollar devaluations, strain our own defense budget at a time of rising manpower and weapons costs. Thus, in the final analysis, the failure of some of our European allies to assume their fair share of these costs erodes the military capabilities of the United States, weakens the overall security position of the Western nations, and diminishes the likelihood that we can, at the MBFR talks, achieve enhanced security at a lower force level.

We will propose, therefore, that these problems be attacked on two fronts. First, the Congress will urge the President to seek agreements, bilateral or multilateral, to offset completely any balance-of-payments deficit incurred as the result of the deployment of U.S. forces in Europe. If such agreements have not been concluded by the end of this fiscal year, then our troop strength will be reduced by a percentage figure equal to the balance-of-payments shortfall. If, for example, only 75 percent of the deficit is offset, our forces will be reduced by 25 percent; if the deficit is offset by 90 percent, our forces will be reduced by 10 percent.

Second, we identify, partially but in some detail, those areas where our allies should increase their direct budgetary contributions to costs presently borne by the United States. These relate to facilities, installations, and recurring annual expenses now assumed by the United States in Europe. They include permanent construction, the costs of hiring local personnel, and the operation and maintenance of real property.

Our amendment further provides that the President shall make periodic reports to the Congress as to the status of the negotiations directed toward implementing the policy outlined in sections (1) and (2) of the amendment. We are confident that the Committee on Armed Services will monitor these reports so as to assure that our overall objective, a more balanced and equitable sharing of burdens within the alliance, will be realized.

We urge our colleagues to give the most careful consideration to the course we are here proposing, and ask unanimous consent that the proposed amendment be printed in the RECORD. We are confident that the North Atlantic Alliance can resolve this longstanding issue of burden-sharing among its members and that, in so doing, it will provide a firm foundation from which we can together seek balanced force reductions in Europe in the context of an East-West agreement.

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

FOR AN EQUITABLE NATO ALLIANCE

Amendment intended to be proposed by Senator JACKSON and Senator NUNN to H.R. 9286 (defense procurement bill) viz: At the appropriate place in the bill insert a new section as follows:

Sec. . (a) The Congress finds that in order to achieve a more equitable sharing of the costs and expenses arising from commitments and obligations under the North Atlantic Treaty, the President should seek, through appropriate bilateral and multilateral arrangements, payments sufficient in amount to offset fully any balance of payment deficit incurred by the United States during the fiscal year ending June 30, 1974, as the result of the deployment of forces in Europe in fulfillment of the treaty commitments and obligations of the United States.

(b) In the event that the North Atlantic Treaty Organization members (other than the United States) fail to offset the net balance of payment deficit described in subsection (a) by July 1, 1974, no funds may be expended on or after December 1, 1974, for the purpose of maintaining or supporting United States' forces in Europe in any number greater than a number equal to the average monthly number of United States' forces assigned to duty in Europe during the fiscal year ending June 30, 1974, reduced by a percentage figure equal to the percentage figure by which such net balance of payment deficit during such fiscal year was not offset.

(c) The Congress further finds (1) that the other members of the North Atlantic Treaty Organization should, in order to achieve a more equitable sharing of the cost burden under the treaty, substantially increase their contributions to assist the United States in meeting those added budgeting expenses incurred as the result of maintaining and supporting United States' forces in Europe, including, but not limited to, wages paid to local personnel by the United States, recurring expenses incurred in connection with the maintenance and operation of real property, maintenance facilities, supply depots, cold storage facilities, communications systems, and standby operations, and nonrecurring expenses such as the construction and rehabilitation of plants and facilities; (2) that the amount paid by the United States in connection with the North Atlantic Treaty infrastructure program should be reduced to a more equitable amount; and (3) that the President should seek, through appropriate bilateral and multilateral arrangements, a substantial reduction of the amounts paid by the United States in connection with those matters described in (1) and (2) above.

(d) The President shall submit to the Congress within 90 days after the date of enactment of this Act, and at the end of each 90 day period thereafter, a written report informing the Congress of the progress that has been made in implementing the provisions of this section.

IMMINENT RECESSION

Mr. SAXBE. Mr. President, since July 19, 1973, at the invitation of the Cost of Living Council, the businessmen of the United States have been filing comments concerning the adoption of the proposed phase IV regulations, to become effective August 12, 1973. In issuing its notice of the proposed rulemaking, the Council invited the public to comment on the principal substantive price control rules contemplated for phase IV. All comments from the public were due July 31, 1973, and undoubtedly these comments will be considered in the phase IV regulations. Much to the credit of the Cost of Living Council, all comments received are available for examination at the Council's offices in Washington, D.C.

With this background, I would like to invite to the attention of the Senate a notice prepared by Mr. Harry E. Figgie, Jr., chairman and chief executive officer of A-T-O Inc., a diversified corporation with headquarters in Willoughby, Ohio. In essence, this notice, addressed to the corporate officers and the managers of

more than 70 plants throughout the United States, expresses his extreme concern about the effect of phase IV.

Mr. Figgie has a creditable reputation as a forecaster of business cycles and trends. He has for many years been a guest lecturer at graduate business schools in the United States. Under his direction, A-T-O has grown in less than 10 years from a relatively small, single-division company to a major corporation with annual sales of $400,000,000.

I think his remarks at this time are most appropriate because phase IV is of concern to all Americans. Without necessarily subscribing to all aspects of his statements, I am bringing Mr. Figgie's analysis to the attention of my colleagues for their review. I trust that the Cost of Living Council will consider the factors enumerated by Mr. Figgie in the preparation of their finalized regulations. Mr. President, I ask unanimous consent that Mr. Figgie's notice be printed in the RECORD.

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

IMMINENT RECESSION

With the advent of Phase IV controls, it is imperative that you reappraise your divisions in light of the probable impact.

In the second quarter the economy cooled so quickly as to almost flatten out. Housing starts are down. Consumer confidence indexes have fallen sharply. Consumer durable spending fell off sharply in May and June. Food inflation has reduced the effective buying income available for non-essential purchasing. (Several of our divisions have already felt this effect.) Consumers are in "hock" with a heavy credit overhang. The only thing left to support the economy is capital spending. This rests on a knife edge right now depending how the businessman reacts to Phase IV controls and his reaction will depend to some degree on how strongly the controls are enforced. The controls as they are presently written, if left unchanged, will spell disaster for business. And if the meeting held for businessmen in Washington last week is an indication, the Government officials do not recognize the impact of what they have written.

Things will be level-to-down in the third quarter and very noticeably down in the fourth quarter and the first quarter of 1974. Money rates will peak in the late third or early fourth quarter at up to 9¾% prime and will then start down. When money rates turn down, the stock market should go up. Generally, this type of rise precedes a general business recovery by roughly six months.

This rise in the stock market may keep the businessman from being overly-pessimistic. If that occurs, then he won't cut back his capital spending and the late 1973 early 1974 recession will be mild. If he gets quite pessimistic, then the recession could get severe.

As a country, we need this round of capital expansion to fight future levels of inflation. Nationally, inventories are in quite good shape but no one knows whether this is heavily affected by present inability to get delivery from subcontractors.

Furthermore, most major businesses are quite liquid so that they feel they can support capital expansion.

How then does this impending recession, which could turn out to be severe, impact upon you as division managers? I suggest the following be the basic format around which you build your plan:

1. Make certain your sales force books at the highest level they can to make certain your backlogs are in good shape.

2. Tighten your sales force down to make certain they are lean, hungry and highly aggressive; do not let them turn down business just because current backlogs appear healthy.

3. Place an immediate stop to all hiring and reduce your work force by attrition on a planned basis.

4. Dust off all charts, ratio analysis, and employment ratios to make certain you are not fat, and if you are, make your cuts now.

5. Set up a "disaster" plan to accomplish a move to 10% lower sales level with no impact on your total profit dollars.

6. Make certain you are not overly committed at the supplier level so that as you trim inventories and your in-bound material does not cause a bulge or build-up just at the time you are trying to cut.

7. Eliminate all overtime as rapidly as possible, with an outer limit of August 31.

8. Begin now to trim non-essential or marginal overhead, again by attrition where possible.

9. Do not embark on any program which is not deemed essential or which does not have a high degree of payback.

10. Maintain burden absorption by bringing in as much jobbed-out business as possible.

These are just some of the things which must be done. In the past we have reacted too slowly to a recession. React now and get ready.

One further incentive to you to move quickly should be to offset the problems of "pass-along" from Phase IV. By their very definition, your margins will decrease very rapidly. This makes the use of burden absorption techniques even more essential. As business declines, the lower burden absorption will more heavily impact profits than normally because "add-on" to material price increases is not available. Furthermore, you will not be able to pass on your full labor increases because they must be adjusted by the "productivity" factor over the entire labor base. You'll be lucky to "pass-along" 40% of any labor increases under present Phase IV rules. The *burden* problem makes it essential for you to trim your indirect labor quickly. The *productivity* problem makes it imperative you get more productivity out of fewer direct laborers, once again, quickly.

Looked at realistically, the impact of Phase IV controls on a mild recession will cause profit declines normally seen in more major recessions.

A major recession with Phase IV controls will see the disappearance of profits in many cyclical companies such as ours.

The time to react is now—not September, October or later—but now! Tighten your belts because you'll be hit hard even in a mild recession. And this recession will come on quickly because the authors of Phase IV apparently lack the understanding of the impact of their controls. Judging Phase IV by Phase II, we cannot expect the Government to react quickly to the severe problems they are creating so we must plan for the worst, which hopefully won't occur.

SENATOR RANDOLPH EMPHASIZES IMPORTANCE OF AIR POLLUTION STUDIES

Mr. RANDOLPH. Mr. President, the Senate yesterday adopted Senate Resolution 135 permitting the Committee on Public Works to contract with the National Academy of Sciences for two important studies on air pollution. This resolution was originally reported from the Committee on Public Works as an original resolution, and authorizes additional funds for the procurement of consultant services under the committee's investigations budget. The specified purpose for the additional funds requested is a study of the health effects of air pollutants. This study will be conducted under a contract by the National Academy of Sciences.

The Committee on Rules and Administration amended the resolution to include additional funding for a second contract dealing with the costs and benefits associated with attaining air pollution control standards.

Mr. President, these studies are essential to the review of the Clean Air Act which the Congress must undertake in the coming months. When the Congress enacted the Clean Air Act of 1970 it recognized that strict control of air pollution and especially of automobile emissions would be necessary. The level of control mandated by the act appeared to be appropriate in light of the evidence available at that time on the health effects of air pollution. During the 2½ years since the passage of that act additional data have become available, and techniques for determining what levels of control are necessary have been considerably refined.

Many Members of Congress recently have approached the Committee on Public Works with questions regarding the validity of the air quality standards required under the Clean Air Act and of the automobile emission standards and deadlines for achieving them mandated by the act. Questions have been raised about new evidence concerning the health effects of air pollution suggesting that the goals specified in the law may be more stringent than necessary to protect the public health. Other concerns have focused on the increased cost which may be involved in achieving those air quality standards and the potential adverse impact on energy supplies which some options for compliance with the standards might entail.

Because of these questions and concerns, the Committee on Public Works and its Subcommittee on Air and Water Pollution have committed themselves to reexamining the Clean Air Act and the basis on which its goals and deadlines were predicated. As part of the reexamination, the Committee on Public Works requested the National Academy of Sciences to provide an independent evaluation of the health effects of all major atmospheric pollutants.

The Academy agreed to perform such an objective evaluation, providing the Congress with a short-term review, by convening a colloquium at which health effects of various air pollutants and the adequacy of current health data would be discussed. The preliminary views of the Academy regarding health effects would be reported to the committee by the end of October. A longer range investigation of these matters would be concluded in July of 1974. The early interim report was felt necessary because the Congress faces decisions regarding the Clean Air Act and automobile emission standards no later than this winter.

In response to questions raised by Senators HART and GRIFFIN and my own concern, the Rules Committee, at my request, added to this resolution a second, separate study by the National Academy of Sciences of the costs and benefits associated with the standards specified in the Clean Air Act and alternatives to them. I believe this study is also essential

to the Congress, which must have objective information on the economic ramifications of these standards to make a balanced judgment on any amendments to the act.

Mr. President, the work to be funded by this resolution is very important to the Nation. It will play a key role in the review of the Clean Air Act on which the Committee on Public Works has embarked. Its importance is spelled out in an editorial in the Wall Street Journal of July 23, 1973, and I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the Wall Street Journal, July 23, 1973]

A MOST IMPORTANT REVIEW

Considering the issues that are at stake, it is encouraging to see Congress moving toward a thorough review of the air-quality and auto-emission standards that were set as a result of the 1970 Clean Air Act. The Senate Public Works Committee has asked the National Academy of Sciences to analyze existing data and offer a short-term evaluation by October and to make a longer term study of health effects data by the end of next year. It only remains for Congress to approve the $315,000 the committee has requested for these studies.

While there's no telling what the Academy will come up with, our fervent hope is that its study wil clarify the distinction between air standards that are absolutely necessary regardless of cost, and those that are desirable but need to be balanced against the enormous costs and cultural upheavals the current standards would require. This distinction has been made neither by the Congress that wrote the 1970 Act nor by the agency that administered it.

As a result, the automobile industry is being rushed into the dubious technology of catalytic converters as the only possible means of meeting the interim standards by the autumn of 1974. The oil refining industry is being forced to a total conversion to unleaded gasoline. And dozens of cities are being forced to consider and implement traffic control and gas rationing schemes that would abruptly alter life-style patterns, commerce and transportation. All this is being required to meet standards for which scientific and technical justification is astonishingly thin.

There's no question the standards should be high enough to insure that the air Americans breathe has no serious impact on their health. It's also desirable that the air around us be as esthetically pleasing as is practically possible. But it is not just as obvious that we, as a nation, want to guarantee that there be absolutely no marginal consequences from emissions from autos or from stationary sources.

This, though, is what the Environmental Protection Agency sought to do in setting the national ambient air standards. As it reads its congressional mandade, EPA believes it must insure that the sickest man in Chicago can be able to stand on the busiest corner of his city on the smokiest day of the year and experience no unpleasantness from the air he breathes. And because that street corner is the worst spot in the nation, the standard to bring it to "ambience" must apply everywhere in the United States. This means that all the autos in the nation have to be equipped with pollution-control devices sufficient to bring the worst street corner in the nation to that ambient level.

In other words, the EPA has strung together a series of worst-case scenarios, added in safety factors at each point, multiplied the factors together, and has come out with numbers that may not have been attained in parts of the Garden of Eden. We would expect the same result if Congress gave the Pentagon an order to insure against nuclear attack and a blank check to pay for the program; we would have missiles in every back yard and a bomb shelter in every basement. The only difference we can see is that Pentagon costs are borne directly by the taxpayer; the EPA edicts are borne indirectly by the consumer.

The resolution for review by the National Academy of Sicences is co-sponsored by Senator Muskie, who authored the 1970 Act. Chairman Jennings Randolph of the Senate Public Works Committee has been aggressive in moving it along. Congress has recognized that the standards are of huge economic and political importance, and should not be set in a manner that totally ignores costs or public preferences. It has begun to realize it cannot plunge ahead guided solely by technicians as single-minded as the EPA staff has been.

There have been perceptible signs that EPA has resisted the idea of a full-blown review by the National Academy; it understandably senses a diminution of its own power. Yet an independent analysis is clearly a prerequisite to the public's acceptance of the environmental clean-up costs it will be asked to bear. If the Academy's review concludes that current requirements really are essential to healthy air, we will at least have some confidence the huge costs will not be wasted.

If, as we think far more likely, the Academy's preliminary study concludes that the EPA and the 1970 Act went overboard, there is yet time to avoid the blunder that threatens to cost the nation dearly and undermine support for environmental improvement. There is yet time, though not much, for Congress to make a mid-point correction in the course we're on toward cleaner air.

Mr. RANDOLPH. Mr. President, many questions have been raised about the cost which may be involved in achieving the air quality standards required under the Clean Air Act and the necessity for those standards. Answers to those questions will come from the studies which this resolution authorizes the National Academy of Sciences to perform under contract with the Committee on Public Works.

Recognizing the need for beginning these studies as soon as possible, I am grateful for the action by the Committee on Rules and Administration in expediting the consideration of this measure. The distinguished chairman of that committee, Senator CANNON, and the ranking minority member, Senator COOK, were helpful and understanding of our needs. To the other members of the Committee on Rules and Administration, Senator PELL, Senator ROBERT C. BYRD, Senator ALLEN, Senator WILLIAMS, Senator HUGH SCOTT, Senator GRIFFIN, and Senator HATFIELD, I also express my appreciation and that of the Committee on Public Works for their cooperation in initiating these evaluations.

USIA'S 20TH ANNIVERSARY

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a statement issued by Vice President AGNEW on the occasion of the 20th anniversary of the U.S. Information Agency on August 1 be printed in the RECORD.

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

STATEMENT BY THE VICE PRESIDENT

It gives me great pleasure to join in celebrating the twentieth anniversary of the United States Information Agency.

The activities of the USIA have imparted to people throughout the nations of the world a better understanding of the way of life we Americans treasure. Through the Agency's publications, libraries, educational and cultural programs; through the person-to-person contacts provided by USIA officers; and through the broadcasts of the internationally respected Voice of America, our message has been transmitted clearly to hundreds of millions who might otherwise never have received it.

Today, as confrontation gives way to negotiation, clear communication becomes even more imperative. Paradoxically, as the world shrinks it becomes more complex, and as old animosities abate, subtle distinctions become increasingly significant. In such a period, our policies and goals must be communicated with special precision to the other peoples of the world. I am confident that USIA will continue to carry out this task with distinction.

WHAT THE HUD FREEZE MEANS TO MICHIGAN

Mr. HART. Mr. President, this spring the committee on urban affairs of the Michigan House of Representatives held hearings to determine the effect of the termination and moratorium of certain HUD programs on communities in Michigan.

The summary of testimony received at those hearings speaks for itself. I ask unanimous consent that the committee's summary be printed in the RECORD.

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

SUMMARY OF TESTIMONY BEFORE THE COMMITTEE ON URBAN AFFAIRS OF THE MICHIGAN HOUSE OF REPRESENTATIVES, APRIL 30 AND MAY 3, 1973

The Committee on Urban Affairs of the Michigan House of Representatives held hearings on April 30, 1973 in Detroit and May 3, 1973 in Lansing on the national housing moratorium and the terminations of federal community development funding in order to ascertain the magnitude of the effects of the executive actions in the State of Michigan.

The testimony given the Committee substantiated that the loss of funds was of great proportions throughout the state. The Michigan Emergency Committee Against the Housing Cut-Off estimated that the moratorium will mean a loss of 30,000 housing units or about $630,000,000 worth of housing. In community development funding it projects the loss at $125,000,000 in federal grants.

Cities all over the state have been hard hit. Ann Arbor stands to lose 600 public housing units, Section 701 planning funds, money for code enforcement and will be subject to a decrease in model cities funding.

Kalamazoo will not be able to subsidize 510 Section 236 senior citizen units and estimates a loss of 150–200 Section 235 homes.

Grand Rapids will not receive funds for 250 public housing units and 1,187 Section 236 and rent supplement program units. 750 families in the city will be deprived of grants or low interest loans for rehabilitation or will not be able to collect relocation benefits.

Detroit is losing substantial amounts in all program categories, including $13,000,000 in neighborhood development programs, 1,000 new public housing units, funds for rehabilitation of existing public housing units, and $130,000,000 in Sections 235 and 236 funding, representing 6,200 dwelling units.

The Michigan State Housing Development Authority's carryover and contract author-

ity has been decreased by 3,740 Section 236 units and 3,513 Section 235 units.

The testimony presented to the Committee obviously does not include the total impact to the state. The majority of communities were not heard from; and testimony was directed to applications submitted, not those which would have been submitted in ensuing months. However, the foregoing gives an indication of the magnitude of the effects being suffered in Michigan presently, for the duration of the freeze and during the months necessary to gear up under new programs.

DR. SAMUEL P. ASPER TO BE DEAN OF THE MEDICAL SCHOOL OF AMERICAN UNIVERSITY AT BEIRUT

Mr. MATHIAS. Mr. President, the State of Maryland, and more particularly Johns Hopkins Hospital, is making a significant contribution to the traditional relationship between America and the Middle East. Dr. Samuel P. Asper, vice president of Johns Hopkins Hospital, will become dean of the Medical School of American University at Beirut, Lebanon.

Dr. Asper is no stranger to the Middle East. In recognition of his interest and contribution in the past, he has been decorated by the President of Lebanon with the Order of the Cedars.

While Dr. Asper will be hard to replace in Baltimore, I am sure that his participation in the American University programs in Lebanon will result in continuing the steady progress in expanding and improving the service rendered by the university hospital and in raising the standard of health care throughout the Middle East. Since the American University is the product of international cooperation and effort at both the public and private levels, I know the Congress will be gratified that its support of the university is reinforced by talent such as that of Dr. Asper.

I ask unanimous consent that the release by the Johns Hopkins medical institutions announcing Dr. Asper's appointment be printed in the RECORD.

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

AUGUST 1, 1973.

BALTIMORE.—Dr. Samuel P. Asper, vice president for medical affairs at The Johns Hopkins Hospital, has been named dean of the medical school of the American University of Beirut and chief of staff of the American University Hospital in Lebanon.

This appointment, which is effective October 1, was announced today by Dr. Samuel B. Kirkwood, President of AUB. Additionally, Dr. Asper will hold the academic post of professor of internal medicine.

In announcing the appointment, President Kirkwood said, "I am pleased to welcome Dr. Asper to AUB, where he is well-known to our community. Dr. Asper has taken an active role in the implementation of the successful exchange program in medicine between Johns Hopkins and AUB, and I am confident that our university will benefit greatly from his vast experience and distinguished record in medical science." Additionally, Dr. Craig S. Lichtenwalner, Dean of the Faculties of Medical Sciences of AUB, said of Dr. Asper, "He has had rich experiences in medical education and hospital management which I know will be invaluable to AUB."

Dr. Asper, a native of Fort Worth, Texas, and a graduate of Baylor University, has been associated with medicine at Johns Hopkins throughout his career, having completed his medical studies in the School of Medicine in 1940. After his internship and residency training in internal medicine, a fellowship at Harvard and military service in World War II, Dr. Asper was appointed assistant professor of medicine at Johns Hopkins in 1950.

Later, he also became associate dean of the School of Medicine and, as such, served as chairman of its admissions committee and directed the School's postdoctoral studies program.

During this period, he became professor of medicine and chief of the division of endocrinology. He was appointed vice president for medical affairs in 1970, a post he has held for the past three years.

Since the early 1960's, Johns Hopkins has had an exchange program and affiliation with the American University of Beirut, supported by a grant from the Commonwealth Fund of New York City, to improve medical education and health care in the Middle East. In particular, the program was designed to provide advanced experience for younger members of the AUB faculty preparing them for academic medical careers. Under the Hopkins-AUB program, carefully selected medical graduates of AUB have received advanced training in medicine at Johns Hopkins. Of twenty-five physicians who have studied at Johns Hopkins on this program, four have become department chairman in AUB's medical school.

Six Johns Hopkins faculty members have served as visiting professors at AUB during the past ten years, bringing to the faculty specialty training capacity in surgery, pharmacology, pediatrics, anatomy, opthalmology and medicine.

The American University of Beirut, which is 107 years old, has completely rebuilt its medical facilities during the past eight years. It has been one of the modern educational and research facilities in the Middle East. The reconstruction program has included a new 420-bed university-teaching hospital, an outpatient clinic and a basic science building. A new postgraduate medical education building and library will open shortly.

AUB is chartered in the State of New York. The medical school and its hospital are accredited by the Association of American Medical Colleges, and the Joint Commission on Hospital Accreditation. It is a distinguished American educational institution located in the Republic of Lebanon. The majority of its faculty and staff are Lebanese or citizens of other Middle East countries, and have received advanced experience in U.S. medical institutions. Moreover, the majority of the staff are certified by American Specialty Boards. AUB receives strong support from the Lebanese government.

"It is my hope," Dr. Asper said in commenting on his appointment, "to strengthen the ties, especially in medicine, between the United States and Lebanon and the Middle East. The Middle East is expanding rapidly in health care. AUB has long played, and must continue to play, a considerable role in that growth. Remarkable opportunities for research, teaching and patient care exist at AUB and throughout the Middle East."

Dr. Steven Muller, president of Johns Hopkins, said of Dr. Asper's appointment, "I am delighted that Dr. Asper will be able to make so great and distinguished a contribution to an outstanding overseas institution with which we at Hopkins for so long have had a close and continuing relationship."

Dr. Asper is a past president of the American College of Physicians and has served as chairman of the American Medical Association's section on internal medicine among many other academic distinctions and achievements. He is married to the former Ann W. Carver. They have two married daughters.

THE ANNENBERG CASE

Mr. FULBRIGHT. Mr. President, included in the State Department authorization bill this year, as approved by the conference on H.R. 7645, is a provision making it clear that no funds "shall be used for publicity or propaganda purposes . . . or to influence in any way the outcome of a political election."

This provision grew out of use of certain State Department facilities to circulate clearly political material over the signature of our Ambassador to the Court of St. James, Mr. Annenberg.

In addition to the committee's concern about this matter, Senator EAGLETON asked the General Accounting Office to look into the situation in some depth. Senator EAGLETON has now given the Committee on Foreign Relations a copy of the report which he has received from the General Accounting Office.

So that the record may be complete, I ask unanimous consent to print the full correspondence on this subject in the RECORD.

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

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., August 1, 1973.

HON. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations, Committee, Washington, D.C.

DEAR BILL: I am enclosing the final report on the Annenberg affair which is in the form of a letter from the Comptroller General dated July 27, 1973, I plan to take no further action with regard to this matter, but I felt your committee should have the information contained in the GAO report.

The action taken on the State Department Authorization Bill this year constitutes a significant slap on the wrist and I believe that the career people in State will now be more wary about cooperating in such activities. Many thanks for your interest.

Best regards,

THOMAS F. EAGLETON.

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

HON. THOMAS F. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: This refers to your letter, dated April 23, 1973 (as supplemented by letters of May 2 and May 17), requesting a report on the circumstances of a mass mailing, on Department of State letterhead, of a letter signed by Walter Annenberg, Ambassador to Great Britain, transmitting to the addressees copies of editorials from British newspapers in praise of President Nixon.

Initially you asked whether there is any statutory prohibition against the use of appropriated funds for sending a letter such as the one in question. Upon our advice to your staff that State Department funds may not in fact have been used for the mailing, you asked that we broaden our inquiry and conduct a thorough investigation of the matter. We have found, as a result of that investigation, that the mailing was made by the Republican National Committee at the suggestion of members of the White House staff and paid for by the Committee using its own funds and mailing lists. The only State Department involvement in the matter appears to have been the signing by Ambassador Annenberg of the original letter which was typed on official Department of State stationery.

With respect to your request for the names of individuals in the Department of State or on the White House staff who were responsible for the mailing, we have found that Mr. Charles W. Colson, then a member of the White House staff, asked Ambassador Annen-

berg to sign the original of the letter which was, according to Mr. Colson, drafted by a member of the White House staff. Mr. Colson stated that he did not remember who drafted the letter. Mr. Colson gave the signed original to Mrs. Kathleen Balston, also of the White House staff, with instructions to have it mailed to prominent citizens, members of the press, and other groups whose names were available at the Committee.

Mr. Robert Rousek of the Committee advises us that the Committee reproduced and mailed 2709 copies of the letter, at a cost of $334.19. Of the total, 967 went to chairmen of college political science departments, 1044 to editorial writers of publications, and 698 to leading citizens in the community.

The lists of addresses used were, it appears, those maintained by the Committee, and not those used by the Department of State for its own mailings. We have found no evidence that any funds other than those of the Committee were used for this mailing.

You asked whether any similar letters have been sent by other American ambassadors. We have been unable to find any indication that any other letters of this nature have been sent.

With respect to your inquiry whether existing State Department regulations are adequate in dealing with the use of Government funds for unofficial activities, the only departmental regulation which deals with this issue is 22 CFR 10.735–207, which provides that:

An employee shall not directly or indirectly use, or allow the use of Government property of any kind * * * for other than officially approved activities. * * *

This regulation, since it makes no attempt to limit the kinds of activities which may be "officially approved," does not reach the case in which a particular expenditure is approved by an official but is nevertheless unauthorized because not consonant with the purposes of the appropriation from which it is drawn. We know of no practical way, however, to formulate specific and comprehensive regulatory standards delimiting all the circumstances in which an expenditure is within the terms of the corresponding appropriation, particularly since each appropriation act may contain its own limitations and restrictions.

On the other hand, we note that departmental regulations deal extensively with the type of conduct which employees may properly engage in, whether or not an expenditure of Government funds is involved. See 22 CFR Part 10.735. Regulations such as these, which set forth what activities of employees will be considered improper, necessarily also proscribe expenditures of Government funds incidental to such improper activities. We cannot therefore say that State Department regulations are inadequate in this respect.

You ask in your letter of May 17 for any information we can develop concerning the legality of the subject mailing. Since, as noted above, no appropriated funds were apparently involved in the actual mailing, we are not empowered to render an opinion on this aspect of the matter. In addition, we find no indication of violation of the campaign financing laws which we administer since, although the Committee bore the expense of the mailing, we have no evidence that this expenditure was not only reported as required by law. In this regard controlling regulations do not require breakdown by items of mailing expenses.

Insofar as the Ambassador signed the original letter which was typed on official State Department stationery, there was a minimal use of funds appropriated to the Department. Such use brings to question the possible violation of section 701 of Public Law 92–544, the act that funded State Department activities at the time the letter was typed and signed. Secion 701 prohibits the use of funds made available by that act for publicity or propaganda purposes not authorized by the Congress.

The President, his Cabinet and other high officials have a duty to inform the public on Government policies and, traditionally, high ranking officials have utilized Government resources to disseminate information in explanation and defense of those policies. It is very difficult to distinguish between such permissible activities for which appropriated funds are available and other activities, similar in nature but for purely political or partisan purposes so as to constitute publicity or propaganda.

Obviously, there should be a point beyond which it could be concluded that the bounds of propriety have been overstepped. But for us to be able to determine that point and in any given situation to distinguish authoritatively between prohibited and allowable activities we would need some guidelines by which to judge the activities in question. Insofar as we are aware no such guidelines have been established by legislation, judicial decision, or otherwise. In construing kindred statutes our Office has taken the position that without statutory guidelines to proceed under, it would not be appropriate to override administrative determinations and justification of propriety, except where they are so palpably erroneous as to be unreasonable in the face of the prohibiting statute. In the present consideration, the Acting Assistant Secretary of State for Congressional Relations, in responding for the Secretary of State, advised you on April 6, 1973, that the Ambassador's conduct was concerned with calling attention to support received for policies of the United States Government and that it is not inappropriate for an Ambassador to engage in such correspondence. Unquestionably part of the function of a foreign legation is to obtain and to communicate information on press reaction in a host country to policies of the United States.

Further, we do not believe that the prohibition in section 701 against the use of appropriated funds for publicity and propaganda purposes not authorized by Congress is intended to reach cases such as this, but rather is to prevent the use of such funds to promulgate publicity of a nature tending to emphasize the importance of the agency or activity subject to the prohibition. In this case the expenditure of appropriated funds was not for the aggrandizement of the Department of State.

As indicated above, the letter in question was drafted by a member of the White House staff and another member of that staff requested that the Ambassador sign it. It appears from the letter of April 30, 1973, from the Acting Assistant Secretary of State for Congressional Relations to you, that the Ambassador informed the Department that he signed the original letter but that he did not know to whom copies of such letter and enclosed editorials were to be sent nor at whose expense the letters and enclosures were mailed. We assume, however, that the Ambassador agreed with the content of the letter since he signed it. It appears from the letter signed by the Ambassador that its purpose was to rebut claims that allies of the United States had turned against the United States in the days preceding the "ceasefire" on Vietnam and were critical of the President. Thus the purpose of the letter was apparently to inform the public concerning one of our allies and, in effect, defend the Government's policies.

Thus, without going into the propriety of the matter—which is outside our jurisdiction—under the circumstances we would not have a sufficient basis to consider the signing of the letter in question by the Ambassador to be in violation of section 701 of Pub. L. 92–544. Moreover, we might point out that even if the signing of the letter by the Ambassador be considered in violation of section 701 of Pub. L. 92–544, the only action that we could take would be to attempt to recover the amount improperly expended. Thus, recovery would be limited to the cost of the paper signed by the Ambassador plus the time he used in considering the matter and affixing his signature, assuming such cost was determinable.

While the letters were reproduced by the Committee on stationery bearing the heading "Department of State," and a reproduction of the Great Seal of the United States, the original letter bore the same seal and heading. Section 713 of title 18, United States Code, makes it an offense to display a printed likeness of the Great Seal "for the purpose of conveying, or in a manner reasonably calculated to convey, a false impression of sponsorship by the Government of the United States," or by any department thereof. Whether this provision was violated in the instant case is a matter for consideration by the Department of Justice.

Finally, your staff asked that we inform you of the circumstances of a mailing, in September 1972, of a letter signed by Mr. Leo Cherne, Vice-Chairman of Democrats for Nixon, New York City, using a State Department mailing list. Our investigation of that incident revealed the following:

The Director of Communications, Executive Branch, White House, told us that he had requested a mailing list from the Department of State. He said the list was to be used for mailing a speech to be given by an official of the Department of State at the United Nations on September 25, 1972.

In response to the request, the State Department prepared a list from its files of the names of members of National and local organizations, educational institutions, and other groups. The names were printed on plain, white, gummed labels and sent to the White House on September 11, 1972.

At the Office of the Director of Communications, White House, we were informed that the labels were then sent to the Republican National Committee where the mailing was to be made at no cost to the Government. We were also told that this procedure had been set up to avoid the possibility of any politically oriented material being sent from the White House at Government expense.

After the labels were sent to the Republican National Committee, the Director of Communications cancelled the mailing request.

The Deputy Chairman for Communications, Republican National Committee, told us that he had received a request from Mr. Cherne, for a list of Jewish community leaders. He told us that because of the hectic conditions in the Committee mailing room someone accidentally used the Department labels in filling the request. He also informed us that Mr. Cherne's envelopes were sent to Washington to have the labels applied and that they were then returned to New York where they were stamped and mailed on or about September 21, 1972, containing a letter signed by Mr. Cherne, dated September 15, 1972.

We were told by Department of State officials that the total direct costs to the Department to run the list on gummed labels amount to $15.31. Mr. Cherne reimbursed the Department for these costs on October 31, 1972.

The State Department has no written policy on the use of its mailing lists. However, traditionaly, the Department mailing lists are never intentionally given to any organization for nonofficial purposes.

We hope that the foregoing information will be of assistance to you.

Sincerely yours,

ELMER B. STAATS.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 17, 1973.

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, New Senate Office Building.

DEAR MR. CHAIRMAN: I am attaching an interim report of an investigation con-

ducted by the General Accounting Office which was conducted at my request on the subject of the Annenberg letter. GAO has asked that this interim report not be attributed since the clearance procedures have not yet been followed.

You may find this report interesting in light of Mr. Marshall Wright's pending confirmation before your committee. I understand that he is providing you with additional information concerning the Annenberg letter and you may wish to compare that information with the attached GAO report.

Thank you for taking up the substance of my letter with Mr. Wright at his confirmation hearing.

Sincerely,

THOMAS F. EAGLETON.

INTERIM REPORT

Regarding the mass mailing of Ambassador Annenberg's letter of February 5, 1973.

Interviews were conducted with responsible people in the Department of State, the White House, the Republican National Committee, and Charles W. Colson, ex-White House official.

Department officials disclaimed any involvement other than the letter signed by Ambassador Annenberg. Copies of the letter returned for insufficient address bore Pitney-Bowes meter postage. The letter was reproduced on paper not similar to that used by the State Department, Similarly, the envelope, although showing the return address of the State Department, was of different size than regular Department envelopes and the format and size was not the usual Department usage.

White House officials, Richard Howard and Kathleen Balston, said Charles W. Colson was the initiator of the mailing. Colson said someone in the White House had drafted the letter but he did not know who. He obtained Ambassador Annenberg's signature on the letter and asked the White House to arrange for mailing it to prominent friends of the President, and to other agencies whose mailing lists were kept at the Republican National Committee.

A Republican National Committee official, Robert Rousek, stated that the Committee had been asked by the White House, Kathleen Balston, to mail the letter and support the costs for the mailing which the Committee did using their lists of Political Science Department's in universities, editorial writers of publications, and leading citizens in various communities.

This official stated that: 967 letters were sent to Political Science Departments; 1,044 letters were sent to editorial writers; 698 letters were sent to leading citizens—2,709 total.

The Pitney Bowes meter #618810 was the number of their meter.

A memorandum from Kathleen Balston requested him to make the mailing.

The cost of the mailing was borne by the Committee in the amount of $216 for postage and $118.19 for printing and materials.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 8, 1973.

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, I recently introduced an amendment to the State Department Authorization Bill (S. 1248), which would prohibit the use of State Department funds to support or defeat legislation pending before Congress, to influence the outcome of a political election or to attempt to influence public opinion on matters unrelated to the performance of official duties. This amendment was motivated by a recent case involving the mass mailing of partisan literature to American citizens by our Ambassador to London, Walter Annenberg, a matter in which you have also expressed an interest.

Mr. Marshall Wright will testify before your Committee on May 9, with respect to his pending confirmation by the Senate as Assistant Secretary for Congressional Relations. I would like you to consider certain apparent inconsistencies that have arisen in correspondence I have had with Mr. Wright over the Annenberg letter.

In a letter to the State Department, dated April 23, 1973, I asked the following question about the mailing list used to distribute the Annenberg letter:

"I have reason to believe that Ambassador Annenberg was provided the mailing list which is used by the State Department to distribute its weekly "Bulletin" which is printed in your office of Media Services. Did Ambassador Annenberg use this mailing list?"

Responding to my inquiry, Acting Assistant Secretary for Congressional Relations, Marshall Wright, stated that the letter was distributed by Mr. Charles Colson of the White House staff, and then made the following statement about the possible use of the State Department mailing list:

"In response to your question about the possible use of State Department mailing lists, the facts, as set forth above (referring to the information that Colson distributed the letter), are all we, or Ambassador Annenberg, know about the circumstances of the mailing."

In a speech on the floor of the House on September 26, 1972, Congressman William Moorhead referred to campaign literature mailed on September 15, 1972, to "thousands of college professors and other intellectuals interested in international relations by Mr. Leo Cherne, vice chairman of a group called "Democrats for Nixon." This material was forwarded to those individuals who subscribe to the State Department "Bulletin," a weekly summary of American foreign policy. Mr. William Blair, Deputy Assistant Secretary for Public Affairs, confirmed that the gummed mailing labels used to distribute the "Bulletin" were made available to the White House and subsequently to the Committee to Re-Elect the President.

Mr. Wright has served on the Congressional Relations staff of the State Department since April, 1972. It is, therefore, inconceivable to me that he was unaware of the questions raised by Congressman Moorhead in September, 1972, about the use of the "Bulletin" mailing list. If, in fact, he was aware of this controversy, we must assume that Mr. Wright's letter of April 30 did not contain the whole truth. Even if Mr. Wright was not aware of the previous controversy, my inquiry should have led him to thoroughly investigate the matter by checking with Deputy Assistant Secretary Blair, who is responsible for distribution of the "Bulletin."

In his first reply to my inquiry on the Annenberg letter Mr. Wright stated that "It is not inappropriate for an Ambassador to engage in such correspondence." This response raised serious questions in my mind over the State Department's involvement in partisan activities.

I would very much appreciate it if you would fully explore these matters with Mr. Wright at his confirmation hearing. I know you agree that the person assigned by the State Department to perform the important congressional relations function must have our complete confidence.

It would also be appreciated if you would ask Mr. Wright if he takes a position, either on behalf of the State Department or speaking for himself, on my amendment to the State Department Authorization Bill. I believe his response would be pertinent to the Committee since I understand you will be marking up the bill in the near future.

Thank you very much for your assistance in this matter.

Sincerely,

THOMAS F. EAGLETON.

DEPARTMENT OF STATE,
Washington, D.C., May 15, 1973.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of May 1 referring to our previous correspondence on the subject of letters from Ambassador Annenberg to persons in the United States.

The Secretary has asked me to inform you that we share your concern and are taking steps to clarify the matter thoroughly. The Secretary has directed that the Department be fully responsive and cooperative with the General Accounting Office inquiry which has been undertaken at the request of one of your colleagues. This letter is a response on the basis of the facts now known to us to the specific questions raised in your letter of May 1.

With regard to my letters of April 6 and April 30, I intended by my letter of April 30 to indicate the April 6 letter was being superseded by the letter dated April 30. In that connection, Ambassador Annenberg has assured us again that the facts set forth in my April 30 letter to you are accurate to the best of his knowledge.

Your second question pointed to the implication that the letter received by Professor Copson should have been identifiable as a reproduction if the facts were as set forth in my letter of April 30, and pointed out that Professor Copson had not so identified the letter which he received. Subsequent to my April 30 letter, I learned that three specimens of the letter in question were delivered to the Department shortly after the mailing because of the inability of the Post Office to locate the addressee. Examination of these three letters revealed that they were not on official Department of State stationery. They did not bear the State Department watermark, nor was the paper the same size as State Department stationery. However, the paper and the envelopes did carry the caption, "Department of State, Washington, D.C. 20520." Thus, in answer to your question, it is not likely that a casual examination would have suggested to a recipient that the stationery was a reproduction or facsimile of official Department stationery. The three envelopes in our possession were not franked, nor did they match any in our stock. These envelopes were stamped by a postage meter whose number is assigned to the Republican National Committee.

Your third question concerned reimbursement for the use of the Department's frank. I know that Professor Copson has indicated that the letter he received was in a franked envelope. Your staff has indicated that Professor Copson has destroyed the envelope he received so we are unable to determine whether, in fact, it was any different from the three now in our possession. As you know, however, other members of Congress have written us on the same subject, and we are seeking through them to examine the envelopes in which other letters were sent to determine whether they were franked. In reply to your specific question, the Department was not reimbursed for use of franked envelopes, but we have no reason to think that franked envelopes were used.

We have also examined the mailing labels affixed to the three envelopes returned to us. They are not Department of State labels and do not exhibit our codes, nor are the names on the three labels in our possession on any of our mailing lists.

Sincerely,

MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

MAY 1, 1973.

Hon. MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of April 30 with further reference to my questions of March 26 and April 18 about Ambassador Annenberg's letters to United States citizens praising President Nixon and enclosing laudatory British newspaper editorials. I am glad to accept your expression of regret that your reply of April 6 was neither complete nor accurate.

Unfortunately, your April 30 response raises further and more serious questions about Ambassador Annenberg's activities, and about the ability of the Department of State to control its own affairs. The statements that the initiative came from Mr. Colson when he was a member of the White House staff, and that the Ambassador signed one copy of the letter and gave it to Mr. Colson for assumed reproduction and distribution, are totally at variance with the Ambassador's account released in London and the information relayed by you on April 6. You will remember you reported that the Ambassador ". . . decided to send [his] letter to United States citizens, either known to him or suggested by his friends . . ." Both accounts cannot be accurate and I would like to know which one is truthful.

Secondly, your April 30 statement that "The original letter was on official Department of State stationery" at least implies that the duplicated copies were identifiable as reproductions. That was not the case, as evidenced by the letter sent to us by Assistant Professor Copson. Moreover, the latter gentleman has informed us that the letter was dispatched in a franked Department of State envelope without postmark.

In this connection, a television reporter telephoned Mr. Colson yesterday afternoon and was told that Mr. Colson did remember one such letter but had no mailing list. The latter reportedly also stated that distribution of the Annenberg letters was paid for by the Republican National Committee. I should like to know how and in what amounts the Department was reimbursed for the use of franked envelopes.

Your April 30 reply ends with the following words: ". . . the Department of State does not have the information you requested concerning the mailing list used to distribute Ambassador Annenberg's letter, nor do we know what funds were used to defray the cost of the distribution." Surely the Department could have contacted Mr. Colson on this question just as easily as a television correspondent, and presumably would have acquired more concrete and detailed information.

As matters stand, it is made to appear that the Department of State has no control over the use of its stationery and its franking privilege. I am sure that Secretary Rogers and you would not wish this inference to stand unchallenged. Further investigation is obviously required on an urgent basis to maintain the reputation of the Department, and it should not be left to this Committee to contact former and current White House personnel or the Republican National Committee.

I look forward to receiving the results of your further inquiry and accounting at the earliest possible date, for I know we equally share a desire to uphold the prestige and influence of the State Department in the field of foreign policy.

Very truly yours,

J. W. FULBRIGHT,
Chairman.

DEPARTMENT OF STATE,
Washington, D.C., April 30, 1973.

J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of April 18 pursuing the questions you initially posed on March 26 concerning letters from Ambassador Annenberg to persons in the United States. First of all, let me express to you my genuine regret that my earlier letter to you of April 6, which was based on information relayed to the Department from London and on a statement which Ambassador Annenberg released in London, was neither as complete nor as accurate as it should have been.

When Secretary Rogers learned of your letter of April 18, he directed that further inquiries be made into this matter. As a result, Ambassador Annenberg has informed us that he does not know to whom the letters and enclosed editorials were sent, nor does he know at whose expense the letters were mailed. We have learned from Ambassador Annenberg that the initiative for his letter came from Mr. Charles Colson, at that time a member of the White House staff. Ambassador Annenberg further informs us that he signed one copy of the letter in question, and gave it to Mr. Colson. He assumes that Mr. Colson subsequently reproduced the letter and arranged for its distribution. The original letter was on official Department of State stationery.

In view of these circumstances, the Department of State does not have the information you requested concerning the mailing list used to distribute Ambassador Annenberg's letter, nor do we know what funds were used to defray the cost of the distribution.

Sincerely yours,

MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., April 18, 1973.

Hon. MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: With reference to your letter of April 6 in reply to my letter of March 26, may I call your attention to the request in the letter of March 26 as to whether or not the letters mailed by the Ambassador to the Court of St. James to the people in this country were sent at government expense or at the Ambassador's personal expense. In addition, was the mailing list an extensive one, if at government expense, or was it a restricted one. In short, I would like a positive statement as to whether or not the Ambassador was acting solely as an individual, without using government stationery or postage, in this mailing of information to citizens of the United States.

I do not think this is an unreasonable request, and if you are uninformed or unable to answer these questions, will you please inquire of the Ambassador in London, as I am sure he could supply the information. I may also suggest that I did not ask your opinion as to whether or not this procedure is appropriate.

Very truly yours,

J. W. FULBRIGHT.

APRIL 6, 1973.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Rogers has asked me to reply to your letter of March 28 about a letter from Ambassodor Annenberg to an assistant professor at a northeastern college.

As Ambassador Annenberg has indicated, he decided to send this letter to United States citizens, either known to him or suggested by his friends, to call attention to support in the United Kingdom for the President's policies. His purpose was to show that there is intelligent and articulate support for those policies in important sections of the British press.

We do not believe that Ambassador Annenberg's correspondence constitutes a partisan political activity. On the contrary, the Ambassador was concerned with calling attention to support received for policies of the United States Government. It is not inappropriate for an Ambassador to engage in such correspondence.

Sincerely yours,

MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

MARCH 26, 1973.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The enclosed letter, signed by Ambassador Walter Annenberg, along with two highly laudatory British newspaper articles on President Nixon were forwarded to me by an Assistant Professor at one of our northeastern colleges. For your information, let me quote the words of the teacher who sent me this material:

"Some time ago, I received the enclosed material, at taxpayers' expense, from Mr. Annenberg.

"Ordinarily I support efforts by the State Department to keep teachers of International Relations informed on U.S. policy positions. However, Annenberg's partisan letter so clearly strains the bounds of propriety, perhaps even legality, that I thought I should call it to your attention."

If someone of relatively low academic rank received such an unsolicited letter from Ambassador Annenberg, it raises questions in my mind about the extent, as well as the character of Mr. Annenberg's proselytizing endeavors. Therefore, I would appreciate receiving from you an accounting of the number of letters which were sent by Mr. Annenberg to teachers in this country. I should also like to know whether the Ambassador mailed these materials at his own expense or at Government expense. And I should like to know whether there is a mailing list in existence which is provided to our ambassadors abroad which may be used for this questionable purpose.

Finally, I would appreicate your views about the propriety of a United States Ambassador engaging in what could only be described as partisan political activities. I would appreciate having your views at your early convenience.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

COLLEGE OF THE HOLY CROSS,
Worcester, Mass., March 13, 1973.

Senator J. WILLIAM FULBRIGHT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FULBRIGHT: Some time ago, I received the enclosed material, at taxpayers' expense, from Mr. Annenberg.

Ordinarily, I support efforts by the State Department to keep teachers of International Relations informed on U.S. policy positions. However, Annenberg's partisan letter so clearly strains the bounds of propriety, perhaps even legality, that I thought I should call it to your attention.

Yours sincerely,

RAYMOND W. COPSON,
Assistant Professor.

DEPARTMENT OF STATE,
Washington, D.C., February 5, 1973.

DEAR SIR: Just before the Vietnam peace agreement was announced, there were two

editorials in the British press of such great interest that I am sending you personal copies.

One editorial was in the London Sunday Express, dated January 21, 1973, and the other in the London Daily Telegraph, dated January 22, 1973. In my judgment, these articles are significant not only in terms of their own merit—but because they rebut the claims made in some quarters that our allies had turned against us in the days preceding the ceasefire and were critical of the President.

In my judgment, these editorials also tend to reflect the opinions of large numbers of British people at this time.

Both editorials center attention on President Nixon's strong but quiet leadership. They also show that the President's emphasis on the solid achievement of sensible and realistic goals is not only important to Americans at home, but to our allies as well.

I trust that you will find this material of interest.

With every best wish,

Sincerely,

WALTER ANNENBERG.

TEXT OF LONDON DAILY TELEGRAPH EDITORIAL OF JANUARY 22, 1973

Mr. Nixon has shown himself truly a great President in his conduct of the Vietnam war and of peace negotiations which gave strong signs of approaching their conclusion in Saigon and Paris as he delivered his Inaugural Address in Washington. There was greatness, too, in the leadership he gave for what the world prays will be a peaceful post-Vietnam war era, both in that region ravaged by Communist aggression, and elsewhere. No flamboyance, no political maneuvers, no hustling to get the cease-fire signed, regardless of known or unknown outstanding problems, in time for a complete Inaugural triumph. Mr. Nixon, rightly confident of the support of the vast majortiy—silent except on Election Day and in the opinion polls—could afford to allow the contrast between his own achievements and the empty spite of the domestic and foreign protesters to speak for itself.

It was deplorable that Senator McGovern, speaking at Oxford University, should have continued his abuse of the President in such irresponsible phrases as 'the Nixon destruction of Indo-China' and 'executive wars by whom.' At the same time, he confessed that Mr. Nixon's overwhelming victory last November remained 'something of a mystery' to him. This sounds like the boxer who regains consciousness still not knowing what hit him. In fact it was the straight right from the mass of the American people, whom Mr. Nixon has led back to psychological and economic health after an attack of Vietnamitis that in less capable hands might have been fatal, who emphatically rejected wishy-washy lefty-liberalism at home and abroad.

Mr. Nixon's message, to his own people and to the rest of us, was clear and salutary. No more of John F. Kennedy's world-wide crusade for freedom and democracy. But solid gains for peace, he urged, must not be jettisoned by a post-war mood of isolationism in America. America would do her share towards defending peace and freedom, but others must do their share too. Europeans in particular should be grateful that Mr. Nixon is President for another four years, and heed his warning.

TEXT OF LONDON SUNDAY EXPRESS EDITORIAL ON JANUARY 21, 1973

"As Richard Milhous Nixon begins his second term, it is hard to recall an American president who has been more reviled. Trendies and left-wingers turn their venom on him as 'the tyrant in the White House.' With tears in their eyes the same individuals dream of the golden age when handsome Jack Kennedy made Washington into Camelot. Then, instead of Mr. Nixon's cottage cheese, there was salmon cooked in champagne. Instead of folk songs and baseball players there were Bach and philosophers. All that and Jackie, too.

"Yet notice something curious. Mr. Nixon's critics rarely venture beyond the trappings. They do not try to contrast his actual record with that of Kennedy. Let us do just that. Vietnam? Kennedy began the war. Mr. Nixon by his albeit ruthless bombing policy, is about to bring it to an end. Universities? Remember the torchlight marches and the sit-ins under Kennedy? The ghettos? Remember the dreadful riots when Kennedy and his brother Bobby made promises to the Blacks that could not be kept? Under Mr. Nixon the universities are as silent as the reading room at the British Museum. The ghettos are peaceful, too, because it is recognized that there is now a president who cannot be panicked into concessions. The economy? Kennedy faced recession and inflation and did nothing. Mr. Nixon courageously introduced one of the severest freezes in American history and the country is once more heading into prosperity.

"His enemies sneer that Mr. Nixon is 'ordinary,' but this, in fact, is his greatest quality. He is ordinary in the sense that he seeks the substance rather than the shadow: that he is concerned not with cheap popularity but with promoting the real, mundane interest of his nation. The American voters recognized this when they re-elected him overwhelmingly. And people far from the United States should give thanks every day that this plain and sensible man sits in the White House. Would a progressive have kept America strong and prosperous? Would a trendy have achieved peace except by surrender?

MINING CLAIMS ON PUBLIC LANDS

Mr. McCLURE. Mr. President, as Americans, we are entitled to many rights and privileges that make our citizenship unique in the world. One of those is the right of an individual to file mining claims on our public lands and to reap the benefits that a productive claim may provide.

But as under any other rights provided under our laws, there is room for abuse. And on occasion, there are individuals who abuse the good intent of law in such a terrible way as to endanger the very guarantee of rights or privileges to honest citizens. Such is the case of Merle Zweifel, an Oklahoma-based speculator the likes of whom the Nation had never seen, and the likes of whom we hope never to see again.

Zweifel, whose corporate slogan is "We Fly Farther To Stake Faster," for over 3 years has abused the mining laws to perpetrate a terrible fraud. His success in abusing the mining laws has been so great that he staked claims to well over 3 million acres in the Mountain States, and he has bilked countless Americans who purchased bogus partnerships in his claims—partnerships that, in reality, entitled them to none of the benefits of property ownership they were led to expect. Zweifel offered a piece of the beautiful mountain West, but what they got was a phony piece of a phony mining claim. He did this on a grand scale.

In Nevada, at least, the law took its course, Merle Zweifel is currently serving the first months of a 6-year prison term imposed following his conviction on 16 counts of filing false mining claims in that State.

But, the Nevada conviction does not end the Zweifel story—not by any means. Through his wholesale claim filing, he has clouded title to millions of acres of public lands that would otherwise be open for legitimate claim.

There are those who would change the mining laws in such a way as to remove the right of an individual to lay claim for mining purposes. This might well prevent a Merle Zweifel from playing his mammoth con game, but it would be a reaction that would destroy something precious—an individual right. And we cannot, and must not allow that to happen.

Some months ago, we began a search for a solution that would not compromise the citizen's right to file mining claims, but which would clear the clouded title left in the wake of Zweifel's fraud scheme.

In the legislation I am about to introduce, Mr. President, I believe there is a balance that does clear title to the millions of acres of bogus claims made by this man, without in any way endangering the basic rights guaranteed under our mining laws. It would clear title by requiring a one-time inventory of all mining claims in the Nation on a county-by-county basis. Specifically, it would require that individuals holding claims file within 3 years of the bill's enactment either an affidavit of assessment work performed or an intention to hold the claim—in any case, requiring that evidence of legitimate mining work be made.

I commend the attention of the full Senate to this bill.

MARYLAND ADVISORY COMMITTEE ON FEDERAL EDUCATION LAWS

Mr. MATHIAS. Mr. President, nearly 2 months ago, I met with local Maryland school superintendents, members of the State board of education, and the State superintendent, Dr. James Sensenbaugh at the Maryland Department of Education at Friendship Airport. At that time, I discussed many of the legislative proposals for education which now confront the 93d Congress and pointed out that the Maryland congressional delegation could profit from the advice and counsel of those most directly responsible for the operation of our State's public school system. I also suggested that the State board of education create a Maryland Advisory Committee on Federal Education Laws which could help translate the various legislative proposals before the Congress and the educational issues which I had raised into Maryland terms so that the Maryland delegation in Congress would have the benefit of our State's perspective and advice.

Mr. President, it gives me great pleasure to announce today that on July 25, 1973, Mr. Jerome Framptom, Jr., president of the Maryland State Board of Education, appointed 10 outstanding Marylanders to the Maryland Advisory Committee on Federal Education Laws. I was further delighted to learn that this committee has the express purpose to advise the Maryland congressional delegation from time to time of the sentiment of the education community on specific legislation before Congress. This committee has my enthusiastic support.

As an important first step, I am meeting today with the members of the ad-

visory committee to initiate what we anticipate will become a series of important and fruitful discussions. We view linkage between the education community and the Maryland congressional delegation as a great opportunity to reappraise what we are doing at home and to address ourselves to the one institution on which the future of our country rests more than on any other—our educational system.

Mr. President, I ask unanimous consent that the membership list containing the names of the members of the Maryland Advisory Committee on Federal Education Laws be printed in the RECORD.

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

MARYLAND ADVISORY COMMITTEE ON FEDERAL EDUCATION LAWS

Mr. Richard Schifter (Chairman), 600 New Hampshire Avenue, N.W., Washington, D.C. 20003, 965–9400.

Dr. Richard C. Ahlberg, Associate State Superintendent, Bureau of Administrative Services, Maryland State Department of Education, P.O. Box 8717, Friendship International Airport, Baltimore, Maryland 21240, 796–8300, ext. 220.

Dr. M. Thomas Goedeke, Superintendent of Schools, Howard County Board of Education, 8045 Route #32, Clarksville, Maryland 21019, 531–5144.

Mr. J. R. Hamilton, (Secretary), Federal-State Liaison, Maryland State Department of Education, P.O. Box 8717, Friendship International Airport, Baltimore, Maryland 21240, 796–8300, ext. 203; 997–3468.

Dr. Carl W. Hassel, Superintendent of Schools, Prince Georges County Board of Education, Upper Marlboro, Maryland 20870, 627–4800.

Mr. Norman J. Moore, Superintendent of Schools, Talbot County Board of Education, P.O. Box 1029, Washington Street, Easton, Maryland 21601, 822–0330.

Mr. William G. Sykes, 419 City Hall, Baltimore, Maryland 21202, 396–4846.

Miss Nettie B. Taylor, Assistant State Superintendent, Division of Library Development and Services, Maryland State Department of Education, P.O. Box 8717, Friendship International Airport, Baltimore, Maryland 21240, 796–8300, ext. 372; 486–6986.

Mr. Joshua R. Wheeler, Superintendent of Schools, Baltimore County Board of Education, 6901 North Charles Street, Towson, Maryland 21204, 494–4281.

Dr. Charles Willis, Executive Secretary, Maryland Association of Boards of Education, 220 S. Main Street, Bel Air, Maryland 21014, 838–2090; 838–7447.

REFUGEES IN VIETNAM: PAWNS OF WAR

Mr. KENNEDY. Mr. President, yesterday the Judiciary Subcommittee on Refugees, which I serve as chairman, resumed hearings on the plight of refugees and civilian war victims in Vietnam. We heard testimony from members of the subcommittee's study mission which recently returned from Indochina, reporting on the humanitarian problems confronting the people of that war-torn region.

The cease-fire agreements in Vietnam and Laos—and the hope of resolving the conflict in Cambodia—are benchmarks of great historical importance in the evolution of our relations with the governments and people of Indochina. Even though conditions are mixed in the field, and many difficult problems continue for all parties involved—for the first time in many years, our Nation has a real opportunity to embark on new policies—to change our involvement—to reorder our priorities—and to finally practice some lessons from the failures and frustrations of the past.

We can at last end our direct and manipulative involvement in the remaining political and military confrontations of the region—and finally chart a new beginning, in cooperation with others and the governments of Indochina, to help repair the damage of conflict and heal the wounds of war.

This is what the return of our servicemen and prisoners of war means to most Americans—and what Americans have welcomed as peace with honor.

But, Mr. President, the report of the subcommittee's study mission to Indochina suggests that these objectives are not fully shared by the administration or American officials in the field. In South Vietnam, last year's pacification program has become this year's reconstruction and humanitarian assistance. Last year's public safety programs have been shifted to other quarters—or buried in public works, public administration, and technical support projects for what is called reconstruction. And last year's supporting assistance has become this year's stabilization.

As Mr. Wells Klein, a member of the team, stated in testimony yesterday:

In all candor, Mr. Chairman, the Study Mission saw little indication of a changed American role in the field, although admittedly our trip was three months ago and not long after the ceasefire agreement. We have the impression, however, that change has been superficial. CORDS has become SAAFO (Special Assistant to the Ambassador for Field Operations) but the same warriors are riding to battle still referring to "our side" and the "enemy". Granted that there must be a period of transition, but with U.S. refugee assistance now under civilian control and with authority and responsibility both now vested in AID, and finally, with the Foreign Aid bill under consideration by the Congress, now would be the time to clearly enunciate a new foreign aid philosophy and posture vis-a-vis South Vietnam.

In specific terms, if the United States is paying the bill for refugee assistance in Vietnam on the basis of humanitarian concern, as I think we must, then we should request a quid pro quo that refugee assistance be used for humanitarian purposes. It was the Study Mission's observation that the refugees are very much voiceless pawns in a political and territorial tug-of-war between the GVN and the PRG. They represent an important bloc of votes in the event of an election and perhaps more important, besides the army, they represent the only available potential for establishing de facto territorial control in the recently intensified struggle now focusing on land as well as people. In short we should not support programs which are clearly intended to achieve political or military objectives as against programs designed to up-grade refugee conditions or achieve resettlement or return to village which is clearly in the refugees' best interest. True, many lines may be difficult to distinguish, but a clear statement of policy which we and the GVN understand is a prerequisite for normalizing our humanitarian assistance. Perhaps, Mr. Chairman, these are considerations to which the Congress, as well as the Administration should address themselves.

Mr. President, even as the subcommittee heard this testimony from the study mission, the New York Times of that morning carried a story underlining how the refugees are still pawns of war. In a dispatch from Saigon, correspondent Joseph B. Treaster, reported how the government of President Thieu is forcibly moving thousands of refugees in the delta for political purposes. I believe that this latest report confirms the principal conclusions of the Refugee Subcommittee Study Mission and underscores the need for the Congress to review this report in the course of considering the foreign assistance authorization for fiscal year 1974.

Mr. President, I ask unanimous consent that the full text of the testimony of Mr. Wells Klein, a member of the Refugee Subcommittee Study Mission to Indochina, be printed in the RECORD, as well as the New York Times dispatch from Saigon.

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

[From the New York Times, Aug. 1, 1973]

SAIGON IS FORCIBLY MOVING THOUSANDS IN DELTA REGION

(By Joseph B. Treaster)

SAIGON, South Vietnam, July 31.—Since the cease-fire began in January the Saigon Government has forcibly moved thousands of Mekong Delta peasants out of areas ferquented by the Vietcong.

The primary objective of the resettlement, which American officials say they have strongly opposed, has been to deny population to the Vietcong as the possibility of a political settlement and eventual national elections appeared on the distant horizon.

The project runs counter to a larger Government program in which refugess are being moved into patches of no man's land to extend Saigon's claim to territorial control.

Government officials say that while they are confident they can keep the Vietcong away from relatively large groups of refugees, there is no hope of doing so for individual peasant families dispersed in the delta rice fields. So these people are being forced into territory dominated by Saigon.

The American officials estimate that the Government has moved more than 16,000 people in the delta, but Maj. Gen. Nguyen Van Nghi, the senior Government official in the region and the author of the resettlement program, maintained in an interview that the number was closer to 8,000.

MOST DISTANCES SMALL

The Americans and General Nghi say that no one was moved more than two miles and that in some cases the distance was only 400 or 500 yards.

An American report on the subject gives a detailed accounting of the number moved in each of seven provinces where general Nghi's orders were issued.

The Americans say that originally 30,000 peasants were told they had to move from "contested areas" where they had lived for years to locations closer to Government military positions.

Nearly half the people refused, according to the Americans, and many of those who acquiesced when confronted by armed soldiers have quietly made their way back to their old homes.

Nevertheless, to pull down houses and pack up belongings was a time-consuming project that most reportedly resented as unnecessary.

"It's hard to tell how many VC they've made by these forced moves," an American commented.

General Nghi insisted in the interview that a majority of the people he moved had approached Government soldiers and asked for help in getting out of insecure areas.

The Americans, who say all their information is to the contrary, report that they protested the moves as soon as they discovered they were underway and refused to release United States funds for the project.

Support has been given to the larger program, involving more than 300,000 people, the Americans say, because it offers refugees a chance to get out of South Vietnam's squalid camps and because participation is voluntary. They say they objected to the moves in the Delta because they could see no benefit in most cases and there was never any freedom of choice.

The Vietnamese officials charged with carrying out the forced resettlement were often slipshod in their work, but there were instances where they went to extremes to see that the general's instructions were followed.

HOUSES WERE BURNED

For example, when some of the people slipped back to their old land in Vinh Long Province, troops burned their houses.

In Chuong Thien, the Americans say, a province where as much as 70 per cent of the territory is believed to be controlled by the Communists, the resettlement program was regarded as something of a joke.

"When the ARVN went out and told the people they needed to resettle, many of the people immediately went back further into the VC area,'" one of the Americans recalled.

"Others just said they would not move. Some others moved into town, and now they go back and work the fields during the day. The VC can talk to them out there any time they want."

According to the Paris ceasefire agreement, the people of South Vietnam are to be able to travel freely and to decide for themselves where they will live. Neither side has fully observed this part of the agreement.

THE TERM IS "ABDUCTION"

The Government describes forced moves carried out by the Communists as abductions. Officials say that about 1,000 people have been abducted in the delta since January.

According to the American officials, the people General Nghi moved were promised the usual assistance—tin roofing material, bit of cast iron and some rice—but without American aid the Government was unable to keep its word. The Americans say that a few hundred people have received roofing material donated by Canada and Australia.

In the last month General Nghi has ordered his province chiefs to make every possible effort to find rice and building supplies for the resettled people, hoping to win a degree of support from them before the Senate election late in August.

STATEMENT OF WELLS KLEIN, MEMBER OF THE SUBCOMMITTEE STUDY MISSION TO SOUTH VIETNAM, AND EXECUTIVE DIRECTOR, AMERICAN COUNCIL FOR NATIONALITIES SERVICE, NEW YORK, AUGUST 1, 1973

Mr. Chairman, my name is Wells Klein and I am the Executive Director of the American Council for Nationalities Service. With me is Dr. James Dumpson, Dean of the Graduate School of Social Services at Fordham University. Dr. Dumpson and I recently visited South Vietnam in our private capacities as consultants to this Subcommittee, and as members of the Study Mission which the Subcommittee dispatched to evaluate post-war humanitarian problems in Indochina. The testimony and recommendations which we are presenting this morning are based on our individual findings and observations. However, I believe they represent the consensus of the Study Mission.

As you know, the original purpose of the Study Mission survey was both to assess the current humanitarian problems of refugees and civilian war victims in South Vietnam, as well as to consider future requirements for post-war relief and reconstruction in light of the cease-fire agreement. Sadly, at the time of our visit in March, and since, the cease-fire has been more in name than in fact. On our first day in Saigon we were introduced to the term "ceaseless fire", a term used by a senior Vietnamese official to reflect his evaluation of the conditions then pertaining. We soon learned that the prospects of focusing primarily on post-war humanitarian problems, as distinct from war time concerns, was impossible in view of the continuing violence and the steady toll of refugees and civilian casualties.

Whatever the recent "reinforced" or "renewed" ceasefire agreement may mean in terms of lowering the current level of conflict, it is clear that most of the old political dilemmas and the attendant military and territorial problems remain unresolved. These issues have been at the root of the problem in Vietnam for two decades, and they are unlikely to disappear without resolution simply because of the ceasefire agreement. In other words, the basic confrontation in Vietnam remains much the same although thankfully, the nature of our direct involvement has changed.

With these considerations in mind, a major focus of the Study Mission became the question of what is our appropriate role in helping the South Vietnamese people meet their massive problems of relief, rehabilitation, and reconstruction within a moral and political framework which is at once both practical, and acceptable to the American people and the people of South Vietnam.

Mr. Chairman, before going into the question of our future role I would like to report to the Subcommittee on our assessment of the current refugee problem and discuss some of the factors which we believe have, and which continue to contribute to what, in the blandest terms, must be described as an unacceptable situation—unacceptable as measured by what could and can be done as against what has and is being done.

To understand the current crisis that confronts the people of South Vietnam, as well as to begin to assess the needs for future relief and rehabilitation, it is necessary to review some of the frankly terrible statistics on refugees, civilian war casualties, widows, orphans, and the many other discrete categories of people disadvantaged by the war. These figures tell us, in cold abstract, dehumanized form, at least in part what more than a decade of conflict and violence have inflicted on the land and the people of South Vietnam. Conflict is not one-sided, and we are not now pointing fingers in accusation but rather delineating results and describing the dimension of the humanitarian problems now confronting the people of South Vietnam.

In developing this information the Study Mission consulted officials in the U.S. Mission both in Saigon and in the field. We also met with numerous officials and ministers of the government of South Vietnam. The Study Mission was able to travel extensively throughout Military Regions (MR) I, II, and III. Parenthetically, may I mention our appreciation for the many courtesies shown to us by the U.S. Mission personnel in facilitating our task. We visited far north as Quang Tri and Hue, as well as Quang Nam, Quang Ngai, and Qui Nhon. Not only did we stop in the provincial capitals, we also visited many of the district and rural areas. In addition to these coastal areas we visited Kotum, Pleiku, and other areas in the highlands where Montagnard refugees are located. Finally, we visited a number of refugee and resettlement sites in the provinces of MR III. In our twelve days in South Vietnam we visited a variety of refugee centers, hospitals, schools, orphanages, rural dispensaries and other civilian facilities. We travelled freely and often arrived unannounced. We spoke with many Vietnamese civilians and with international voluntary agency personnel both headquartered in Saigon and in the field.

For the hearing record I shall submit statistical tables compiled by the Study Mission based both on the Subcommittee's earlier work, as well as statistics obtained on our recent trip. However, at this point let me briefly highlight our findings in quantitative terms.

REFUGEES

Surely the most enduring legacy of the Vietnam war will be its cumulative impact on the lives and the social structure of the people of South Vietnam. Over half of South Vietnam's estimated population of 18 million people have been forced to move as refugees, often many times over, since the war escalated in late 1964 and early 1965. As Table I indicates, the cumulative total of refugees since 1964–1965 now stands at 10,369,700.

How many of these refugees are still in refugee status is a matter of definition as well as numerical count. At the time of our visit in March of this year there were 659,600 refugees officially acknowleged to be in temporary refugee sites with another several hundred thousand estimated in "out of camp" situations. As Table IV documents, nearly half a million refugees are still in officially identified camp locations.

As always, the most accurate index of conditions in the countryside, of the level of conflict and violence, is the number of refugees fleeing the countryside and the number of civilian war casualties filling hospital wards. By this measure, the daily average of new refugees during the Study Mission's visit—some 6,000 a day—resembles the level of violence during last year's offensive. As Table IV indicates, 1,636,000, refugees have been generated since the beginning of the offensive on March 31, 1972. In comparison, the rate of post cease fire refugee flow is still between one and two thousand per day as shown in Table V. Further, recent reports from Saigon indicate that the current flow of refugees is still at the weekly rate of 7,000 to 14,000. In June, for example, in one week 8,700 new refugees were forced to flee their homes, primarily from military activity in MR II and MR IV.

As you know, Mr. Chairman, the ink was hardly dry on the Paris Accord last January when massive offensive operations erupted in 33 of South Vietnam's 46 provinces. Both sides offended as each tried to shape a ceasefire line to its own advantage. This process apparently continued though in a reduced scale, despite the "renewed" ceasefire agreement. One could detail the military activity and its refugee and civilian casualty fallout at much greater length. But the overwhelming impression one receives in Vietnam today is that nothing much has changed except the absence of American uniforms. When we were in Da Nang in mid-March, the South Vietnamese admitted to firing 1,000 rounds of artillery daily, most of which was not to counter operations from the other side, but primarily H & I fire (harassment and interdiction).

CIVILIAN CASUALTIES

Again, it is too early to tell what effect the recent accords will have on the level of military activity in Vietnam. Assuredly, as we have said before, the basic problems, as seen by the Vietnamese, have not been resolved. The number of civilian casualties seem to remain high. According to the most recent official statistics on the admission of war related casualties to hospitals, some 3,000 to 4,000 civilians are being admitted each month. This is a very dry, meaningless statistic, unless you just happen to be one of those 3,000 to 4,000 people or part of their family. This is not meant as melodrama. I just wish to emphasize that we are talking about people, not numbers.

As in the past, however, these officially reported hospital admissions exclude civilian casualties treated elsewhere, those not treated at all, and most significantly, those civilians who were killed outright or died before receiving treatment, are buried and never counted. Taking these factors into account, and based on some of our observations

at provincial hospitals, it is estimated that civilian war casualties, both killed and wounded, would probably range between six and eight thousand per month.

These six to eight thousand civilian casualties must be added to the total of 1,390,000 civilian war casualties since 1965, as shown on Table II.

Inevitably, tens of thousands of civilian casualties who have survived are now totally or partially disabled and in need of rehabilitation. Official statistics probably fail to record all in this category, but as of the signing of the second peace agreement in June, there were over 80,000 amputees in South Vietnam, with 75% still in need of prosthetic devices.

To continue the recitation, there are over 8,000 paraplegics, 1,000 of whom we saw wasting away in a Vung Tau clinic with little rehabilitative treatment and scarce hope. The war has also left some 40,000 people blinded or deaf—what more can one say—there is essentially no rehabilitation available for these people whatsoever.

Mr. Chairman, the various human problems created by this war cannot be neatly categorized as "refugee" or "civilian war casualty" or "orphans" or "war widow" problems. Taken together these problems constitute—and I use the term advisedly—a massive, long term, social and rehabilitative problem involving literally millions of people and affecting the entire population both in terms of physical well-being and economic productivity.

Over the years, one of the primary concerns of this Subcommittee has been refugee conditions in Vietnam. At periodic intervals the Subcommittee has heard testimony describing these conditions and repeatedly urging rectification. This morning I shall add the latest installment to the long litany of human suffering, but with the addition of this explicit if rhetorical question: with all of the experience we and the Vietnamese have gained over the past nine years, why has so little changed?

According to AID statistics, as of July 13th, 471,400 refugees were living in identified locations, primarily in MR I, especially in and around Da Nang. As in the past, this total represents only those in "identified locations" where refugees have registered and are still receiving assistance. However, many other thousands of refugees remain in completely dependent status though their entitlement to benefits has expired and they are no longer reflected in refugee statistics. To put the case bluntly, refugee statistics bear little relationship to who has been displaced by the war or to what portion of the population is economically independent and viable.

Once upon a time Vietnam looked like most other agricultural countries. There was a direct relationship between the population and the land, people lived near or on the land they tilled. From the air lowland Vietnam was a patchwork quilt of paddy land and small family compounds. Today an aerial view gives the impression of an askewed cat's cradle. In many parts of the country, particularly MR I and MR II, the population has been totally displaced and strung out along the roads for physical security from both sides. This dislocation of population far exceeds anything reflected in any refugee statistics.

The Study Mission spent a considerable portion of its time in refugee camps and relocation sites, particularly in the northern regions and the highlands. I regret to say that with few exceptions the problems confronting the newest crop of refugees, those resulting from the spring 1972 offensive and from the post cease-fire confrontations, all too closely resemble those problems faced by much earlier generations of refugees with whom I worked nearly a decade ago. Mr. Chairman, you will remember the Cathedral Camps in Qui Nhon from your visit to Vietnam in 1965. It was deplorable. Today, a camp called Phup Tai #1 only a few miles away looks almost identical to the Cathedral Camp of yesteryear.

Much has been made of the ability of the Vietnamese Government to handle emergency influxes of refugees, and by inference, of our own ability to support Vietnamese efforts. This contention is largely true. With our assistance the Vietnamese have developed a reasonable capability for responding to the emergency needs of new refugees in terms of food and temporary housing. Also, some progress can be reported relating to sanitary facilities, water supply, dispensaries, and, in a few cases, special cooking facilities. I would like to comment tangentially on this last point.

In my refugee experience relating to Vietnam, AID has not been reknowned for self evaluation of program effectiveness. To the contrary in the area of Vietnam refugee assistance, AID has only seemed to respond to prodding and criticism from either the media, this Subcommittee, or the two in combination, and often the response has been sluggish at best. However, in the past year there have been two internal evaluations of the refugee program by Washington-based AID personnel. These are known as the "Goodwin" and "Wiesner" reports. They were highly critical of the refugee program and resulted in the deployment of the "impact teams" which were responsible for some of the significant camp upgrading referred to above. This process of internal evaluation is logical, effective, and certainly should be encouraged by this Subcommittee.

While the Vietnamese government was able to respond to the 1972 and 1973 refugee emergencies with temporary assistance, and while the "impact teams" had a salutary effect in the fall and winter of 1972, all of this was an immediate response to what was considered essentially a temporary situation. By the time of our visit the temporary success of the emergency relief effort had deteriorated into the miserably overcrowded squalor, with its attendant lethargy, that these now permanent refugee camps evidence. This has been the history of the Vietnam refugee program. Time and again reasonably effective response to an immediate crisis was followed by an almost total neglect. We have seen a decade of "temporary" refugees living in "temporary" quarters for a decade.

Several examples may serve to illustrate the problem of camp inadequacy and deterioration. The first is the three Phu Tai camps located outside Qui Nhon. During the military activities that accompanied the offensive last year some 135,000 refugees were placed in this abandoned military installation, occupying what was left of the barracks and spilling over into army tents and makeshift housing. Phu Tai was to be an emergency, temporary reception center. Food was quickly, and it seems, efficiently distributed, and has continued since. But the temporary quarters have now been occupied for well over a year, and the result is disaster. Many of the refugees still live in tents which are now rotted and torn, others occupy tiny, shoulder high shacks made from discarded ammunition cases, and other debris of war. The overcrowding is alarming, not only within each living space, but also between "units". In some areas the "units" were ten or twenty deep with no streets or alley ways to say nothing of fire lanes, between them. Fire is a constant danger; hundreds if not thousands could or would die if a conflagration started. The whole complex is nothing but kindling wood. And fire is not idle speculation. Camp Baxter in Da Nang recently had a serious fire in which large numbers of refugees were killed or injured.

The Phu Tai complex is so bad that it was a particular focus of the AID/Washington evaluations and of the subsequent impact teams. But they missed the major consideration. Phu Tai was conceived as a temporary camp. It has become permanent. "Up-grading" was ordered, but when we visited five months later lumber for new housing had yet to arrive. Due to either bureaucratic ineptitude or outright corruption the lumber had been either mis-directed or sold for private gain. We heard both stories and both are plausible. In any case, Phu Tai is as it was, and getting worse.

A similar fate has befallen the refugees who crammed by the hundreds of thousands into Da Nang last year. Squatting on empty compounds left by the American military, the stripped buildings they occupy are simply disintegrating. We saw several thousand refugees, mostly Montagnards from Quang Tri, perched under empty airplane hangers, in wooden shacks or tents. In one area, several dozen refugee families inhabited a former American officer's club, the door of which still carried the faded sign reading: U.S. Personnel Only. With each passing day the conditions under which these refugees lived became more squalid, even as the South Vietnamese government officials attempted to keep them fed, which, on the whole, they have been successful in doing. Again, it is a matter of a temporary expedient becoming a permanent solution. And one must ask what happens to people under these conditions. What happens to the family, to interpersonal relationships with no privacy. These are inhuman conditions in that they destroy individual integrity and a sense of worth, and in that they inviolate the unity of the family.

This was the situation throughout most of central South Vietnam—in Hue, Da Nang, Quang Ngai, Chu Lai, Qui Nhon, and in the highlands where Phu Bon, Pleiku, and Kontum present the special problem of Vietnamese discrimination against, the Montagnard, discrimination unfortunately either tacitly condoned or overlooked in the administration of a refugee assistance program.

There are exceptions to this general pattern—Phu Cuong in MR III is one. An inert refugee population without adequate employment is unacceptable by definition. But within this context Phu Cuong is a striking example of what can be done to enhance the quality of life, even of the refugee with no apparent future.

An Loi, the much touted showpiece camp is a different situation. Within a short driving distance of Saigon, An Loi received extensive assistance from the voluntary agencies, and the foreign community, as well as from AID and the Vietnamese Government. There is an effective feeding program and an excellent dispensary, yet the living conditions at An Loi are miserable and it reportedly has the highest per capita death rate of any refugee camp in Vietnam.

I first saw the An Loi camp in August of last year. Despite "up-grading" An Loi was as bad this March as seven months earlier. It was the same syndrome of some pre-existing structures but primarily rotting and torn army tents. No new housing construction had been started until the week before we arrived. We were given a candid explanation for the delay in refugee housing construction by one of the American refugee officials. Though most of the An Loi refugees were from completely destroyed An Loc and Loc Ninh no new housing had been put up "because it was anticipated that the refugees would be returning home soon." It was only with the breakdown of the first cease-fire agreement and the renewed heavy fighting in MR III that a decision was made to upgrade An Loi with critically needed new housing.

Many of the An Loi refugees are Montagnards. One has the clear impression that they are disintegrating as a people in prolonged refugee status. Many are dying from no apparent cause. Their special plight is so grave that it moved one U.S. refugee official to say that "it would be better to resettle them in their villages in Viet Cong areas and pay the VC to help them than to let them stay here any longer".

Mr. Chairman, one must now ask why do these conditions persist, why are refugee

conditions today so similar to those in 1965 and 1966. With all that we have learned over the last nine years why has so little changed? The answers to these questions are critical to our future role in refugee assistance in Vietnam, and I would like to suggest two possibilities for the Subcommittee's consideration.

Since the fall of 1964 with the floods in MR I and the military escalation in early 1965, refugees have always been considered a temporary phenomenon by ourselves and by the GVN. This was part of our political-military self-delusion that we now at last had the right formula to achieve our desired goal. This was the "can-do" delusion. It was felt that with the application of sufficient resources and the right formula, by whatever name—ink-blot, civil action, pacification, Vietnamization—security would somehow prevail and the refugees would be able to return to their villages. With the advantage of hindsight how could we have viewed refugees as other than temporary without facing the realization that the war would be protracted and that genuine pacification and return to village could only result from a resolution of those basic problems between the Vietnamese contestants which have been generic to the conflict for decades. Thus, no permanent refugee facilities were built, and no broad nutritional programs were developed. We did little in the areas of refugee vocational training or the development of alternative employment opportunities of refugee families. These considerations which are basic to most refugee assistance programs were conceived of as unnecessary in Vietnam because we were dealing with a population only temporarily dependent.

Secondly, our whole approach to dealing with the refugee problem in Vietnam has been to view the solution to this problem as part of a broader political and para-military program to rout out Viet Cong infrastructure, to win the hearts and minds of the population and to pacify the countryside. Refugee care and assistance was not fundamentally considered a humanitarian obligation apart from the general cause of "denying" them to the enemy. This position was clearly reflected in the command structure in Saigon. Refugee assistance was taken from USAID and placed under military direction in CORDS even though the Vietnamese counterpart agency was the civilian Ministry of Social Welfare and despite the fact that AID was responsible to the Congress for refugee assistance programs without operational authority in the field.

With these considerations in mind it is perhaps more readily understandable why this Subcommittee has seen so relatively little substantive progress in refugee assistance over the years. It has been an uphill battle with the lines never clearly perceived.

Mr. Chairman, with the cease-fire agreement and the withdrawal of American military personnel from South Vietnam we have reached a fundamental turning point in our relationship to that country. In signing the cease-fire agreement we are publicly committed to a political reconciliation between North and South. Although it would be naive to suggest that the United States does not have a continuing interest in South Vietnam, it is time that we clearly reevaluate the purpose of our economic assistance program and particularly that of humanitarian assistance. We have passed a watershed and we must cut the Gordian knot that ties humanitarian assistance to Vietnamese political and military objectives—objectives which are theoretically no longer those of the United States.

In all candor, Mr. Chairman, the Study Mission saw little indication of a changed American role in the field, although admittedly our trip was three months ago and not long after the first cease-fire agreement. We have the impression, however, that change has been superficial. CORDS has become SAAFO (Special Assistant to the Ambassador for Field Operations) but the same warriors are riding to battle still referring to "our side" and the "enemy." Granted that there must be a period of transition, but with U.S. refugee assistance now under civilian control and with authority and responsibility both now vested in AID, and finally, with the Foreign Aid bill under consideration by the Congress, now would be the time to clearly enunciate a new foreign aid philosophy and posture vis-a-vis South Vietnam.

In specific terms, if the United States is paying the bill for refugee assistance in Vietnam on the basis of humanitarian concern, as I think we must, then we should request a quid pro quo that refugee assistance be used for humanitarian purposes. It was the Study Mission's observation that the refugees are very much voiceless pawns in a political and territorial tug-of-war between the GVN and the PRG. They represent an important bloc of votes in the event of an election and perhaps more important, besides the army, they represent the only available potential for establishing de facto territorial control in the recently intensified struggle now focusing on land as well as people. In short we should not support programs which are clearly intended to achieve political or military objectives as against programs designed to up-grade refugee conditions or achieve resettlement or return to village which is clearly in the refugees' best interest. True, many lines may be difficult to distinguish, but a clear statement of policy which we and the GVN understand is a prerequisite for normalizing our humanitarian assistance. Perhaps, Mr. Chairman, these are considerations to which the Congress, as well as the Administration, should address themselves.

Humanitarian assistance to Vietnam cannot be considered in the abstract, it rests in the broader context of our overall economic aid program. Much of our economic aid to Vietnam has been the subject of criticism, particularly the commercial imports program. Given the economic nature of our society and that of South Vietnam, a commercial imports program is the only realistic way of avoiding rampant inflation which could wipe out all the benefits of humanitarian assistance. Social stability is directly related to economic stability, and even though in the process we are paying for the Vietnamese army, the commercial imports program must be maintained. However, at what level the program should be maintained is not simply an economic determination but should relate to the ability of the GVN to tighten its own belt. I am not suggesting cutting the salaries of GVN government employees, already caught in an inflationary pinch which underlies much of the petty corruption which exists. But there is a great deal of affluence as well as squalor in urban Vietnam. Some of the affluence can surely be tapped to affect a reduced commercial imports program. Again, too sudden a shift could create serious problems, but the direction is clearly indicated and is in keeping with bringing some sense of balance to our aid to South Vietnam and to ending its economic dependency on the United States.

There are several other important considerations which we would like to bring to the Subcommittee's attention but for which there is insufficient time this morning. I will briefly mention these concerns because they are important and should be placed before the Subcommittee now. However, they will also be detailed at greater length in the Study Mission report.

Resettlement will be a critical issue in the months ahead. We are concerned that resettlement not be used for political objectives. There are also far too many instances of involuntary resettlement in the recent record to allay fears on this score. If resettlement can be non-political and voluntary, then it may represent a viable alternative for many refugees. However, if resettlement, to be effective, must be planned in secure areas and must be preceded by adequate planning and site preparation. Further, significant support must be given the refugees to insure continuity and adequate land must be available to avoid the rural slums we have seen develop from refugee relocation sites in the past.

Another area of concern is massive corruption in the Administration of humanitarian assistance. Twenty percent of the registered refugees in Da Nang, for example, do not exist. They are "ghosts" to quote an accurate New York Times article. The assistance they are "receiving" lines the pockets of Vietnamese officialdom. When this is considered in conjunction with the living conditions of the real 80% of the refugee population, one must ask whether basic reorganization, firm guidelines for ourselves and the Vietnamese and efficient monitoring are not required.

A final area which must be discussed in greater detail is that of hard core urban refugees, and the whole problem of urban congestion, underemployment and unemployment. These are serious problems of significant proportions which directly affect economic and social stability. Yet USAID Saigon frankly admitted they had not yet given serious thought to these problems.

Finally, Mr. Chairman, the foregoing discussion has all been in terms of American assistance to South Vietnam and the direction this should take in future months. However, it should be emphasized that the United States must sever the sole dependency of South Vietnam on the United States. This client relationship ennobles neither ourselves nor the South Vietnamese. We must move from bilateral to multilateral assistance programs with determination and grace. Not to terminate present relationships borne of war will only prolong our inordinate involvement in the affairs of another country and continue the danger of renewed military commitment.

Tables I through V follow:

TABLE I.—*Statistical summary of refugee and victim movement in South Vietnam, 1965–73*

1. Newly registered refugees, by official GVN/USAID count:	
1965	772,000
1966	906,000
1967	463,000
1968	494,000
1969	590,000
1970	129,000
Registered in 1970, but generated earlier	281,000
1971	136,000
1972	1,320,000
1973 (as of July 1st)	718,700
Total	5,809,700
2. Cambodian repatriates, ethnic Vietnamese expelled from Cambodia in 1970	210,000
3. Estimated casualty and damage claimants, including some 1,000,000 temporarily displaced during Tet and May 1968, offensives	1,650,000
4. Displaced persons in PRG controlled areas and other nonregistered refugees from the 1972 offensive	700,000
5. Estimated nonregistered refugees, including some 1,000,000 in Saigon ineligible to register as refugees since 1964	2,000,000
Cumulative total since 1965	10,369,700

TABLE II.—STATISTICAL SUMMARY OF CIVILIAN WAR CASUALTIES IN SOUTH VIETNAM, 1965–73

Year	Officially reported hospital admissions [1]	Subcommittee casualty estimates including deaths	Subcommittee death estimates
1965	[2] 50,000	100,000	25,000
1966	[2] 50,000	150,000	50,000
1967	49,707	175,000	60,000

Year	Officially reported hospital admissions [1]	Subcommittee casualty estimates including deaths	Subcommittee death estimates
1968	86,993	300,000	100,000
1969	66,002	200,000	60,000
1970	59,663	125,000	30,000
1971	50,737	100,000	25,000
1972	52,901	200,000	65,000
1973 (through May)	21,452	40,000	10,000
Total	478,639	1,390,000	[2] 425,000

[1] Officially reported hospital admissions include admissions to GVN hospitals, as well as admissions to U.S. military hospitals—the latter admissions, however, account for little more than 24,000 of the cumulative total. Officially reported hospital admissions grossly understate the overall civilian war casualty problem, including deaths—during much of 1972, for example, no civilian war casualties, based on hospital admissions, were reported from areas of heavy fighting such as Quang Tri, Kontum, and Binh Long (An Loc)—officially reported hospital admissions exclude all civilian casualties treated elsewhere, those not treated at all, and most significantly, civilians who are killed outright or die before reaching treatment facilities.

By official count since 1967, women and children made up a significant proportion of hospital admissions—during 1972, for example, up to one-third of civilian war casualties were females 13 years old and older, and up to one-fourth were children 12 years old and under—thus, over 50 percent of civilian war casualty hospital admissions were children.

By official count since 1967, some 27 percent of civilian war casualty hospital admissions were attributed to shelling and bombing, some 20 percent to gunfire and grenades, and some 53 percent to mines and mortars—the Refugee Subcommittee estimates that well over 50 percent of civilian war casualties were attributed to GVN and U.S. firepower.

[2] Represent estimates, based upon hearings, field reports, and reports submitted over the years by the General Accounting Office.

TABLE III.—*Estimated Vietnam refugee generations, since March 31, 1972*

Military Region I	790,700
Military Region II	331,200
Military Region III	285,200
Military Region IV	247,700
National total	1,654,800

TABLE IV.—*Vietnam refugees in identified locations, status on July 13, 1973*

Military Region I	335,400
Military Region II	86,400
Military Region III	41,500
Military Region IV	8,000
National total	471,000

TABLE V.—POST-CEASE-FIRE VICTIMS OF MILITARY ACTION, STATUS ON JUNE 14, 1973

	Total affected	Current at home	Status displaced
Military region:			
I	58,700	37,200	21,500
II	39,700	26,500	13,200
III	127,100	127,100	0
IV	135,200	128,300	6,900
National total	360,700	319,100	41,600

RESOURCES FOR HUMAN DEVELOPMENT PROGRAMS

Mr. MOSS. Mr. President, yesterday I submitted testimony to the Labor-Health, Education and Welfare Appropriations Subcommittee discussing some of the most important budgetary matters facing this Congress. These comments deal directly with the need to rearrange the warped priorities presented in President Nixon's fiscal year 1974 budget. Because of the importance the debate over the budget has assumed this year, I ask unanimous consent to have my statement printed in the RECORD.

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

STATEMENT OF SENATOR FRANK E. MOSS (D-UTAH), UNITED STATES LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS

SUBJECT: RESOURCES FOR HUMAN DEVELOPMENT PROGRAMS

Mr. Chairman; and Members of the Subcommittee,

It is a pleasure to have the opportunity of giving you my views on one of the most important appropriation bills that comes before Congress. This Subcommittee is representing the Senate and the Nation well in establishing priorities in this legislation. You are to be complimented for your past record.

This Subcommittee faces a very large budget—one that covers most of the areas that President Nixon has singled out for cuts in his FY 74 budget request. The House has restored many of these reductions, but a number of areas still require increased funds.

Education

My State of Utah has long been in the forefront of progressive education. Utah provides public education from kindergarten to grade 12, and ranks among the top states in terms of the percent of personal income spent on education. In spite of this, its per pupil expenditure is below the national average.

So you can see that in spite of a considerable effort, Utah needs Federal assistance.

Impact aid

The struggle over funds for school districts impacted by Federal government activities continues from year to year. The House has done a substantial job of restoring funds for this program. The President would have eliminated funds for children of parents who work on Federal property but do not live on such property. These "category B" students have been restored to 65 percent entitlement by the House. It is my hope that this subcommittee would recommend that this figure be raised to 73 percent, which was last year's figure. An addition of approximately $60 million would accomplish this purpose. The House has already added over $300 million to the President's request. Under this program (P.L. 874) Utah received $7,879,421 in FY 72; $6,722,658 in FY 73; and was slated for only $1,958,000 under President Nixon's request for FY 74. Thanks to the House action, Utah would receive $8,169,000. The 34 districts in Utah which receive impact aid funds will better serve the needs of students if we continue to provide stable funding in this area.

Education revenue sharing is not the answer

Education Revenue Sharing plus Presidential budget cuts in education funds equals great difficulty for Utah. Utah would lose over $10 million if President Nixon's proposal were enacted. This information was supplied to me by the Governor of Utah and the Utah State Board of Education. Utah received $22,811,626 in FY 73. Under Education Revenue Sharing, the State would receive $12,313,000.

To depend on money for the program—which hasn't been spelled out clearly by the Administration, let alone not enacted—would be very irresponsible. The President's budget makes severe cuts in education, disguising the slashes under the veil of Education Revenue Sharing. It will take more than a billion dollars added to the President's budget to salvage the education programs from his meat ax cuts.

These cuts have been carried out in an arrogant manner that ignores the co-equal status of Congress and the President. The President's education spokesman has been quoted as saying that if Congress were not amenable to the Administration's approach, "We will not be able to do what Congress wants." The rather naive arrogance of this approach will make the fashioning of a proper budget even more difficult. The deception used in presenting ERS as an alternative will further aggravate the budgetary process, and that deception shows up very well in the examination of the ERS proposal.

When all is said and done, the President has proposed reductions in programs for the disadvantaged, and the handicapped, as well as for vocational and adult education, library programs, and many of the indirect programs that assist higher education (and, therefore, do not flow through the Office of Education budget, such as research grants and manpower training programs). A careful examination of the Education Revenue Sharing proposal is a good lesson in the sleight-of-hand practiced by the Administration in the FY 74 budget. An examination will blow away the advertising smoke screen that has covered the fact that this Administration has given the lowest commitment to education of any of the previous five Administrations.

The whole ERS proposal ignores the fact that the present education programs already funnel money directly to state and local entities; many of the programs already send money on an automatic formula basis directly to local school districts and state education agencies. It is contradictory and ridiculous to change existing revenue sharing programs into Nixon revenue sharing programs.

It would appear that one prime purpose of ERS is to disguise cutbacks in education programs.

The ERS proposal would consolidate many grant programs into five main areas. The money for these programs would go to the State. Some of that money would "pass through" directly to local educational authorities.

Amounts received from the ERS formula for disadvantaged children must be passed through to local authorities in accordance with the number of children of low income families in the district. There are, however, three restrictions on this allotment which are questionable. First, the state may withhold any part of the funds they feel are necessary for the state to educate neglected or delinquent children. Second, unless the district merits at least $10,000, it gets no money. Third, if the district does not provide comparable education services in all schools, it can get no money. All of these clauses are wide open loopholes for an Administration that has chosen to use flexibility to hamper programs and eliminate them.

The Administration previously argued that ERS would reduce paperwork necessary in education programs. Under questioning before a Congressional Committee, it was learned that man hours in the Office of Education would not be reduced. They would merely be redirected; men doing paper work in Washington were going to be sent to the states to help them handle the distribution of the money.

Hearings on the 1971 ERS bill revealed that education experts in most states felt that funds for education of the handicapped very probably would be transferred to other areas by states under the ERS proposal. This conclusion was reached by polling state directors of special education.

So it becomes apparent that education revenue sharing is not really designed to help the education community. The proposal comes at a time when many of the present programs are beginning to bear good fruit. ERS would open up many of these programs to renewed pressures for the diversion of their funds to other areas of the education budget that may have more political clout. I recently received a letter from one school administrator clearly laying out the advantages of the present categorical aid programs. I ask for inclusion of that letter at this point in my remarks.

The Honorable FRANK E. MOSS,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: The President's intentions to cut back domestic programs has created concern in the minds of many citizens throughout our great country. I am one who is greatly disturbed with his attitude

toward education and his commitment to eliminate titles III, V, and VII of ESEA and to drastically cut back title I.

I hear the President and others tell us that many of our educational programs have not worked in the past so let's cut them out. I would like to share with you some first-hand experiences I have had with title III and title I in an attempt to refute that statement in part.

As a school principal, I had the opportunity to conduct an educational experiment under the title III program which has had far reaching effects upon education in Utah and elsewhere. I have enclosed a copy of an article which appeared in the Parade magazine a few years ago describing part of that experiment. I am also enclosing a copy of our school brochure. Although one cannot evaluate this experiment adequately by reading these two articles, you might get a feel for the program anyway. I have written an article reporting the student achievement results over a two-year period which will be published sometime in the next few months in the Educational Technology magazine. The results were significant not only in the cognitive area but the affective area as well. Representatives from the Italian government filmed a documentary on our school which was shown throughout Italy, and visitors from all over the world have come to see the program. Without title III money we would not have had the resources to do what we did.

As a school superintendent I operated a title I program on the district level. I am now the State Director for Title I in Utah. This program has made a significant impact upon education in Utah. I have just completed the evaluation report for last year. The students who qualify for title I usually make about a .3 to .6 grade equivalent growth per year. Last year the average growth in math for these students all across the State was 11.7 months in a nine-month period. The average growth in reading was 12.6 months over a nine-month period. We feel that the title I program in Utah has been very successful. The data would indicate that we are right.

I would like to make just one more point in a letter which is already too long. The point I would like to make relates to categorical funding vs. general funding. As a former school superintendent I sat across the bargaining table with a teachers' negotiating team in an attempt to get some agreement on basic salary issues. Monies that were not earmarked for some particular educational purpose were eventually thrown into the salary pot. Categorical funds were used for the purposes for which they were designed, because they could not be negotiated away.

I sincerely hope that you will do what you can to save ESEA or some similar type program. To cut back title I or to do away with it entirely would, in my opinion, be a large step backwards.

Most sincerely yours,

_____ _____.

Therefore, the action by the House in restoring funds for the Elementary and Secondary Education Act, Title I (Educationally deprived children) to the level of FY 1972 appropriations is to be commended. This program is just beginning to get funds to each level that can make meaningful contributions. To cut out a program just after it has gone through a "shakedown" is a very poor method of implementing social problems. Instead, an addition of $200 million to the ESEA Title I program is certainly justified.

I would also support additional funds of $100 million to be spread over ESEA programs designed to strengthen departments of education, provide bilingual education, follow-through, and equipment funds.

Libraries

Have libraries in America suddenly become outdated? The Administration has requested absolutely no funds for library programs for FY 74. These cuts would do severe damage to public libraries, college libraries, elementary and secondary school libraries, and programs designed to provide new innovative library resources to remote areas.

The House is to be commended for restoring funds to this program in the amount of $176 million, but we should at least match the appropriations for FY 73 with a small cost of living increase. This would mean an increase of $60 million over the House figure.

Higher education

Though the President provided some increases in programs under higher education, many areas received reductions. We need more work study funds, not less. We need more direct-student loan programs, not a phase-out of them. The House Committee has shown good judgment in increasing these figures, and those increases deserve our support.

Congress must ensure that the Federal government follows the laws of the land. The law passed last year and signed by the President authorizing the student assistance program *requires* that money be provided for direct loans and supplemental opportunity grants *before* funds are allocated to the new program called Basic Opportunity Grants. In spite of this, the Nixon budget calls for no money in the supplemental opportunity grants program and only $5 million in direct loans. Congress must fund these student assistance programs in the fashion outlined by the law the President signed last year.

Vocational education

In the State of Utah, local districts spend $2 for every $1 earmarked by the State of Utah for vocational education programs. Funds provided to the state through Federal Vocational Education programs therefore have a "snowballing" effect and attract further support throughout the educational system.

Because of the importance of this program to the future job markets of America, the subcommittee should consider giving at least a 10 percent increase to vocational education funds over the FY 73 appropriation level. This would mean approximately $100 million more than the House has recommended.

The vocational technical field supplies 80 percent of new workers for skilled jobs in the United States. The training provided by such education helps to close the unemployment gap. This is a vital and important program and should continue to expand.

Funds for the handicapped

As a country, we are barely scratching the surface of the needs of those who have special handicaps. The Administration request for reduced funding in this area is remarkably insensitive to the needs of those who have an uphill battle in life. The House increase of $50 million, which brings the appropriation to the same level as FY 73, is a step, but at least $50 million should be added to the House figure. Special education now reaches 40 percent of those who need it nationally, my own state reaches 55 percent of such students, which is still a long way from the 100 percent that we ought to reach.

Our policy for years has indicated that we do not want these children to be closed off in remote care centers. We want to help them. But our money has not matched these commitments.

HEALTH PROGRAMS

Congress should support the President's stated objective of simplifying the medical and health delivery system in this country. Simpler governmental procedures and the decentralization of many decisions will benefit all concerned.

The shocking thing about the President's budget is that it does not accomplish the President's stated objective of delivering health care directly to neglected areas. The President has cut programs to reduce treatment of alcoholism, reduced many areas of health research, cut funds for the Community Mental Health staff, and eliminated Community Health Facilities Grants.

Area health center programs provide a good example of how we can make programs work if we draft proper regulations and supply adequate funds. We must expand the programs that actually take health care out to those who presently receive far too little. The President, however, proposes no money for comprehensive health services planning grants, and a reduction in the comprehensive health planning program. His cuts in the Office of Economic Opportunity programs could lead to a decline in the number of neighborhood health facilities funded by that agency.

Incredibly, the President believes that he can hide cuts in virtually every area of health research under the guise of increased funds for research on cancer and heart disease. Have dental problems, arthritis, strokes, multiple sclerosis, and Parkinson's disease disappeared from the American population? Is mental retardation no longer a problem? We need increases in research activities other than cancer and heart disease so that they could continue to expand their investigations. Under the Nixon proposal, these programs would face substantial cuts. The President's cuts are not responsible and Congress must repair them.

Medical school cuts

The medical schools of the country have been very hard hit by the Nixon budget. If we kill many research programs, eliminate medical construction funds, kill or reduce the capitation grants to medical schools, then medical education and eventually the consumers of health care across the country will be irreparably damaged. These are not responsible budget cuts—they are attacks on many of the most responsible elements of American Society. The public wants and will support efforts to improve and expand the medical research and delivery system in this country.

The University of Utah College of Medicine in my own state provides an excellent example of the breadth of the President's budget cuts. The reductions projected in the President's budget request, when applied to the U of U College of Medicine, would equal 40 percent of the Federal funds received by the school. Federal support constitutes 73 percent of the total funds of the school, so this is an extremely severe cutback.

This would require a cut of 46 full-time faculty members and 200 full- or part-time staff members. The cut alone would amount to twice the amount of money supplied by state appropriations. So it is clear that this school will not be able to go to the State Legislature to request funds to cover the Federal reductions.

Community mental health programs

Community Mental Health Programs have had a particularly important growth in the State of Utah in recent years. The recognition of the excellence of these programs has come from two rather disparate sources: The National Institutes of Mental Health, and Ralph Nader's Mental Health Task Force. These programs in Utah have brought mental health care to people in their communities, regardless of the income level of the persons to be treated. They have also reached out to remote areas in Utah to provide care in the rural regions of the state.

Federal officials have labeled the Weber County Comprehensive Mental Health Program as "very impressive," and Franklin Chu, co-author of last year's "Nader Report" on mental health said that Utah was developing an exceptionally good set of mental health centers. More people are being served through this program than through the old system of state hospitalization, and treatment is finding much greater success. We have applications at the Federal level for

mental health centers in Bear River and Murray-Jordan in Utah.

Unless we continue to expand the Community Mental Health Center Program, regions of my state, and regions of all states throughout the country, will not receive the full benefits of this program. A half-done job must not stop. It must continue until it is done properly and done completely. I have enclosed at the end of my statement two news articles dealing with the very successful programs in Utah.

Yet the President has proposed eliminating Federal funds for these activities. He has done so because he says the Community Mental Health Program has been so successful that it does not need Federal support. Yet studies conducted of the programs show that while they have succeeded in many respects, their potential certainly has not been met. Many Community Mental Health Centers cannot afford to provide care for all those who cannot pay. The recommendations of experts who have reviewed the program clearly state that it must receive expanded Federal support if it is to make the programs available to all.

We ought to add $20 million to the $38 million increase provided by the House in Mental Health Training Programs. This is a modest increase over the FY 73 level. Hopefully, the Senate will add $15 million to the construction of Community Mental Health Centers. An additional $30 would also be needed to staff Community Mental Health Centers, above and beyond the House increases.

The health of the elderly

The President has made his major health care reduction fall upon the elderly. The Administration has claimed that by revising the co-insurance payment program under Medicare, the elderly will actually benefit. The recommendation is to increase co-insurance payments under Medicare by 10%, beginning with the second day of hospitalization. At the present the first sixty days are excluded under Medicare.

It was revealed in hearings before the Senate Labor and Public Welfare Committee recently that the Administration did not know how many days a person would have to stay in the hospital before their new proposal would actually benefit the patient.

Computations by that Committee indicate that a person would have to be hospitalized more than 100 days! Only seven-tenths of one percent of the elderly people who enter hospitals stay for more than one hundred days, and a large proportion of these are terminal cases. The proposal is a sham and a fraud. It should be rejected. To undo this Presidential mistake will increase the Federal budget by at least $690 million.

Congress and the President should join together and reform many of the basic health programs of the Federal government. Instead, the Administration has chosen simply to eliminate many of them. I strongly support an effort to focus and direct these programs so that they deliver the research we desire and deliver facilities and health services to those who actually need them. We must enact laws and regulations that accomplish this. We will also need increased funds for such carefully defined programs.

Other health programs

We have just begun to deliver health care to migrant workers. The President, however, must feel that we have already done enough, for he simply asks for level funding of the Migrant Health Program. This is not enough; we must expand and increase our efforts to reach one of the most neglected elements of the American society.

The increases made by the House in the drug abuse program seem very laudable to me and the Senate would seem well-advised to agree to those. I was disappointed, however, in the cuts in the alcoholism program supported by the House action. If the Senate could provide a modest increase over the FY 73 level, which would take an addition of $50 million, it would be providing a substantial public service. Increases are also justified above the House recommendations in the following amounts: comprehensive health planning, $10 million; comprehensive health service migrant health branch, $6 million; maternal and child health programs, $20 million; preventive health services, $40 million; National Institutes of Health, $200 million.

The health of America depends significantly on research funded at the Federal level and health program innovations that need assistance from Federal funds. These programs are national, not local. Germs, birth defects, emergency medical care, and such health problems do not respect state boundaries. We will have a more efficient medical system if we coordinate such work at the Federal level and use Federal funds to help carry the burden of financing research in medicine.

Restored funding should appear in most areas of health appropriations. While Congress should support the idea of reforming our health care programs at the Federal level, we should continue our present programs until that occurs.

HELPING THE UNEMPLOYED AND UNDEREMPLOYED

President Nixon has suggested cutting Labor Department appropriations $1.44 billion from the level funded in FY 73! He has also recommended the phase-out of the public employment program, a program that has proven to be the cheapest way of cutting unemployment.

"What good is the work ethic if there is not enough work?"

The public employment jobs program which President Nixon has slated for elimination created approximately 160,000 jobs per year through an appropriation of slightly more than $1 billion per year. This figure rises to 200,000 jobs if we include part-time work. For every billion dollars spent on military procurement, on the other hand, there is a creation of only 55,000 jobs.

Buying jobs with Federal dollars instead of weapons systems makes sense economically and makes sense on humanitarian grounds. Economist Arthur Okun has demonstrated that a 1% reduction in unemployment creates a $30 billion increase in the Gross National Product. Therefore, this increases the U. S. Treasury revenues by $10 billion.

The PEP program has served the city of Salt Lake as well as 14 counties in Utah. The April report of the Department of Labor lists these recipients:

EMERGENCY EMPLOYMENT ACT, DISTRIBUTION OF FUNDS MAR. 19, 1973–JUNE 30, 1974, SEC. 5, SEC. 6, AND DISCRETIONARY

State, program agent, and subareas	Sec. 5			Sec. 6	Discretionary fund—Summer youth	Total
	Local jobs	State jobs	Total			
Utah	$1,812,400	$1,504,700	$3,317,100	$1,127,200	----------	$4,444,300
Salt Lake City	318,300	384,400	702,700	292,100	----------	994,800
Davis County	136,300	----------	136,300	105,600	----------	241,900
Balance of Salt Lake County	327,000	22,500	349,500	----------	----------	349,500
Utah County	454,600	131,200	585,800	299,600	----------	885,400
Weber County	576,200	103,300	679,500	132,300	----------	811,800
Balance of Utah	----------	863,300	863,300	297,600	----------	1,160,900
Box Elder County				25,900	----------	25,900
Cache County				32,600	----------	32,600
Carbon County				38,100	----------	38,100
Duchesne County				20,600	----------	20,600
Millard County				20,600	----------	20,600
San Juan County				44,900	----------	44,900
Sanpete County				35,300	----------	35,300
Summit County				20,000	----------	20,000
Tooele County				36,000	----------	36,000
Wasatch County				23,600	----------	23,600

By eliminating the public jobs program, jamming manpower training program together into the manpower revenue sharing proposal, and shoving them in the direction of state and local governments through manpower revenue sharing, the President has attempted to place the onus and burden of unemployment on the backs of mayors and governors. But Mr. Nixon will not be able to shift the responsibility for such an act from the Office of the Presidency.

The management of the general economy can only be conducted from the national government. Unemployment is and must be a Federal concern. It is imperative that we reinstitute the public service jobs program and restore the remainder of the manpower administration programs. We must restore the proper processes of government by disallowing the manpower revenue sharing proposal the Nixon Administration is attempting to implement by executive decree. This bold-faced action flies in the face of Congressional votes rejecting this proposal. Respect for the law and compassion for the unemployed are examples that ought to flow from the Federal government. If the President chooses not to fill such a role, Congress must.

The President's budget callously kills the Neighborhood Youth Corps Summer Job Program. I have joined with many other Senators in protesting this cut and in pointing out that the Emergency Employment Act of 1971 will not meet the employment needs of our poor youth. Only 9.8% of these jobs are held by poor youth. If we really care about curbing urban crime, we will restore the Neighborhood Youth Corps Program. The courts have forced the Administration to release $239 million for NYC this summer, but NYC's program for next summer may depend on the action of this Subcommittee.

This Subcommittee would do a great service if it would include funds to operate the Public Service Jobs Program at the same level as FY 73, which would be $1.2 billion. An additional $200 million for the remainder

of Manpower Administration programs and $300 million for the Neighborhood Youth Corps would allow job training and employment services to keep pace with the growing complexity of our economy and labor market structure.

OFFICE OF ECONOMIC OPPORTUNITY

A real attack on poverty in America requires the passage of the President's welfare reform proposal, with amendments. Unfortunately, the President has not chosen to reintroduce this proposal or commit himself to its passage. This reform proposal would cost billions of dollars from the Federal treasury, but those billions of dollars would be well invested in the creation of better work incentives and greater equality. Tax revenues would increase to the Federal government through the employment that would occur under such a welfare proposal.

Instead of driving forward with his own imaginative proposal, the President has in a curious fashion virtually reversed himself and now proposes the elimination of even the meager efforts of the Office of Economic Opportunity. The elimination of poverty will cost billions of dollars; the poverty program only attracted a small drop in the bucket of the funds needed to attack this major social problem. Realizing this inadequate funding, OEO has worked on selected problems, such as pre-school education. In the process, however, it has aided in the development of leadership and created a voice for the poor in governmental decision processes. Through their Community Action Programs the poor now can present a common voice in decisions about placement of transportation systems, public building, and tax supported public service activities. Other segments of society can usually afford to finance their own access to such decisionmaking bodies, but the poor cannot.

The action of dismantling OEO fits the pattern in the Nixon budget: many of the programs scattered through the budget benefitting the poor are scheduled for cuts or elimination. The poor will have to fight a new battle (under the Nixon plan) to regain these programs at the state and local level. To further hamper this effort, the President is going to disband their army so they will not be able to wage an effective war to retain these programs even at the state and local level.

The irony and tragedy of these proposals is apparent. The odd criteria used in cutting programs appears in the slated elimination of the OEO program. After years of difficulty, conflict, and frustration, the poverty program has modified its approach and has learned to work with local community leaders. It has only been in the past few years that many of the local mayors in the country have come to agree upon a mutually defined role for the poor and the poverty program in their community. Now that this accommodation has worked out and cooperative efforts have begun, the Nixon Administration claims that the program is not succeeding and should be eliminated. Actually, it's successes have just begun.

The Community Action Programs have just reached the point where low income residents were beginning to be able to negotiate with local governments and private interests in a respectable and effective fashion. To cite an example from my own state, these groups in Salt Lake County have now been involved effectively in zoning decisions providing lawmakers with information that is not available without such participation. A Neighborhood Council of the poor has helped in the planning of a comprehensive health facility in Salt Lake County. Similar information has benefitted city planning decisions regarding housing, zoning and neighborhood improvements. If we disband such efforts we will simply return to an elite planning process that will eventually lead to further misunderstanding and conflict.

How do we measure the result when the members of the community actually develop the belief that they are able to talk with the mayor? That is "their" community leader, and that they can deal with him in a meaningful way? The Community Action Programs can help foster this belief and to provide a representational voice for a segment of society that cannot afford to do so on its own. We are a participatory democracy, and we cannot simply refuse entrance to those who are preoccupied with the hand-to-mouth existence burdening so much of the poor. Poverty is not simply lack of money; it is also lack of involvement and lack of full citizenship in the processes of the entire community.

If OEO is eliminated, one thousand Community Action Programs across the country will die. Few, if any, will be picked up by local communities that are already strapped for available funds. OEO will fire 435 of the 1935 Federal OEO employees, with 1500 others being transferred to other programs. Actually the cuts are much deeper. Of the 1500 left, 834 will go to General Services Administration to help liquidate OEO facilities, and then 538 of these will lose their jobs by June 30, 1974. The actual firing over the total time will be 973, not the 435 mentioned by the Administration.

Once again, we are supposed to create a work ethic by firing workers. Instead, Congress should not only extend the poverty program, we should expand it. It will not eliminate poverty—only significant welfare reform can do that—but it can help create a community voice and develop leadership so that the poor can participate in society. Welfare reform and the present poverty program go hand in hand.

The House has made a very substantial first step to restore the programs of the Office of Economic Opportunity. But the figure provided by the House is still much less than half of the FY 73 appropriation for OEO. The funding for the Legal Services Program must come from this same appropriation. It would therefore seem appropriate to add $170 million to the OEO appropriation to bring the total figure to $500 million, still considerably less than previous appropriations for OEO.

SUMMARY

This statement requests substantial—billions of dollars—for human resource activities funded through Federal programs. Where will the money come from? In a previous statement made before the Defense Appropriations Subcommittee, I called for budget reductions that more than offset the increases requested in this statement for human resource activity.

We face a matter of priorities. Development of human potential stands higher than the development of complicated esoteric weapon systems that duplicate existing defense strategic weapon systems. The Congress must never take action that will weaken our defense posture, but we must make sure that unnecessary weapons are not built at the expense of needed human resource programs. A responsible readjustment by the Senate of the budget requests submitted by the executive branch is a necessity and this Subcommittee's efforts to do so will receive my strong support.

Local Mental Health Programs Praised by National Visitor

A top federal official from the National Institute of Mental Health (NIMH) described the Weber County Comprehensive Mental Health program as "very impressive" during a tour of the center and its satellite facilities.

B. J. Sadesky, assistant director for programs management with the NIMH service programs division, praised the scope of participation by the community in the mental health center and said Weber County is a leader in developing innovative programs.

TWO OFFICIALS

Mr. Sadesky was accompanied by two regional NIMH officials from Denver—acting associate mental health director Ted Fasso and clinical psychology consultant Dr. Stanley C. Mahoney.

Described his visit as a "learning" tour, Mr. Sadesky indicated he and another key federal official have been examining mental health programs throughout the nation to find new means of providing mental health services.

"It is certainly impressive to see what is being developed here . . . particularly in the context of services within the community," the NIMH official told newsmen.

"I'm also impressed by the extent the Weber County center has gone to in tapping existing community resources and developing others as needed," he continued.

"They seem to have tapped most resources here; and those they haven't tapped . . . they're getting ready to."

Mr. Sadesky said there is a shift in federal thinking that supports the concept of community mental health where services are provided by local agencies.

LAUDED ROLE

He lauded the Weber County Mental Health program for its role in pioneering community outpatient treatment and keeping people out of institutions such as mental hospitals.

"I have never, in my visits, seen anything quite like Problems Anonymous Action Group," Mr. Sadesky told reporters.

"While we really haven't had time to examine the program it certainly appears to be a good way of helping people who otherwise would not work out well in the community," he added.

Mr. Sadesky also was complimentary of the progressive approach to mental health that has become a trademark of the Weber County Center.

"They are not satisfied with what they have and keep moving on in new directions," the federal official observed.

"There are other extensive programs throughout the country . . . and I would have to say that this is among those programs which have successfully extended themselves," Mr. Sadesky concluded.

Mr. Fasso said that the Weber County Mental Health Center has been a "showcase" for innovative programming that has drawn numerous visitors from as far away as Norway.

"I think this center demonstrates there are community solutions to community problems," he pointed out.

IN CONCEPT

Dr. Mahoney told newsmen that the strength of Weber County's program lies in the concept that "you can't tell where the community leaves off and the center begins."

Both regional officials were highly complimentary of the independent Chicano crisis intervention and pre-school programs carried out by the Weber Council of Spanish Speaking Organizations.

Coordinated through the mental health center, these programs are funded by federal grants made to the independent non-profit council and specifically geared to aid the Chicano community.

Utah Exception, Says Nader Aide

State Mental Hospitals across the nation are "horrible places" but Utah is developing an exceptionally good set of mental health centers, exceptions to the national trend.

That view of mental health treatment came Thursday from Franklin D. Chu, co-author last year of the Nader report which scathed state hospitals throughout the nation.

He visited mental health centers functioning as community operations in Salt Lake Valley, Ogden and the Four Corners area this week.

The Nader publication which advocates the "longrange demise of state hospitals," will be revised and strengthened this fall, Chu said.

The Harvard social studies and political science major, had nothing but criticism for the state hospitals and said mental health centers in other states exist "in confusion."

The state institutions are "essentially dumping grounds for unwanted persons and institutions for political coersion," Chu charged.

He said the majority of people now in state hospitals "don't belong there for mental treatment." Instead, they should be elsewhere and receiving a whole variety of treatments," including medical health and a job.

Community mental health centers such as the three in Salt Lake Valley and western Utah were "supposed to supplant state hospitals" and be a broad program of which mental health treatment is only a part, Chu continued.

Although admitting his impressions Thursday, were "superficial" Chu gave good reports on the Utah centers other than the Provo State Hospital which he had not visited. "I'm very encouraged at what I've seen at the centers, the staffs are very enthusiastic and warm," Chu reported.

THE 18TH ANNUAL REPORT ON UNCOLLECTED FEDERAL TAXES

Mr. PROXMIRE. Mr. President, today I am reporting to the Congress and the American people on uncollected Federal taxes. With this report I am continuing a practice started in 1955 by Senator Williams of Delaware of inserting an inventory of delinquent and uncollectible taxpayer accounts in the CONGRESSIONAL RECORD for public inspection.

A report was prepared in 1971 by Senator BENNETT but this annual practice has since lapsed. I intend to provide this report to the American people on a yearly basis from this point forward.

The figures used in this report are not the usual tax obligations for 1972, which are not due until April 15, 1973. Rather, the data represent delinquencies for prior periods that were past due in 1972.

Basically there are two classes of uncollected taxes—those that are delinquent and those that are uncollectible. Accounts are classified as delinquent only after a series of attempts to collect the taxes have failed. Accounts are classified as uncollectible, according to former Internal Revenue Commissioner Randolph Thrower, only when—

The likelihood of collection is so remote that it would be unwise to devote further manpower to them when it can better be used on more productive work.

Uncollectible taxes are not necessarily forever lost to the Government. The most common examples in this category are no-asset cases, taxpayers who cannot be located, and those where collection would cause undue hardship to the taxpayer or his family.

On the national level, taxes written off as uncollectible rose by 3 percent in 1972 to the highest figure in the Nation's history—$505,130,000. The 1971 figure was $490,665,000. Delinquencies rose by 5 percent to a whopping $2,156,541,000. This figure, up from 1971's $2,053,257,000, represents the second highest total in the delinquent tax category.

This means that in total $2,661,671,000 worth of taxes went uncollected in calendar year 1972, an increase of $117,749,000 or 5 percent from the previous year's value of $2,543,922,000.

If we look at the specifics of the delinquent tax accounts the situation is even more shocking. Delinquent employment taxes rose 14 percent, from $690,979,000 to $787,484,000, in 1972. Employment taxes are those collected by employers including income taxes withheld from employees' pay checks, employee and employer contributions for social security, and Federal unemployment compensation taxes. The point here is that these employment taxes are, in essence, trust funds held by the employer. He has no right to use the funds in the course of normal business operations. This is an inexcusable increase in delinquent employment tax accounts at a time when a substantial Federal deficit is contributing to the inflationary cycle in this country. It is inexcusable that there should be any delinquencies in this category.

Some aspects of the performance in the international operations region also leave a great deal to be desired. Uncollectible taxes more than tripled between 1971 and 1972. Whereas $8,287,000 was uncollectible in 1971, $27,443,000 was uncollectible 1-year later. Moreover delinquent international employment taxes showed a 45 percent increase from $8,437,000 in 1971 to $12,218,000 in 1972. Again, these employment taxes are held in trust by the employer—he cannot use the money for any other purpose. This poor record of collection merits special attention.

These figures raise serious questions regarding the tax collecting performance of the Internal Revenue Service. We all have to pay taxes. It is no fun. But it is especially galling to think that billions of dollars are going down the tax delinquency rathole.

I intend to press forward in an effort to tighten up IRS collection procedures so that, at the very least, our employment tax record improves.

Included in this report is a series of 4 charts which will show how each of the 58 domestic and 2 international districts are functioning with regard to their collection duties. Chart No. 1 is an inventory of taxpayer uncollected accounts, broken down into regions and districts and into uncollectible and delinquent categories. It compares the performances in 1972 with those in 1971.

Chart No. 2 takes the delinquent account portion of chart No. 1 and divides it into income, employment, and other tax groups. Inactive accounts are included in the delinquency totals. Again, the region and district records for 1972 and 1971 are shown.

Chart No. 3 takes the uncollectible account portion of chart No. 1 and lists the number and amount of uncollectibles for these 2 years. The breakdown is also by district and region.

Chart No. 4 contains data from the 1972 Commissioners Annual Report from the Department of the Treasury dealing with the total amount of collection made by the IRS in each of the offices. These figures are provided in order to illustrate how offices with comparable levels of collection fared against each other.

Mr. President, I ask unanimous consent that the above-described charts be printed in the RECORD.

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

CHART 1.—INVENTORY OF TAXPAYER UNCOLLECTED ACCOUNTS, AS OF DEC. 31, 1972 AND 1971

[In thousands of dollars]

	1972	1971
REGION		
North Atlantic:		
Marked off as uncollectible	90,506	87,595
Balance delinquent a/c Dec. 31	514,542	507,441
Total uncollected taxes	605,048	595,036
Mid-Atlantic:		
Marked off as uncollectible	58,707	55,704
Balance delinquent a/c Dec. 31	331,732	310,567
Total uncollected taxes	390,439	366,271
Southeast:		
Marked off as uncollectible	73,520	68,643
Balance delinquent a/c Dec. 31	244,921	216,692
Total uncollected taxes	318,441	285,335
Central:		
Marked off as uncollectible	59,744	50,874
Balance delinquent a/c Dec. 31	206,202	178,223
Total uncollected taxes	265,946	229,097
Midwest:		
Marked off as uncollectible	49,901	39,978
Balance delinquent a/c Dec. 31	219,196	188,013
Total uncollected taxes	269,097	227,991
Southwest:		
Marked off as uncollectible	62,970	57,887
Balance delinquent a/c Dec. 31	268,734	282,487
Total uncollected taxes	331,704	340,374
Western:		
Marked off as uncollectible	82,339	121,697
Balance delinquent a/c Dec. 31	282,496	270,703
Total uncollected taxes	364,835	392,400
International operations:		
Marked off as uncollectible	27,443	8,287
Balance delinquent a/c Dec. 31	88,718	99,131
Total uncollected taxes	116,161	107,418
Total:		
Marked off as uncollectible	505,130	490,665
Balance delinquent a/c Dec. 31	2,156,541	2,053,257
Total uncollected taxes	2,661,671	2,543,922
NORTH ATLANTIC REGION		
Albany, N.Y.:		
Marked off as uncollectible	3,632	5,600
Balance delinquent a/c Dec. 31	14,941	13,879
Total uncollected taxes	18,573	19,479
Augusta, Maine:		
Marked off as uncollectible	2,091	628
Balance delinquent a/c Dec. 31	4,482	4,816
Total uncollected taxes	6,573	5,444
Boston, Mass.:		
Marked off as uncollectible	20,201	10,692
Balance delinquent a/c Dec. 31	62,942	67,250
Total uncollected taxes	83,143	77,942
Brooklyn, N.Y.:		
Marked off as uncollectible	21,478	24,583
Balance delinquent a/c Dec. 31	99,325	93,397
Total uncollected taxes	120,803	117,980
Buffalo, N.Y:		
Marked off as uncollectible	5,788	5,366
Balance delinquent a/c Dec. 31	31,257	33,242
Total uncollected taxes	37,045	38,608
Burlington, Vt.:		
Marked off as uncollectible	553	458
Balance delinquent a/c Dec. 31	3,590	3,169
Total uncollected taxes	4,143	3,627
Hartford, Conn.:		
Marked off as uncollectible	6,951	3,600
Balance delinquent a/c Dec. 31	34,486	29,615
Total uncollected taxes	41,437	33,215
Manhattan, N.Y.:		
Marked off as uncollectible	27,400	33,721
Balance delinquent a/c Dec. 31	251,077	251,506
Total uncollected taxes	278,477	285,227

	1972	1971
Portsmouth, N.H.:		
Marked off as uncollectible	1,342	1,451
Balance delinquent a/c Dec. 31	4,239	3,729
Total uncollected taxes	5,581	5,180
Providence, R.I.:		
Marked off as uncollectible	1,070	1,496
Balance delinquent a/c Dec. 31	8,203	6,837
Total uncollected taxes	9,273	8, 3
MID-ATLANTIC REGION		
Baltimore, Md.:		
Marked off as uncollectible	6,924	9,104
Balance delinquent a/c Dec. 31	78,275	62,579
Total uncollected taxes	85,199	71,683
Newark, N.J.:		
Marked off as uncollectible	13,551	22,667
Balance delinquent a/c Dec. 31	118,057	111,324
Total uncollected taxes	131,608	133,991
Philadelphia, Pa.:		
Marked off as uncollectible	13,223	12,593
Balance delinquent a/c Dec. 31	74,341	63,185
Total uncollected taxes	87,564	75,778
Pittsburgh, Pa.:		
Marked off as uncollectible	17,618	4,560
Balance delinquent a/c Dec. 31	29,219	41,014
Total uncollected taxes	46,837	45,574
Richmond, Va.:		
Marked off as uncollectible	6,440	5,957
Balance delinquent a/c Dec. 31	27,017	27,402
Total uncollected taxes	33,457	33,359
Wilmington, Del.:		
Marked off as uncollectible	951	823
Balance delinquent a/c Dec. 31	4,823	5,063
Total uncollected taxes	5,774	5,886
SOUTHEAST REGION		
Atlanta, Ga.:		
Marked off as uncollectible	14,573	8,317
Balance delinquent a/c Dec. 31	33,937	28,474
Total uncollected taxes	48,510	36,791
Birmingham, Ala.:		
Marked off as uncollectible	4,538	3,307
Balance delinquent a/c Dec. 31	23,259	21,139
Total uncollected taxes	27,797	24,446
Columbia, S.C.:		
Marked off as uncollectible	2,752	2,609
Balance delinquent a/c Dec. 31	14,033	9,412
Total uncollected taxes	16,785	12,021
Greensboro, N.C.:		
Marked off as uncollectible	4,195	3,697
Balance delinquent a/c Dec. 31	25,788	24,506
Total uncollected taxes	29,983	28,203
Jackson, Miss.:		
Marked off as uncollectible	7,089	3,752
Balance delinquent a/c Dec. 31	9,855	7,723
Total uncollected taxes	16,944	11,475
Jacksonville, Fla.:		
Marked off as uncollectible	35,028	39,203
Balance delinquent a/c Dec. 31	111,988	99,777
Total uncollected taxes	147,016	138,980
Nashville, Tenn.:		
Marked off as uncollectible	5,345	7,758
Balance delinquent a/c Dec. 31	26,061	25,661
Total uncollected taxes	31,406	33,419
CENTRAL REGION		
Cincinnati, Ohio:		
Marked off as uncollectible	8,132	6,454
Balance delinquent a/c Dec. 31	28,421	22,296
Total uncollected taxes	36,553	28,750
Cleveland, Ohio:		
Marked off as uncollectible	12,879	16,141
Balance delinquent a/c Dec. 31	29,586	28,661
Total uncollected taxes	42,465	44,802
Detroit, Mich.:		
Marked off as uncollectible	18,125	13,456
Balance delinquent a/c Dec. 31	79,929	64,480
Total uncollected taxes	98,054	77,936
Indianapolis, Ind.:		
Marked off as uncollectible	15,216	8,162
Balance delinquent a/c Dec. 31	37,964	37,436
Total uncollected taxes	53,180	45,598
Louisville, Ky.:		
Marked off as uncollectible	4,200	4,688
Balance delinquent a/c Dec. 31	19,919	17,341
Total uncollected taxes	24,119	22,029
Parkersburg, W. Va.:		
Marked off as uncollectible	1,192	1,973
Balance delinquent a/c Dec. 31	10,383	8,009
Total uncollected taxes	11,575	9,982
MIDWEST REGION		
Aberdeen, S. Dak.:		
Marked off as uncollectible	223	185
Balance delinquent a/c Dec. 31	3,135	2,726
Total uncollected taxes	3,358	2,911
Chicago, Ill.:		
Marked off as uncollectible	26,538	15,623
Balance delinquent a/c Dec. 31	99,376	87,682
Total uncollected taxes	125,914	103,305
Des Moines, Iowa:		
Marked off as uncollectible	2,839	1,711
Balance delinquent a/c Dec. 31	8,055	8,271
Total uncollected taxes	10,894	9,982
Fargo, N. Dak.:		
Marked off as uncollectible	251	373
Balance delinquent a/c Dec. 31	1,758	1,483
Total uncollected taxes	2,009	1,856
Milwaukee, Wis.:		
Marked off as uncollectible	4,207	4,698
Balance delinquent a/c Dec. 31	20,001	18,514
Total uncollected taxes	24,208	23,212
Omaha, Nebr.:		
Marked off as uncollectible	973	907
Balance delinquent a/c Dec. 31	10,456	7,431
Total uncollected taxes	11,429	8,338
St. Louis, Mo.:		
Marked off as uncollectible	8,887	8,115
Balance delinquent a/c Dec. 31	45,243	31,985
Total uncollected taxes	54,130	40,100
St. Paul, Minn.:		
Marked off as uncollectible	4,236	6,227
Balance delinquent a/c Dec. 31	20,226	20,256
Total uncollected taxes	24,462	26,483
Springfield, Ill.:		
Marked off as uncollectible	1,747	2,139
Balance delinquent a/c Dec. 31	10,946	9,665
Total uncollected taxes	12,693	11,804
SOUTHWEST REGION		
Albuquerque, N. Mex.:		
Marked off as uncollectible	1,251	1,253
Balance delinquent a/c Dec. 31	5,741	5,194
Total uncollected taxes	6,992	6,447
Austin, Tex.:		
Marked off as uncollectible	13,044	19,250
Balance delinquent a/c Dec. 31	78,297	75,670
Total uncollected taxes	91,341	94,920
Cheyenne, Wyo.:		
Marked off as uncollectible	477	277
Balance delinquent a/c Dec. 31	1,635	1,547
Total uncollected taxes	2,112	1,824
Dallas, Tex.:		
Marked off as uncollectible	20,563	13,639
Balance delinquent a/c Dec. 31	54,369	84,636
Total uncollected taxes	74,932	98,275
Denver, Colo.:		
Marked off as uncollectible	6,500	6,023
Balance delinquent a/c Dec. 31	78,312	55,079
Total uncollected taxes	84,812	61,102
Little Rock, Ark.:		
Marked off as uncollectible	1,690	2,588
Balance delinquent a/c Dec. 31	6,816	6,576
Total uncollected taxes	8,506	9,164
New Orleans, La.:		
Marked off as uncollectible	9,723	6,914
Balance delinquent a/c Dec. 31	18,887	23,078
Total uncollected taxes	28,610	29,992
Oklahoma City, Okla.:		
Marked off as uncollectible	4,956	4,278
Balance delinquent a/c Dec. 31	13,641	16,427
Total uncollected taxes	18,597	20,705
Wichita, Kans.:		
Marked off as uncollectible	4,766	3,665
Balance delinquent a/c Dec. 31	11 036	14,280
Total uncollected taxes	15,802	17,945
WESTERN REGION		
Anchorage, Alaska:		
Marked off as uncollectible	511	994
Balance delinquent a/c Dec. 31	2,820	2,624
Total uncollected taxes	3,331	3,618
Boise, Idaho:		
Marked off as uncollectible	494	173
Balance delinquent a/c Dec. 31	4,160	2,873
Total uncollected taxes	4,654	3,046
Helena, Mont.:		
Marked off as uncollectible	962	801
Balance delinquent a/c Dec. 31	3,423	3,130
Total uncollected taxes	4,385	3,931
Honolulu, Hawaii:		
Marked off as uncollectible	1,406	899
Balance delinquent a/c Dec. 31	4,490	5,214
Total uncollected taxes	5,896	6,113
Los Angeles, Calif.:		
Marked off as uncollectible	45,131	43,828
Balance delinquent a/c Dec. 31	109,234	116,273
Total uncollected taxes	154,365	160,101
Phoenix, Ariz.:		
Marked off as uncollectible	5,085	9,939
Balance delinquent a/c Dec. 31	15,687	16,435
Total uncollected taxes	20,772	26,374
Portland, Oreg.:		
Marked off as uncollectible	3,764	4,041
Balance delinquent a/c Dec. 31	30,678	21,687
Total uncollected taxes	34,442	25,728
Reno, Nev.:		
Marked off as uncollectible	3,392	1,354
Balance delinquent a/c Dec. 31	13,804	13,121
Total uncollected taxes	17,196	14,475
Salt Lake City, Utah:		
Marked off as uncollectible	3,437	2,710
Balance delinquent a/c Dec. 31	9,990	4,912
Total uncollected taxes	13,427	7,622
San Francisco, Calif.:		
Marked off as uncollectible	12,258	47,870
Balance delinquent a/c Dec. 31	68,279	60,197
Total uncollected taxes	80,537	108,067
Seattle, Wash.:		
Marked off as uncollectible	5,899	9,088
Balance delinquent a/c Dec. 31	19,931	24,237
Total uncollected taxes	25,830	33,325
INTERNATIONAL OPERATIONS		
Puerto Rico:		
Marked off as uncollectible	847	409
Balance delinquent a/c Dec. 31	9,072	6,650
Total uncollected taxes	9,919	7,059
All other:		
Marked off as uncollectible	26,596	7,878
Balance delinquent a/c Dec. 31	79,646	92,481
Total uncollected taxes	106,242	100,359

CHART 2.—TAXPAYER DELINQUENT ACCOUNTS REPORTED AS UNCOLLECTIBLE, CALENDAR YEARS 1972 AND 1971

	Uncollectible			
	Number		Amount (thousands)	
	1972	1971	1972	1971
Total	330,797	379,419	$505,130	$490,665
North-Atlantic	70,341	75,776	90,506	87,595
Mid-Atlantic	39,508	46,269	58,707	55,704
Southeast	44,434	50,925	73,520	68,643
Central	42,641	47,951	59,744	50,874
Midwest	38,017	44,194	49,901	39,978
Southwest	38,373	47,191	62,970	57,887
Western	54,639	64,163	82,339	121,697
International operations	2,844	2,950	27,443	8,287
North-Atlantic region:				
Albany	3,403	3,577	3,632	5,600
Augusta	1,150	1,641	2,091	628
Boston	14,339	11,600	20,201	10,692
Brooklyn	18,681	22,968	21,478	24,583
Buffalo	5,811	7,888	5,788	5,366
Burlington	771	537	553	458
Hartford	5,552	3,693	6,951	3,600
Manhattan	18,270	20,883	27,400	33,721
Portsmouth	1,065	977	1,342	1,451
Providence	1,299	2,012	1,070	1,496
Mid-Atlantic region:				
Baltimore	8,503	9,276	6,924	9,104
Newark	10,008	11,239	13,551	22,667
Philadelphia	8,213	10,783	13,223	12,593
Pittsburgh	5,182	5,095	17,618	4,560
Richmond	6,337	8,522	6,440	5,957
Wilmington	1,265	1,354	951	823
Southeast region:				
Atlanta	7,476	8,328	14,573	8,317
Birmingham	4,126	4,823	4,538	3,307
Columbia	3,457	3,619	2,752	2,609
Greensboro	5,834	7,267	4,195	3,697
Jackson	2,959	2,978	7,089	3,752
Jacksonville	13,365	16,663	35,038	39,203
Nashville	7,217	7,247	5,345	7,758
Central region:				
Cincinnati	7,174	8,190	8,132	6,454
Cleveland	9,544	10,116	12,879	16,141
Detroit	$13,567	$14,047	$18,125	$13,456
Indianapolis	6,834	7,775	15,216	8,162
Louisville	4,226	6,091	4,200	4,688
Parkersburg	1,296	1,732	1,192	1,973
Midwest region:				
Aberdeen	320	453	223	185
Chicago	15,460	16,029	26,538	15,623
Des Moines	2,707	2,696	2,839	1,711
Fargo	446	627	251	373
Milwaukee	4,263	5,616	4,207	4,698
Omaha	1,088	1,228	973	907
St. Louis	6,334	8,829	8,887	8,115
St. Paul	4,639	5,146	4,236	6,227
Springfield	2,760	3,570	1,747	2,139
Southwest region:				
Albuquerque	1,217	1,220	1,251	1,253
Austin	9,986	11,431	13,044	19,250
Cheyenne	515	464	477	277
Dallas	8,840	11,322	20,563	13,639
Denver	3,724	4,427	6,500	6,023
Little Rock	2,507	2,851	1,690	2,588
New Orleans	4,222	5,859	9,723	6,914
Oklahoma City	4,177	5,079	4,956	4,278
Wichita	3,185	4,538	4,766	3,665
Western region:				
Anchorage	473	683	511	994
Boise	562	696	494	173
Helena	1,124	1,112	962	801
Honolulu	1,046	707	1,406	899
Los Angeles	22,275	24,776	45,131	43,828
Phoenix	2,898	2,964	5,085	9,939
Portland	3,848	4,818	3,764	4,041
Reno	1,308	1,282	3,392	1,354
Salt Lake City	1,587	1,810	3,437	2,710
San Francisco	14,323	19,570	12,258	47,870
Seattle	5,195	5,745	5,899	9,088
International operations:				
Puerto Rico	1,054	766	847	409
All other	1,790	2,184	26,596	7,878

Note: Rounded figures may not add to the totals which are based on unrounded figures.

CHART 3.—INVENTORY OF TAXPAYER DELINQUENT ACCOUNTS IN HANDS OF FIELD FORCE FOR COLLECTION ACTION, DECEMBER 1972 AND 1971

[Amounts in thousands of dollars]

	Tax groups											
	Income				Employment				Other			
	Number		Amount		Number		Amount		Number		Amount	
	1972	1971	1972	1971	1972	1971	1972	1971	1972	1971	1972	1971
Total	492,884	505,147	1,086,003	1,030,061	349,272	332,556	787,484	690,979	43,940	43,011	283,047	332,216
North-Atlantic	84,140	93,316	245,381	263,905	74,086	75,294	222,581	186,950	5,131	6,522	46,577	56,586
Mid-Atlantic	83,247	84,192	172,549	143,425	50,372	45,501	117,760	113,984	6,939	6,412	41,425	53,158
Southeast	78,458	77,585	138,502	112,832	50,177	48,180	89,830	76,219	5,513	6,232	16,589	27,641
Central	64,802	65,571	88,308	80,849	43,767	41,037	95,137	78,944	6,843	4,056	22,755	18,429
Midwest	55,753	53,192	110,266	90,592	39,703	37,002	90,499	72,487	5,335	5,276	18,431	24,935
Southwest	51,056	54,972	112,698	142,894	41,580	41,958	74,414	71,715	6,527	6,374	81,621	67,879
Western	66,723	69,918	153,768	135,155	41,947	37,755	85,045	82,244	7,270	7,713	43,681	53,303
International operations	8,705	6,401	64,531	60,409	7,640	6,829	12,218	8,437	382	426	11,968	30,285
North-Atlantic region:												
Albany	4,531	5,525	6,127	5,566	4,028	3,890	8,192	6,965	322	428	621	1,348
Augusta	1,861	1,824	1,581	1,233	1,707	1,273	2,293	1,536	197	277	608	2,047
Boston	13,854	13,420	24,618	33,625	12,866	16,219	31,574	26,969	855	1,055	6,750	6,656
Brooklyn	17,827	15,908	58,018	43,317	12,237	12,401	34,938	39,512	628	866	6,368	10,569
Buffalo	10,524	11,440	11,202	12,541	8,243	7,538	16,835	14,546	767	989	3,220	6,155
Burlington	1,373	1,529	1,968	1,542	866	1,142	1,324	1,400	110	149	297	227
Hartford	7,826	10,829	15,632	14,443	6,372	5,377	14,405	11,058	377	657	4,448	4,114
Manhattan	23,338	29,466	120,519	146,758	24,479	24,427	106,809	79,430	1,620	1,936	23,749	25,318
Portsmouth	1,614	1,881	1,310	1,417	1,585	1,587	2,757	2,251	150	105	173	61
Providence	1,592	1,494	4,406	3,463	1,703	1,440	3,454	3,283	105	80	343	91
Mid-Atlantic region:												
Baltimore	21,116	21,505	48,978	38,348	8,959	9,071	20,634	20,044	1,264	1,042	8,663	4,187
Newark	25,508	24,581	62,325	49,974	16,338	14,123	41,625	43,129	2,010	1,577	14,107	18,221
Philadelphia	15,318	13,972	34,400	25,709	11,455	9,312	28,810	25,675	1,679	1,496	11,132	11,802
Pittsburgh	8,271	10,374	14,276	14,673	5,833	5,722	11,574	11,930	1,018	1,185	3,367	14,411
Richmond	10,410	11,117	10,375	12,081	6,513	6,094	12,627	10,995	802	826	4,016	4,325
Wilmington	2,624	2,643	2,193	2,640	1,274	1,179	2,490	2,212	166	286	140	211
Southeast region:												
Atlanta	11,305	10,370	18,586	9,560	8,483	8,042	13,858	11,080	736	1,046	1,493	7,835
Birmingham	8,243	7,850	13,711	11,243	4,956	5,133	8,046	8,307	882	587	1,502	1,589
Columbia	7,029	7,655	9,192	5,121	4,104	3,936	4,278	3,799	563	590	563	492
Greensboro	13,502	14,465	11,121	10,189	6,066	6,078	12,362	12,242	774	614	2,304	2,073
Jackson	5,047	4,460	5,553	3,371	3,312	2,915	3,961	3,815	385	342	341	537
Jacksonville	22,233	20,909	65,352	59,753	16,956	14,639	37,944	27,104	1,323	2,193	8,693	12,920
Nashville	11,099	11,696	14,987	13,595	6,500	7,437	9,381	9,870	850	860	1,693	2,196
Central region:												
Cincinnati	10,172	10,743	11,258	9,095	6,766	5,625	12,291	10,043	998	588	4,872	3,158
Cleveland	12,232	13,618	13,296	12,811	6,912	6,646	13,551	13,032	1,242	751	2,739	2,818
Detroit	21,180	20,035	33,603	27,216	13,995	13,760	36,907	30,675	1,772	1,179	9,418	6,589
Indianapolis	10,394	10,272	15,498	18,714	8,975	8,127	20,020	15,559	1,406	852	2,446	3,163
Louisville	7,706	8,041	10,035	9,533	4,523	3,976	7,731	6,345	862	361	2,153	1,463
Parkersburg	3,118	2,862	4,618	3,481	2,596	1,903	4,637	3,291	563	325	1,127	1,238
Midwest region:												
Aberdeen	934	1,045	1,692	1,113	739	771	685	663	138	134	757	950
Chicago	21,690	17,929	47,508	43,903	15,324	12,308	47,672	32,744	1,584	1,186	4,197	11,035
Des Moines	4,026	4,883	3,246	3,948	3,439	2,848	3,668	3,189	527	618	1,142	1,133
Fargo	922	1,025	714	750	812	756	807	650	151	148	237	82

CHART 3.—INVENTORY OF TAXPAYER DELINQUENT ACCOUNTS IN HANDS OF FIELD FORCE FOR COLLECTION ACTION, DECEMBER 1972 AND 1971—Continued

	Tax groups											
	Income				Employment				Other			
	Number		Amount		Number		Amount		Number		Amount	
	1972	1971	1972	1971	1972	1971	1972	1971	1972	1971	1972	1971
Midwest region—Continued												
Milwaukee	9,032	6,725	8,094	6,778	3,389	4,846	6,650	8,593	877	709	5,257	3,143
Omaha	2,227	2,373	6,124	4,437	1,869	1,692	2,519	2,172	310	338	1,813	822
St. Louis	8,087	9,973	31,033	18,411	6,070	6,247	12,272	10,869	843	886	1,938	2,705
St. Paul	5,399	5,178	8,087	7,003	4,815	4,558	9,859	9,042	547	729	2,279	4,211
Springfield	3,436	4,061	3,768	4,248	3,255	2,976	6,367	4,564	358	528	811	853
Southwest region:												
Albuquerque	1,683	1,895	2,785	3,157	2,038	1,437	2,212	1,313	113	202	744	724
Austin	13,846	14,423	44,597	44,005	11,442	10,979	22,926	18,483	1,528	1,337	10,774	13,183
Cheyenne	724	825	693	704	698	645	849	720	95	74	93	123
Dallas	12,520	13,665	27,931	58,000	9,074	9,966	15,869	18,893	1,844	1,338	10,569	7,743
Denver	4,617	5,175	13,712	8,219	4,242	4,392	9,381	8,210	558	1,082	55,219	38,651
Little Rock	3,136	3,543	3,291	3,761	2,233	2,557	2,922	2,474	586	391	603	341
New Orleans	5,190	4,900	9,742	11,464	4,700	4,633	7,949	8,341	717	703	1,195	3,274
Oklahoma City	5,177	6,069	5,670	7,786	4,198	4,385	6,609	6,264	632	545	1,362	2,377
Wichita	4,163	4,477	4,277	5,798	2,955	2,964	5,697	7,016	454	702	1,062	1,465
Western region:												
Anchorage	824	918	1,311	1,178	615	497	1,368	1,175	67	69	140	271
Boise	1,728	1,211	1,252	763	1,429	841	2,787	1,772	113	251	120	338
Helena	1,591	1,562	1,470	1,411	1,066	988	1,568	1,460	168	201	385	259
Honolulu	1,231	1,603	1,943	2,328	881	987	1,898	2,271	105	134	650	616
Los Angeles	22,148	22,474	59,796	62,981	13,478	12,415	31,216	32,654	2,158	2,265	18,222	20,639
Phoenix	4,293	4,713	8,322	6,106	2,734	2,340	6,589	5,123	487	599	775	5,206
Portland	5,478	6,004	23,224	15,254	3,622	2,851	5,717	5,012	476	674	1,736	1,421
Reno	1,878	1,712	7,104	6,119	1,248	1,100	3,249	2,781	105	180	3,452	4,221
Salt Lake City	1,811	1,865	7,147	2,672	1,640	1,384	2,481	1,822	205	175	362	418
San Francisco	19,188	20,296	32,735	26,237	10,482	9,435	21,478	16,347	2,594	2,387	14,067	17,613
Seattle	6,553	7,560	9,464	10,107	4,752	4,917	6,694	11,828	792	778	3,772	2,302
International operations:												
Puerto Rico	1,109	912	1,009	787	6,512	6,079	7,909	5,804	14	21	154	59
All other	7,596	5,489	63,522	59,622	1,128	750	4,309	2,633	368	405	11,814	30,227

	Total (tax groups)				Inactive			
	Number		Amount		Number		Amount	
	1972	1971	1972	1971	1972	1971	1972	1971
Total	886,096	880,714	2,156,541	2,053,257	58,671	68,060	633,809	664,159
North Atlantic	163,357	175,132	514,542	507,441	12,173	13,398	159,213	171,139
Mid-Atlantic	140,558	136,105	331,732	310,567	9,079	10,303	95,344	101,929
Southeast	134,148	131,997	244,921	216,692	9,118	10,058	79,342	61,844
Central	115,412	109,664	206,202	178,223	5,297	6,445	38,887	39,658
Midwest	100,791	95,470	219,196	188,013	5,492	6,812	38,648	37,533
Southwest	99,163	103,304	268,734	282,487	7,344	8,625	87,325	117,279
Western	115,940	115,386	282,496	270,703	8,935	11,007	101,442	103,768
International operations	16,727	13,656	88,718	99,131	1,233	1,412	33,608	31,009
North-Atlantic region:								
Albany	8,681	9,843	14,941	13,879	379	551	3,600	4,030
Augusta	3,765	3,374	4,482	4,816	415	474	1,389	1,118
Boston	27,575	30,674	62,942	67,250	2,427	2,366	19,386	19,574
Brooklyn	30,692	29,175	99,325	93,397	2,319	2,275	35,262	35,379
Buffalo	19,534	19,967	31,257	33,242	1,088	1,418	5,733	7,303
Burlington	2,349	2,820	3,590	3,169	137	184	561	340
Hartford	14,575	16,863	34,486	29,615	1,083	1,173	5,536	8,242
Manhattan	49,437	55,829	251,077	251,506	3,737	4,310	83,855	91,247
Portsmouth	3,349	3,573	4,239	3,729	158	201	654	666
Providence	3,400	3,014	8,203	6,837	430	446	3,237	3,240
Mid-Atlantic region:								
Baltimore	31,339	31,618	78,275	62,579	1,761	1,930	21,430	19,655
Newark	43,856	40,281	118,057	111,324	3,694	3,422	41,223	51,749
Philadelphia	28,452	24,780	74,341	63,185	1,580	2,438	18,524	19,093
Pittsburgh	15,122	17,281	29,219	41,014	976	1,077	7,604	6,450
Richmond	17,725	18,037	27,017	27,402	948	1,200	5,751	4,187
Wilmington	4,064	4,108	4,823	5,063	120	236	812	795
Southeast region:								
Atlanta	20,524	19,458	33,937	28,474	1,527	1,548	12,990	5,209
Birmingham	14,081	13,570	23,259	21,139	1,841	1,699	8,904	5,805
Columbia	11,696	12,181	14,033	9,412	472	553	1,923	1,449
Greensboro	20,342	21,157	25,788	24,506	1,328	1,329	10,468	9,936
Jackson	8,544	7,897	9,855	7,723	512	554	2,406	1,985
Jacksonville	40,512	37,741	111,988	99,777	1,644	2,011	35,493	29,998
Nashville	18,449	19,993	26,061	25,661	1,794	2,334	7,158	7,462
Central region:								
Cincinnati	17,936	16,956	28,421	22,296	943	1,463	5,814	4,956
Cleveland	20,386	21,015	29,586	28,661	626	777	4,626	4,825
Detroit	36,947	34,974	79,929	64,480	1,025	1,530	13,069	12,363
Indianapolis	20,775	19,251	37,964	37,436	1,347	1,147	8,193	9,437
Louisville	13,091	12,378	19,919	17,341	845	1,119	4,546	6,364
Parkersburg	6,277	5,090	10,383	8,009	511	409	2,639	1,713
Midwest region:								
Aberdeen	1,811	1,950	3,135	2,726	183	182	1,422	1,184
Chicago	38,598	31,423	99,376	87,682	841	1,288	11,525	11,514
Des Moines	7,992	8,349	8,055	8,271	704	896	1,373	1,991
Fargo	1,885	1,929	1,758	1,483	119	142	139	249
Milwaukee	13,298	12,280	20,001	18,514	686	737	4,576	3,958
Omaha	4,397	4,403	10,456	7,431	373	463	3,552	3,501
St. Louis	15,000	17,106	45,243	31,985	831	1,035	8,590	8,473
St. Paul	10,761	10,465	20,226	20,256	1,083	1,161	5,521	3,925
Springfield	7,049	7,565	10,946	9,665	672	908	1,950	2,738
Southwest region:								
Albuquerque	3,834	3,534	5,741	5,194	371	237	2,241	1,777
Austin	26,816	26,739	78,297	75,670	1,536	1,505	41,783	42,105
Cheyenne	1,517	1,544	1,635	1,547	134	145	252	220
Dallas	23,438	24,969	54,369	84,636	1,518	2,272	24,839	48,853
Denver	9,417	10,649	78,312	55,079	670	764	3,321	2,961
Little Rock	5,955	6,491	6,816	6,576	574	745	1,904	2,229
New Orleans	10,607	10,236	18,887	23,078	1,168	1,350	7,346	7,767
Oklahoma City	10,007	10,999	13,641	16,427	751	736	3,022	5,392
Wichita	7,572	8,143	11,036	14,280	622	871	2,617	5,975

	Total (tax groups)				Inactive			
	Number		Amount		Number		Amount	
	1972	1971	1972	1971	1972	1971	1972	1971
Western region:								
Anchorage	1,506	1,484	2,820	2,624	69	127	380	779
Boise	3,270	2,303	4,160	2,873	274	402	2,089	1,365
Helena	2,825	2,751	3,423	3,130	80	134	583	726
Honolulu	2,217	2,724	4,490	5,214	214	235	913	1,062
Los Angeles	37,784	37,154	109,234	116,273	2,527	2,775	34,053	45,529
Phoenix	7,514	7,652	15,687	16,435	489	571	3,922	5,408
Portland	9,576	9,529	30,678	21,687	919	1,041	20,257	4,737
Reno	3,231	2,992	13,804	13,121	291	491	7,269	6,268
Salt Lake City	3,656	3,424	9,990	4,912	462	537	4,837	2,684
San Francisco	32,264	32,118	68,279	60,197	2,599	3,502	20,804	25,556
Seattle	12,097	13,255	19,931	24,237	1,011	1,192	6,335	9,654
International operations:								
Puerto Rico	7,635	7,012	9,072	6,650	503	385	1,610	1,194
All other	9,092	6,644	79,646	92,481	730	1,027	31,998	29,815

Note: Rounded figures may not add to the totals which are based on unrounded figures.

CHART 4.—INTERNAL REVENUE COLLECTIONS BY SOURCES AND BY INTERNAL REVENUE REGIONS, DISTRICTS, STATES, AND OTHER AREAS

[In thousands of dollars. See table 3, p. 110 for tax rates and further breakdown of national totals by sources]

Internal revenue regions, districts, States, and other areas (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total internal revenue collections	Corporation income tax	Individual income and employment taxes				
			Total	Income tax not withhled and self-employment tax	Income tax withheld and old-age and disability insurance	Railroad retirement	Unemployment insurance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	209,855,737	34,925,546	152,593,187	27,710,985	122,785,357	1,072,776	1,024,069
North-Atlantic region	43,591,539	9,318,349	31,285,672	4,903,825	26,100,241	54,854	226,753
Albany (See (c) below)	2,249,836	379,851	1,804,002	184,705	1,603,727	4,068	11,502
Augusta (Maine)	526,566	62,354	432,268	103,578	320,859	4,786	3,045
Boston (Massachusetts)	5,896,884	893,549	4,505,621	797,665	3,670,071	6,515	31,369
Brooklyn (See (c) below)	4,226,032	414,163	3,461,187	881,135	2,545,643	12,219	22,190
Buffalo (See (c) below)	3,606,454	684,515	2,684,020	447,345	2,217,313	219	19,142
Burlington (Vermont)	247,638	27,465	205,491	51,579	152,320	350	1,242
Hartford (Connecticut)	4,377,211	725,381	3,150,045	604,912	2,522,662	34	22,437
Manhattan (See (c) below)	21,024,919	5,910,266	13,908,170	1,632,399	12,141,921	26,635	107,215
Portsmouth (New Hampshire)	508,739	59,567	413,240	86,995	323,265	3	2,978
Providence (Rhode Island)	927,260	161,238	721,628	113,512	602,460	24	5,632
Mid-Atlantic region	30,766,764	4,530,736	22,915,198	3,850,397	18,558,711	358,962	147,129
Baltimore (Maryland and D.C.)	5,835,217	524,636	4,777,600	717,379	3,925,388	115,430	19,403
Newark (New Jersey)	7,875,826	1,537,674	5,620,074	1,120,734	4,454,203	5,188	39,950
Philadelphia (See (e) below)	7,660,720	977,352	5,826,405	927,525	4,686,229	173,182	39,469
Pittsburgh (See (e) below)	4,779,067	594,793	3,698,248	486,221	3,169,915	14,000	28,111
Richmond (Virginia)	3,321,400	380,665	2,275,324	489,466	1,719,559	51,152	15,147
Wilmington (Delaware)	1,294,533	515,616	717,548	109,072	603,417	9	5,050
Southeast region	19,434,098	2,851,006	13,979,528	3,381,925	10,434,458	59,712	103,433
Atlanta (Georgia)	3,456,495	533,468	2,596,594	495,026	2,080,933	2,543	18,093
Birmingham (Alabama)	1,724,392	226,923	1,332,956	284,538	1,028,334	9,706	10,378
Columbia (South Carolina)	1,214,932	175,841	987,563	203,208	775,858	127	8,369
Greensboro (North Carolina)	4,743,152	746,401	2,569,343	498,918	2,046,375	1,407	22,643
Jackson (Mississippi)	760,974	106,395	602,553	179,492	417,946	572	4,543
Jacksonville (Florida)	5,184,731	700,166	4,026,495	1,280,015	2,678,208	43,136	25,136
Nashville (Tennessee)	2,349,423	361,813	1,864,023	440,728	1,406,804	2,220	14,271
Central region	34,986,649	6,796,561	23,224,992	3,401,046	19,594,235	80,805	148,906
Cincinnati (See (d) below)	4,271,928	814,139	3,089,278	562,995	2,502,849	255	23,178
Cleveland (See (d) below)	7,963,204	1,210,591	5,823,410	744,996	5,012,685	28,951	36,778
Detroit (Michigan)	13,949,874	3,710,712	8,416,463	1,026,096	7,313,104	18,488	58,775
Indianapolis (Indiana)	5,220,473	621,306	4,050,875	602,782	3,428,306	1,668	18,120
Louisville (Kentucky)	2,834,458	328,655	1,250,153	304,299	906,331	31,386	8,138
Parkersburg (West Virginia)	746,712	111,158	594,813	159,878	430,961	57	3,917
Midwest region	32,037,187	5,531,962	23,555,763	3,910,070	19,148,288	334,753	162,652
Aberdeen (South Dakota)	267,169	28,125	211,928	67,392	143,203	6	1,326
Chicago (See (b) below)	12,999,707	2,422,448	9,475,993	1,381,782	7,903,309	119,214	71,688
Des Moines (Iowa)	1,681,371	289,290	1,302,641	376,084	918,024	536	7,996
Fargo (North Dakota)	263,849	21,508	216,711	67,754	147,740	10	1,207
Milwaukee (Wisconsin)	3,705,737	654,483	2,719,136	455,392	2,243,733	692	19,319
Omaha (Nebraska)	1,234,215	149,803	958,753	211,613	693,359	48,294	5,487
St. Louis (Missouri)	5,602,595	887,806	4,101,537	608,620	3,397,062	68,317	27,537
St. Paul (Minnesota)	3,871,477	648,776	2,979,592	379,882	2,486,192	94,625	18,894
Springfield (See (b) below)	2,411,068	429,723	1,589,471	361,551	1,215,665	3,057	9,198
Southwest region	20,093,236	2,610,978	14,708,446	3,368,732	11,160,381	90,343	88,990
Albuquerque (New Mexico)	462,451	41,535	400,448	92,995	305,163	10	2,280
Austin (See (f) below)	5,870,914	755,350	3,826,573	934,341	2,863,268	4,632	24,333
Cheyenne (Wyoming)	183,670	13,620	141,845	53,238	87,821	3	784
Dallas (See (f) below)	4,532,381	730,209	3,299,356	815,330	2,447,448	13,822	22,757
Denver (Colorado)	2,919,188	221,783	2,446,960	294,384	2,133,872	9,697	9,005
Little Rock (Arkansas)	773,538	104,775	611,700	187,719	419,014	434	4,534
New Orleans (Louisiana)	2,001,285	269,784	1,597,427	375,558	1,210,846	1,192	9,831
Oklahoma City (Oklahoma)	1,946,235	273,952	1,272,227	307,745	955,305	117	9,061
Wichita (Kansas)	1,403,573	199,969	1,111,910	307,423	737,645	60,435	6,406

CHART 4.—INTERNAL REVENUE COLLECTIONS BY SOURCES AND BY INTERNAL REVENUE REGIONS, DISTRICTS, STATES, AND OTHER AREAS—Continued

Internal revenue regions, districts, States, and other areas (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total internal revenue collections	Corporation income tax	Individual income and employment taxes				
			Total	Income tax not withheld and self-employment tax	Income tax withheld and old-age and disability insurance	Railroad retirement	Unemployment insurance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Western region	27,087,557	3,170,603	21,355,181	4,246,782	16,878,153	89,739	140,508
Anchorage (Alaska)	215,821	17,605	192,512	31,542	160,074	(*)	895
Boise (Idaho)	507,757	52,273	441,668	79,593	358,302	540	3,233
Helena (Montana)	316,082	35,399	263,654	85,503	176,393	253	1,506
Honolulu (Hawaii)	632,583	65,715	535,816	100,846	431,544	2	3,425
Los Angeles (See (a) below)	10,594,922	1,394,061	8,268,694	1,625,255	6,584,646	485	58,308
Phoenix (Arizona)	1,181,099	136,335	978,395	241,151	730,323	181	6,740
Portland (Oregon)	1,689,682	258,156	1,351,384	324,261	1,016,475	1,090	9,558
Reno (Nevada)	477,557	68,465	372,026	86,794	282,613	2	2,617
Salt Lake City (Utah)	576,406	80,271	469,616	90,741	374,733	1,003	3,139
San Francisco (See (a) below)	8,367,623	782,534	6,472,611	1,164,932	5,183,970	85,906	37,803
Seattle (Washington)	2,528,024	279,788	2,008,806	416,165	1,579,079	277	13,284
Office of International Operations	837,316	39,858	659,169	92,953	557,726	2,877	5,614
Puerto Rico	308,809	705	194,569	10,602	178,670	----------	5,297
Other	528,507	39,153	464,600	82,351	379,056	2,877	317
Undistributed:							
Federal tax deposits and depository receipts	351,007	43,783	270,500	----------	269,684	733	83
Gasoline lubricating oil, and excess FICA credits	586,964	31,708	555,256	555,256	----------	----------	----------
Transferred to Government of Guam	−10,690	----------	−10,690	----------	−10,690	----------	----------
Withheld taxes of Federal employees	94,172	----------	94,172	----------	94,172	----------	----------
Clearing account for excise taxes—aviation fuel and oil—Air Force and Navy	−61	----------	----------	----------	----------	----------	----------
Totals for States not shown above:							
(a) California	18,962,545	2,176,596	14,741,305	2,790,187	11,768,616	86,391	96,111
(b) Illinois	15,410,775	2,852,171	11,065,464	1,743,333	9,118,973	122,271	80,886
(c) New York	31,107,241	7,388,796	21,857,379	3,145,584	18,508,604	43,141	160,050
(d) Ohio	12,235,132	2,024,730	8,912,687	1,307,991	7,515,534	29,206	59,956
(e) Pennsylvania	12,439,788	1,572,145	9,524,653	1,413,747	7,856,144	187,182	67,580
(f) Texas	10,403,295	1,485,559	7,125,930	1,749,670	5,310,716	18,454	47,090

SAVING POWER AND GETTING MORE ACRES PER TANKFUL ON THE FARM

Mr. HRUSKA. Mr. President, the current petroleum products threatened shortages have been met with many kinds of responses. Certainly here in the Nation's Capital Congress has been working from a number of viewpoints to initiate, develop, and achieve progress toward solving the problem.

One of the less spectacular but nevertheless highly useful responses was found in the work of the students and the faculty of the School of Agriculture of the University of Nebraska. They focused on the efficient use of farm equipment as well as a determination of the gallon used per acre. Their conclusions and findings were incorporated in a pamphlet that has been circulated by one of the large petroleum companies—Mobil Oil Corp.—so as to gain greater currency in the middle west area.

It is a most realistic and understandable treatment of the subject. It is clear that those on the farm using power machinery will take advantage of this highly useful study. While following the suggested practices and cautions will not solve the threatened fuel shortage, it will help greatly to alleviate it. Even a few gallons per power unit per day would produce prodigious savings in gasoline and diesel when multiplied out by the millions of units in use.

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

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

How To Save Power on Your Farm

Getting more from every tankful is paying attention to a lot of things. Many of them seem small. But together they can make a substantial difference in fuel consumption. And most are worth doing anyway to help make your farming more efficient.

This booklet is a roundup of fuel-saving practices.

KEEP YOUR TRACTOR WORKING HARDER

Farm fast enough to give full loads at full throttle.

With today's tractors, faster field speeds are the generally suggested way to make full use of your power and fuel.

Diesel engineers suggest that to be most efficient, you should operate very close to full load at rated engine speed. This is especially true of many turbocharged diesel engines.

To use all of your power in a big tractor, farm faster. For example, you can expect it to take 50% more power to pull a disk harrow at 6 mph than at 4 mph.

Using your power at faster speeds, rather than going to wider implements, also cuts down the need for wheel weights and reduces the stress on the tractor power line.

Don't tamper with the injection pump to increase power. Overfueling of a diesel wastes fuel. It also may damage engine and power train.

CAUTION

With many moldboard plow bottoms, the power required to turn an acre of ground goes up rapidly if you attempt to operate above a certain speed. Unless you have special high speed bottoms, start checking for this drastic increase at around 4½ mph. If the soil is being thrown beyond the next furrow or the plow tends to run out of the ground at top speed, you may be wasting fuel by working too fast.

DON'T LUG YOUR ENGINE

As you load up your tractor to save fuel and time, don't overdo it. When you operate at a continuous overload, fuel economy goes down fast. So watch your tachometer when you start shifting up. If your engine lugs down in speed, or you get black smoke, drop back a gear.

ON PARTIAL LOADS, THROTTLE DOWN AND SHIFT UP

On lighter loads, you can save a substantial amount of fuel by running the tractor engine slower and shifting up to a higher gear to maintain working speed.

For a 50% pull, University of Nebraska official tractor tests show that all of the models tested were more economical at a reduced throttle setting and higher gear speed, compared with handling the same 50% pull at full throttle and a lower gear. Rate of travel was almost exactly the same. Amount of fuel saved varied widely. Typical is 15% to 25%.

How much you can throttle back without hazard to the engine varies from model to model. Check your instruction book and your farm equipment dealer. For late model tractors, he probably has Nebraska test data showing 50% load performance at reduced engine speed.

Never lug a throttled-down engine. Be sure your partial load hasn't increased to a full load without your knowing it. Pulling a full load at reduced engine speed is asking for overheating, underlubrication and shortened engine life.

One way to test the load on your engine at any speed below full throttle is to occasionally advance the throttle a few notches. If the engine speeds up, you're not lugging it. If it doesn't respond normally, shift down until it does. Visible black smoke is also an indication of an overloaded diesel.

SAVE ON IDLING AND ROAD TRAVEL

What can you do to save fuel when it's several miles to the next field? Or when it takes more than a half an hour to refill planter, fertilizer and pesticide hoppers several times a day?

Some diesel engineers suggest that up to 35 or 40 minutes of idling time during each half day won't make a serious difference in the fuel used. (If you've been running under full load, you need a 5-minute cooling down period anyway, before you shut off the engine entirely. This is especially important with turbocharged engines to prevent high temperatures from "coking" the turbocharger. It also helps avoid "carboning up" the injector nozzle tips.)

Modern diesels start easily so if idling would have to be prolonged, it may be better to shut off the engine.

During transport between fields, the suggestion is to run with the throttle wide open. Throttling back will save very little fuel and waste time on the road.

MAKE YOUR CROPS WITH LESS DRIVING

Reduce the amount of moldboard plowing wherever soils and farming system permits.

You can figure on plowing alone taking 1.5 gallons of diesel fuel per acre (or 2 gal-

lons of gasoline). In contrast, disking takes only half a gallon of fuel per acre under typical conditions.

The fuel you'd use for plowing alone will let you disk, plant corn, knife in NH_3 and cultivate once, according to data from the University of Illinois.

USE MINIMUM TILLAGE

You may be able to save time as well as fuel by combining tillage and planting into a once-over operation. Some farmers also apply fertilizer, herbicide and insecticide during this same trip across the field.

Others go part way, following basic tillage (moldboard or chisel plow or heavy disk harrow) with combination fitting and planting equipment.

Nebraska tests show till-plant requiring 2.46 gallons of diesel fuel per acre. With conventional tillage, 5.33 gallons per acre.

AVOID TOO MUCH WEIGHT—OR TOO LITTLE

Typical front end weighting of today's big tractors adds as much as 1,000 to 1,200 pounds—weight you need for stability with heavy loads, big rear-mounted implements and weight transfer systems.

But don't push around that extra weight when you don't need it

Especially in soft fields, extra weight means extra fuel. So take a moment and remove the weights. And the same applies to big saddle tanks and other special equipment.

The same fuel-saving principle applies to unnecessary rear wheel weight. But with these driving wheels . . . keep slippage low. Some tractor instruction manuals suggest 10% or slightly more depending on field conditions. They warn against trying to weight rear wheels so heavily that you get almost no slippage because overweighting adds to the fuel required.

KEEP YOUR EQUIPMENT IN SHAPE

Save fuel with sharp cutters, aggressive feeding mechanisms.

Problems and power requirements pyramid on harvesting equipment. Take a combine with corn head for example. Worn snapping rolls mean sluggish stalk handling. Material bunches up and power requirements soar. But that's only the start. Poor snapping roll action leads to jerked-off stalks which must be handled by the feeder, threshing cylinder and straw racks instead of being left in the row. Add all these together, and your combine engine has to run all-out.

More obvious is the effect of dull knives on a forage harvester. And don't chop the crop finer than necessary. At the silo, avoid overspeeding of blowers. With balers, keep the shear knife sharp. A dull sickle also wastes fuel with a mower-conditioner, grain swather or combine.

HITCH TILLAGE TOOLS PROPERLY

When your tractor and plow fight each other, you can lose enough power to handle one extra bottom in five. While plow adjustments are more critical than those of many other implements, the same rule applies—unnecessary side draft, or fighting a hitch that's too high or too low is no way to save fuel . . . or time.

SHARP PLOW SHARES CAN SAVE A LOT OF FUEL

Plow share makers say that sharp shares often let you plow a gear faster. Figure it out with your own tractor. When you can move up a gear in the 3½ to 6½ mph working range, you'll probably find you're moving about 25% faster. And the fuel used per hour may be nearly the same as before. Trying to get by with dull shares is a substantial waste.

LET THE RIGHT OIL AND PROMPT CHANGING KEEP YOUR ENGINES RUNNING EASIER

What you do about engine oil also affects fuel economy.

Most important is the way modern detergent oils control internal deposits. And clean engines simply run easier, cooler and with less wear.

But detergent in your oil works like detergent in a washing machine. In either case, a given amount of detergent can take care of only so much dirt. When detergent runs out of capacity in a washing machine, you get a ring of dirt. When it runs out in an engine, you get power-stealing deposits.

For cleaner engines, you need two things:

1. A good detergent CD grade oil—such as Mobiland 300 oil in your hard-worked diesels and Mobiland 200 (CC and SE) oil in the other farm engines.

2. Oil changes made on time, every time so you always have plenty of detergent action at work to keep your engines clean.

KEEP YOUR ENGINES TUNED UP

The need is obvious. And so is the general inclination to postpone tuneups.

In gasoline tractor engines, field tests before and after tune up show a 14% fuel saving. Check-out covered 50 tractors of various ages and include spark plugs, timing, carburetor, air cleaner and governor.

Diesel engine people stress the changing of air, oil and fuel filters at proper intervals. And the checking of air cleaner indicator devices. Also inspection and adjustment of fuel injection systems at recommended periods.

Of course clean fuel is vital. Change from winter blends of diesel fuel to summer blends when the hard-work season starts. Summer fuel contains more power per gallon while winter fuel contains more easily vaporized oil which aids starting.

PREVENT STORAGE LOSSES

Up to 10 gallons of gasoline a month can escape into the air with poor farm storage.

With diesel fuel, waste is apt to come through contamination—dirt and moisture.

How do you keep gasoline from evaporating during storage? First, putting a pressure-vacuum valve on your tank can cut evaporation losses as much as 75%. Second, keep the tank cooler through shading it and by painting it white to reflect sun heat.

With diesel storage tanks, pay special attention to the tank filter. Effective filtering removes both bits of dirt and moisture. It saves tractor trouble, and you won't be dumping fuel on the ground because it's contaminated.

DON'T SPILL AT FILLING TIME

Care is part of farm safety. And it also saves fuel. Filling tractor tanks at the end of each work day prevents moisture from condensing overnight. But, for safety's sake, don't fuel a hot engine. Park your tractor within hose reach and tend to greasing, adjustments, and other chores first. Then fill the tank.

Avoid overfilling to prevent spillage out through the air vent when the tank warms up.

SPECIAL IRS EXEMPTION FOR POLITICAL COMMITTEES

Mr. STEVENSON. Mr. President, Wednesday the Internal Revenue Service enabled political committees and large contributors to escape tens of millions of dollars of tax liability. Its action is contrary to sound public policy and, I believe, illegal as well.

The IRS ruled that:

First, political committees do not have to pay capital gains taxes on sales of securities prior to October 3, 1972. A year and a half earlier, the Citizens for Stevenson Fund, a political committee supporting my 1970 candidacy for the Senate, filed a form 1041 and paid the capital gains tax on certain appreciated securities donated to and sold by the fund in October 1970. The circumstances surrounding the fund's decision to pay the tax are set forth in a March 6, 1973, letter to me from Milton Fisher, Esq., cotrustee of the fund. I ask unanimous consent that Mr. Fisher's letter be printed in the RECORD.

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

MILTON L. FISHER,
Chicago, Ill., March 6, 1973.

Re: Citizens for Stevenson Fund.

Senator ADLAI E. STEVENSON,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR STEVENSON: You have asked me to supply you with information regarding the federal tax returns filed on behalf of the Citizens for Stevenson Fund, a trust, for the tax year 1970. As you know, Citizens for Stevenson Fund (hereinafter referred to as the "Fund") constituted a political committee which supported your Senate campaign in 1970.

The only taxable income of the Fund in 1970 was derived from the sale of stock received as a contribution from a donor. Before accepting the stock, trustees of the Fund reviewed the applicable federal tax consequences of such a gift with special tax counsel for the Fund. Counsel advised the Fund that the Fund would be subject to substantially the same federal income tax consequences as an individual donee of such property. Specifically, the trustees were advised that the Fund would be taxed on gains resulting from the sale of property received as a gift or contribution. In computing whether any such gain was taxable as long or short term capital gain, the Fund would take over the holding period of the donor, and the Fund also would take over the cost basis of the donor, for the purpose of computing the amount of such gain. Consequently, in the event the Fund sold stock received as a contribution, it would incur federal income tax liability for any appreciated value above the donor's basis, and such taxation would be at long or short term capital gain rates depending on whether the donor's holding period together with that of the Fund exceeded 6 months.

The Fund was advised that a possible argument could be made for the deduction from the Fund's taxable income of its cost of obtaining such taxable income. The trustees concluded that since the Fund's activities did not constitute a "trade or business" and that only a small part of the Fund's campaign and fund raising expenditures could be directly attributed to the generation of "taxable income," it did not appear proper to deduct such expenses from the income incurred in 1970.

As a result of these decisions by the trustees of the Fund long term capital gain tax of $124.18 was paid. A copy of the 1970 U. S. Fiduciary Income Tax Return (Form 1041) filed by the Fund is attached hereto for your information.

Very truly yours,

MILTON L. FISHER,
Treasurer and a Trustee of Citizens for Stevenson Fund.

CITIZENS FOR STEVENSON FUND

(Milton L. Fisher and James T. Otis, trustees: 231 South La Salle St., room 1955; Chicago, Ill. 60604.)

INCOME

1. Dividends (Enter full amount before exclusion), none.

2. Interest, none.

3. Income from partnerships and other fiduciaries, none.

4. Cross rents and royalties, none.

5. Gross profit (loss) from trade or business, none.

6. Net gain (loss) from capital assets (line 12, column 3, Schedule D, Form 1041), 1,882.99.

7. Ordinary gains and losses (line 15, Schedule D, Form 1041), none.
8. Other income (State nature of income), none.
9. Total income (lines 1 to 8, inclusive), 1,882.99.

DEDUCTIONS

16. Line 9 minus line 15 (Complex trusts and estates enter this amount on line 1 in Schedule C also), 1,882.99.
20. Long-term capital gain deduction. Enter 50% of line 13(e), Schedule D Form 1041, 941.50.
21. Exemption, 100.00.
22. Total (lines 17 to 21, inclusive), 1,041.50.
23. Taxable income of fiduciary (line 16 minus line 22), 841.49.

COMPUTATION OF TAX

24. Tax on amount on line 23 (See tax rate schedule), 121.15.
26. Tax surcharge (See instruction 26), 3.03.
27. Total (line 24 or line 25, whichever is applicable, and line 26), 124.18.
31. Balance (line 27 less line 30), 124.16.
34. Total (lines 31 to 33, inclusive), 124.18.
41. Balance of tax due (line 34 less line 40), 124.18.

MILTON L. FISHER,
Trustee.

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN 6 MONTHS

34 shares Chicago Bridge & Iron Co., acquired January 6, 1959; sold October 22, 1970; sales price, 1882.99;
Contributor's acquisition date. Received by taxpayer October 18, 1970 as contribution.
9. Net long-term gain (or loss) from lines 5, 6, 7, and 8. Enter here and on line 11 below, 1882.99.

CAPITAL GAINS AND LOSSES

10. Net short-term gain or loss from line 4, above: Fiduciary, 1882.99; total, 1882.99.

COMPUTATION OF FIDUCIARY'S CAPITAL GAINS DEDUCTION

13(a) Long-term capital gain shown on line 11, column 3, above, 1882.99.
(d) Long-term capital gains taxable to beneficiaries, 1882.99.
(e) Balance (line 13(c) minus line 13(d)). (Enter 50% of this amount on line 20, page 1, Form 1041.), 941.50.

CITIZENS FOR STEVENSON FUND

1. Tax Preferences: (i) Capital gains, $1,882.99.
2. Total of tax preference—Add lines 1(a) through 1(i), 1,882.99.
3. Less exclusion—Enter $30,000 (Estates, Trusts and Controlled groups see instruction 3), 30,000.00.
4. Line 2 less line 3, None.
5. Taxes imposed under Chapter 1 for the taxable year (other than Personal Holding company, accumulated earnings and minimum tax)—See instructions, None.
6. Line 4 less line 5, None.
7. Minimum tax—10% of line 6, None.
8. Amount of net operating loss for 1970 remaining as carryover to a succeeding year (attach a statement showing computation of carryover), zero.
9. Deferred minimum tax—Enter the lesser of line 8 multiplied by 10%, or line 7. (Enter zero if line 8 is zero), zero.
11. Enter minimum tax deferred from prior year(s) until this year—See instructions, None.
12. Total minimum tax—Add lines 10 and 11. Enter on appropriate line of tax return per instruction 12, None.

Mr. STEVENSON. Second, political committees do not have to pay Federal taxes on dividend and interest income generated before 1972 despite the fact that a 1968 IRS ruling (Rev. Proc. 68–19) clearly held that political committees had to pay taxes on certain interest income;

Third, the 1972 ruling (Rev. Rul. 72–355) permitting large contributors to escape their gift tax liability by channeling their contributions through dummy political committees is reaffirmed by the IRS without so much as a word of explanation. On June 25, I introduced S. 2065, a bill which would close the gift tax loophole opened by Revenue Ruling 72–355.

Mr. President, Commissioner Alexander has invited congressional consideration of these matters. I agree that such consideration is appropriate and hope that it will lead to prompt reversal of the indefensible positions taken by the IRS.

The IRS has conceded its laxity and inconsistency in failing to enforce the tax laws with respect to political committees. It now proposes to compound the damage by saying in substance to political committees, "We have in the past been remiss in enforcing the law, so we will now excuse you from complying with the law. Our laxity justifies your laxity." The law does not permit IRS to add to the burden of other taxpayers by giving the politicians and their major benefactors a special exemption from the tax laws.

In order to clarify the positions taken by IRS in its policy statement, I have today written Commissioner Alexander requesting additional information and explanation. I ask unanimous consent that the IRS policy statement dated August 1 and my August 3 letter to the Commissioner be printed at this point in the RECORD.

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

IRS POLICY STATEMENT CONCERNING TAX TREATMENT OF POLITICAL COMMITTEES AND PARTIES AND CONTRIBUTIONS OF APPRECIATED PROPERTY

On October 19, 1972, the IRS published in the Federal Register a notice of its concern about the tax treatment of political committees and parties and about transactions involving donations of appreciated property to political committees or parties and sales of such property by such organizations. IRS invited public comments upon these and related issues. Twenty-seven submissions were received by the IRS in response to this public invitation, and a public hearing was held March 1, 1973.

CONCLUSION WITH RESPECT TO THE STATUS OF THE LAW

Based upon its consideration of the submissions received from the public and its further study of the issues, the IRS proposes to adopt the following course:

1. Although it has been the long-standing practice of the IRS not to require political parties and committees to file tax returns, the IRS does not find any specific provision in the Internal Revenue Code to such effect. Therefore, unless the Internal Revenue Code is changed to relieve political parties and committees from the duty of filing tax returns, the IRS will require such entities to file appropriate tax returns.

2. Unincorporated political parties or committees may be treated for tax purposes as associations taxable as corporations or as trusts (or possibly partnerships) depending upon the application to the specific facts and circumstances of the standards developed or the classification of unincorporated organizations.

3. The gross income of political parties or committees shall include interest and dividends from investments, income from any ancillary commercial activities and gains from sales by the committees or parties of appreciated property. Donations received by such committees or parties shall not be considered as income, and expenditures for political purposes shall not be considered as deductions. Deductions shall be allowed, however, to the extent attributable to income of the political parties or committees, in accordance with regular rules of the IRS in analogous situations.

4. Gains on the sale of appreciated property, net of any losses, shall be included in income of political parties or committees to the extent provided in the Internal Revenue Code.

IMPLICATIONS OF LEGAL CONCLUSIONS

The legal conclusions above set forth are consistent with positions taken in a number of rulings which were issued privately over several decades, but never made public by IRS. They are also consistent with Rev. Proc. 68–19, which dealt primarily with candidates' committees (as distinguished from parties or party committees) and stated that interest received on unexpended funds of such committees "may" be reported by the committee on Form 1041.

On the other hand, both the legal conclusions and the above rulings are inconsistent with the historical practice of the IRS not to require the filing of returns by political parties and organizations. That policy of not requiring returns was communicated to field offices of the IRS more than 25 years ago, but it, too, was never made public.

These past policies of the IRS are logically inconsistent, but they are a historical fact.

We are now faced with the question of determining the fairest way in which to commence general enforcement of the legal rules. Most importantly we must determine whether those rules should be retroactively applied.

Both the Democratic and Republican national committees argued in their legal submissions that the rules should be applied prospectively only. It appears from published reports that both major parties engaged in the practice of encouraging contributions of appreciated property. Thus, if the rules regarding gains on sales of appreciated property are to be retroactively applied to 1972 and prior years, it appears probable that unforeseen and substantial tax liabilities may exist for the national and other committees of both parties.

If such rules were retroactively applied, the hardships of an aggressive and even-handed collection policy might fall as heavily on those entities which have no funds as upon those which do. Comprehensive collection enforcement might, for example, require placing entities with insufficient funds in bankruptcy, asserting liens on funds raised in the future by such entities and their successors, and asserting transferee liabilities.

The IRS agrees with the Democratic and Republican national committees that the retroactive enforcement of rules regarding gains on the sale of appreciated property, now publicly announced for the first time, would create major inequities, and has concluded that it will not seek to apply such rules to sales prior to the IRS statement of its concern with the problem on October 3, 1972. Also, the IRS will not require political committees and parties to file tax returns for years prior to 1972. Subject to these limitations upon retroactivity, the above legal conclusions are applicable, but IRS will not seek to enforce them until it appears that Congress has had an opportunity to consider the problem specifically. Congress has already taken a first step, as the Ways and Means Committee January notice of tax reform hearings listed the tax status of political organizations as a major subject to be considered. In his testimony before the Ways and Means Committee on April 30, 1973, the Secretary of the Treasury called for Congressional action in this difficult area.

The IRS is beginning investigations to determine the potential liabilities of political parties and committees, and will develop promptly the standards and guidelines for the application and enforcement of its new rules if Congress should determine to leave them in place. It intends to take such steps as may be required to see that major funds under the control of such entities will not be dissipated without regard to potential tax liabilities, and hopes that such result may be achieved through voluntary arrangements with the organizations involved without the necessity of resorting to jeopardy assessments.

OTHER TAX ASPECTS OF POLITICAL ACTIVITIES

In the meantime, the IRS proposes to act in the areas where its rules and practices have been clear. Those who deducted from income political contributions (beyond the limited Internal Revenue Code allowance to individuals) should find such deductions disallowed. Those who excluded from income political funds diverted to personal use should find the diverted funds treated as income, and this rule shall be applicable to any political parties or committees which may have diverted funds, contributed for political purposes, to purposes determined judicially to have been illegal. Those who rendered services to political parties and committees in return for compensation must be taxed on such compensation. Gift tax liabilities will be enforced in accordance with Revenue Ruling 72–355.

U.S. SENATE,
Washington, D.C., August 3, 1973.

Commissioner DONALD C. ALEXANDER,
Internal Revenue Service,
Washington, D.C.

DEAR MR. COMMISSIONER: I have your August 1, 1973 Policy Statement concerning the tax treatment of political committees and parties.

Pursuant to the Freedom of Information Act, 5 U.S.C. 552, as interpreted by the United States District Court for the District of Columbia in *Tax Analysts and Advocates, Inc. v. IRS* (—— F.Supp. ——, D.D.C. 6/6/73), I request copies of the following documents:

(1) On page 4 of your statement, you state that the legal conclusions set forth in the statement "are consistent with positions taken in a number of rulings which were issued privately over several decades, but never made public by IRS". I would like to be provided with copies of all such rulings.

(2) On page 4 of your statement, you also state that the IRS policy of not requiring returns to be filed by political committees "was communicated to field offices of IRS more than 25 years ago, but it, too, was never made public." I would like to be provided with a copy of that communication.

In my December 7, 1972 letter to Commissioner Walters concerning the tax treatment of gifts of appreciated property to political committees, a copy of which is enclosed, I contended that political committees are clearly "persons" within the meaning of Section 7701(a)(1) of the Internal Revenue Code. I would appreciate it if you could apprise me as to whether the IRS agrees or disagrees with my interpretation of Section 7701(a)(1), and of the reasons underlying your conclusions on that question. In the event that you agree with my conclusion that political committees are persons within the meaning of Section 7701(a)(1), I would appreciate it if you could provide me with a precise legal justification for your decision to impose tax liability only on sales by political committees of appreciated property occurring on or after October 3, 1972. Specifically, I am interested in IRS's position as to whether Section 7805(b) of the Internal Revenue Code, which permits the Secretary or his designee to give rules and regulations prospective effect only, permits the IRS to exempt from tax liability a person upon whom tax liability is clearly imposed by law. In view of the fact that your August 1, 1973 policy statement appears to be neither a "ruling" nor a "regulation" within the meaning of Section 7805(b), I would also be interested in knowing to what extent your legal justification for giving the policy statement prospective effect rests on that Section.

On March 15, 1971, the Citizens for Stevenson Fund, a trust organized to support my 1970 candidacy for the Senate, filed a Form 1041 and paid capital gains tax on the income generated by the October 1970 sale of certain appreciated property given to the Fund in 1970. A letter from Milton Fisher, Esq., a trustee of the Fund, setting out the circumstances surrounding the decision to pay the tax, is enclosed for your information. Your policy statement does not address the question of whether taxpayers such as the Fund are entitled to a refund. On the face of it, there appears to be a serious inequity in retaining the pre-October taxes paid by political committees which did comply with the law, while allowing political committees which did not pay the tax to escape liability. I would appreciate a definitive statement of IRS's position on the refund question.

I and a number of other persons who submitted formal comments pursuant to IRS's October 19, 1972 announcement contended that Revenue Ruling 72–355 is a blueprint for evasion of gift tax liability by large political contributors and should therefore be rescinded. By reaffirming Revenue Ruling 72–355, your policy statement rejects those contentions. Although your policy statement does contain rationales of all other positions taken therein, there is not so much as a word explaining why IRS has chosen to adhere to Revenue Ruling 72–355. Given the serious criticisms which have been levelled at that Ruling by private citizens, the General Accounting Office, and a number of Members of Congress, I find your failure to explain the reasons underlying your position disappointing. I would therefore appreciate a detailed explanation of the reasons why IRS has chosen to adhere to Revenue Ruling 72–355.

With best wishes,
Sincerely,

ADLAI STEVENSON.

NATIONAL MS SOCIETY YOUTH LEADERSHIP COUNCIL

Mr. GRIFFIN. Mr. President, on behalf of the distinguished Senator from Tennessee I ask unanimous consent to have a statement by him printed in the RECORD.

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

NATIONAL MS SOCIETY YOUTH LEADERSHIP COUNCIL

Mr. BAKER. Mr. President, half a million of our fellow citizens suffer from multiple sclerosis, a disabling disease of the central nervous system.

MS has become known as the "great crippler of young adults." This particularly perplexing neurological disease usually strikes young persons in the prime of life, between the ages of 20 and 40.

The cause of multiple sclerosis is a medical mystery; the result is a national tragedy. Thousands of young people are incapacitated in what should be the most productive years of their lives.

No cure has yet been discovered for MS. But although we do not have a cure, we do have hope. The National Multiple Sclerosis Society has for more than twenty years provided leadership in research efforts and education.

According to the Society, "the prospects of developing a preventive for the disease or more effective methods of treatment have greatly improved. New research clues show promise of substantive proportions and must be exploited without delay."

Congress has appropriated funds to aid in research, and last year passed the National Advisory Commission on Multiple Sclerosis Act. This legislation provides for "the establishment of a national advisory commission to determine the most effective means of finding the cause of and cures and treatment for multiple sclerosis."

Literally thousands of private citizens, especially young people, have volunteered in the fight against MS. Circle K International, the world's largest campus service organization, has designated a fund raising program for MS research as one of its highest priorities.

The National Multiple Sclerosis Society itself has established a Youth Leadership Council to help involve even more young people in its campaign.

Martin P. Lombardo, the MS Society's Coordinator of Youth and Young Adult Leadership Council must be proven leaders with the ability to work with young people and and adults.

More than forty outstanding young people from throughout the country have been named to serve on the Council. These youth leaders have devoted much of their time to working with local MS chapters and speaking with other groups of young people.

Members of the National Multiple Sclerosis Society Youth Advisory Council are not interested in achieving personal recognition, but in carrying out their responsibilities quietly and effectively. I believe it is altogether appropriate, however, to take this opportunity to pay tribute to these young men and women who have volunteered their time in service to others and whom I list herewith:

NATIONAL MULTIPLE SCLEROSIS SOCIETY YOUTH LEADERSHIP COUNCIL MEMBERS

John Adams, Kyle Anderson, Nyle Bartholomew, L. Reece Beane, Emyln Bodnar, Susan Carter, Nicholas Catey, Louise Clover, Tom Cornelius.

Audrey Cortney, Dana Dreher, Miriam Edel, Daniel J. Flynn, Thomas R. Haley, Cheryl Heffler, Barbara Hensel, Peg Johnson, Patricia Joinville.

Ronald Knowlton, Kendra Koester, Steven Kristel, David Lane, Joseph Langhauser, Frank C. Lewis, Noel Meltzer, Thomas Moulton, Michael O'Grady.

Larry Padgett, Edward Palange, Lloyd Rhodes, Rebecca Rice, Margaret Riggs, Donald Robinson, Brian Rosenthal, Garry Shelton, Gene Singleton.

Michele Smith, Steven Smith, Joseph Staub, Vivian Svestka, Mark E. Thomas, Robin Trhlik, Patricia Vanderlin, Wendy Veccharino, Timothy Wright, Jonalee Young.

A GIFT OF HOPE, LOVE, AND LIFE

Mr. CRANSTON. Mr. President, it is a pleasure for me to speak out today on behalf of a group of determined students from Cubberley High School in Palo Alto, Calif. These remarkable young Americans have a dream which is fast becoming reality—a dream to give a future to those Vietnamese children burned and maimed by the horrors of war.

The students at Cubberley are engaged in a nationwide fund-raising effort. With the million dollars they hope to raise, they intend to donate a Burn Center which will be added to Children's Medical Relief International's Center for Plastic and Reconstructive Surgery in Saigon, South Vietnam. This famed teaching hospital is renowned as the best of its kind in all of Indochina, and is the only pediatric facility in South Vietnam dedicated to providing plastic and recon-

structive surgery. It has rebuilt the bodies and lives of thousands of Vietnamese children.

Because it is the only hospital of its kind in Vietnam, the center provides care for patients who have no other place to turn for help. The cost of providing the very best in medical care is about one-sixtieth of what it would cost to bring these children to the United States for treatment. One of the founders of the center is Dr. Arthur J. Barsky, the famed plastic surgeon who also founded the Hiroshima Maiden's Burn Center after the dropping of the first atomic bomb.

Many Americans have expressed their horror at the tragic results of years and years of war in Indochina. But students at Cubberley are doing their best to alleviate some of these tragedies. In May of this year some 60 Cubberley students walked 40 miles for CMRI and raised $3,000. They have enlisted the help of concerned students from coast-to-coast to join with them in their project. Engaged in a multitude of fund-raising events, they are determined to raise the money for the Burn Center. They will succeed.

I have great confidence—these compassionate young Americans will realize their goal. And somehow this country, and untold thousands of Vietnamese, will be the better for it.

For information about their project, inquiries should be addressed to Coach Bob Peters, Cubberley High School, 400 Middlefield Road, Palo Alto, Calif. 94303.

GASOLINE SHORTAGE IN COLORADO

Mr. DOMINICK. Mr. President, shortly the Congress will be going into recess for the month of August. In parts of my State as well as many other States across this country, our farmers will be facing harvest. For the past 6 weeks wheat growers in Colorado have been faced with gas shortages, but with the help of some of the members of the Oil and Gas people here in the Department of the Interior and through efforts of other concerned individuals and companies, we have been able to make it through in fairly good shape. I would like to take this opportunity to commend the efforts of those who have helped my State although reciting each one's name would make for too long a list here.

Mr. President, as members of this body may know, Denver has been cited as one of the hardest hit cities in the country regarding gasoline shortages. My office has fielded inquiries from reporters, constituents, tourists, to name a few, for information on Denver. In our office we have worked through the Office of Oil and Gas, through various company representatives, through dealers and the consuming public to attempt to get answers. I would like to say for the record that the answers are most complex and I ask unanimous consent to print at the end of my remarks two newspaper articles that provide some enlightenment on the situation in Colorado's capital.

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

(See exhibit 1.)

Mr. DOMINICK. Mr. President, as I indicated, my office has received inquiries from people not from Colorado who are anticipating vacations in Colorado in the coming weeks. While Colorado has suffered shortages, I would like for the record to pass along my own information that to date I have no reports of any visitors to our State being stranded there and gas has been available for our visitors.

Mr. President, my reason in citing the complexities of Denver's problems is not to lay a foundation for pointing accusing fingers at a group or a department at this point. It is a reminder for all of us that in our critical gasoline and energy related supply problems, there will be no easy solutions because of the complex and intricate web of relationships involved. I, too, have followed the reports about indications of a mandatory program being imminent from the Office of Oil and Gas. For the last 2 days there has been much discussion over the need for a "mandatory" allocation program for gasoline supplies on this floor. My problem, however, with the amendment introduced by Senator JACKSON is the sweeping wording of the language of the amendment which I am afraid may lead to worse problems than we already have. I think that from past and current history we can see that mandatory programs in any area can have built-in weaknesses which may not surface until after the program is in effect, and a "mandatory" program is not going to be a cure-all for all of our gas problems.

Furthermore, we already know of possible heating oil shortages this winter, and Denver experienced those last year. As we look down the road, we can see other potential troubles. In the Senate, we recently passed the pipeline bill, and I would urge that we follow it with appropriate legislative responses in other areas so that we are getting solutions now and do not wait until all of our problems have arrived.

EXHIBIT 1

FUEL PINCH—WHY SO SEVERE IN COLORADO?

(By Ivan Goldman)

When the nation's petroleum industry sneezed, why did Colorado catch pneumonia?

American Automobile Association figures show that Colorado is one of the four states in the nation which are hardest hit by gasoline shortages. And Denver motorists are finding it tougher to get gas even as they read reports that the national shortage is easing.

Why did this happen to Colorado, a state heavily dependent on tourist traffic to bolster its economy?

Some motorists offer vague, but vehement, theories about conspiracies by major oil companies. Industry sources respond with dry, but detailed, statistics—or emotional charges of their own aimed at environmentalists.

And the staff of the Federal Trade Commission has reported evidence of a conspiracy among major oil companies.

But whatever caused the national shortage, there apparently are three major reasons why it hurt Colorado more than most states:

—Colorado's fast-growing population created a sharper increase in fuel demand than the national average, which was particularly unfortunate when major oil companies allocated supplies on the basis of previous years' sales.

—Colorado has an unusually high reliance on independent refineries, which have been hit hard by the shortage of crude oil.

—Pipeline facilities and other transportation systems were operating near capacity before the shortage, making it difficult to suddenly bring surplus stocks from other states to meet Colorado shortages.

Experts report that these three problems worked together to trigger a "domino effect" which was then aggravated by a number of smaller factors, including what some industry sources say is evidence of "hoarding."

The demand problem is the easiest to spot. Wholesale gasoline purchases in Colorado between Jan. 1 and May 1 rose 8.4 per cent in 1973 from the same period in 1972, according to the Colorado Petroleum Council.

Nationally, according to United Press International, gasoline demand rose only about 5 per cent.

Thus the increase in gasoline consumption in Colorado was more than 50 per cent greater than the national increase.

For the month of April, national demand increased by 7.2 per cent while Colorado consumption soared by 10.8 per cent.

Colorado Department of Motor Vehicles figures show motor vehicle registrations have increased 7.3 per cent in the last year. When major companies began allocating gasoline based on last year's sales, the faster-growing states felt the pinch harder.

FIFTH OF OUTPUT

The second problem, reliance on independent refiners, also grew worse in Colorado as the national fuel shortage began. In the Rocky Mountain area, major companies process 355,000 barrels of fuel a day and independents add 155,000 barrels.

In the Denver area, an independent, the Refinery Corp. in Commerce City, produces about 20 percent of Denver area fuel under normal circumstances.

But because of crude-oil shortages, Refinery Corp. has been able to operate at only 65 to 71 per cent of its capacity this spring and summer, a spokesman said. That lost output alone might have been enough to avert a Denver-area shortage.

Because independent refiners, unlike majors, don't normally control their own sources of crude, they were forced to rely on a shrinking open market.

OUTSIDE REFINERIES

Most of Colorado's crude oil isn't processed in the state, but sent outside to other refineries, many in Illinois. Long-standing contracts dictate that.

The major source of new crude oil easing the national problem has been increased imports from the Middle East. But that oil would pose a difficult transportation problem if efforts were made to get it to Denver.

Additionally, Middle East crude tends to be high in sulphur content, and most Rocky Mount refineries are geared to process the region's own "sweet" (low sulphur) crude and couldn't refine high-sulphur crude with their present facilities.

Besides Refinery Corp., there is only one other large refinery in Denver—the Continental Oil Co. plant in Commerce City. A major share of the state's refined gasoline products must come in by tanker truck (often from Kansas) or by pipeline.

And that is the third major problem.

"No increases have been made to the products pipeline situation here for some time, and it has been operating at capacity for two or three years," according to Earl Brookshire, an analyst for the Petroleum Information Corp. in Denver.

Thus the distribution system was ill-suited to meet a surge in demand in Colorado triggered by growing consumption and faltering production inside the State, he said.

A local petroleum-industry official, who asked not to be identified, criticized the major companies for not increasing the pipeline capacity.

"Quite frankly, the Denver market has been a dumping ground for excess energy products. That's why we used to have a lot of gas wars.

But now there's no excess, so Denver's getting hurt," he said.

ANOTHER LINK

The pipeline picture should improve by early September, when the Case Pipeline Co., Wichita, Kan., plans to open a new 10-inch pipeline from Eldorado, Kan., to a highly automated terminal near Aurora.

That pipeline can deliver between 15,000 to 20,000 barrels a day of heating fuel, diesel oil or gasoline. This compares with 83,000 barrels a day used in all of Colorado last spring and should greatly ease the situation—if the Kansas refiners can get enough crude oil.

While the first three factors may have caused the shortage, a number of others may have aggravated it.

For example, Colorado's severe winter reduced new drilling operations in the state.

FEWER COMPLETIONS

By June 29 of this year, operators had completed 359 wells in the state, 22 per cent fewer than during the same period in 1972, according to Charles A. Rothfus, executive vice president of the Colorado Petroleum Council.

Another problem is "hoarding." Many industry sources believe motorists now try to keep their gas tanks closer to full than they did before the shortage—to guard against running dry.

If the average motorist in the state kept just four more gallons in his tank, that would be a 3 gallon increase in the motorists' inventory. That is equal to about one day's gasoline consumption in Colorado.

Farmers, industrial users, and other users with large storage facilities may also be building their inventories to guard against the shortage, industry sources believe. Stocks to farmers are particularly critical because an entire season's harvest can be lost by a week's delay in finding gas to run trucks, combines and tractors.

Various retail stores also have reported rising sales of auxiliary gas cans to average motorists. Fire and safety officials however, warn that storing such gasoline is a serious safety hazard.

If these problems aggravate the shortage in Colorado, what is the future outlook for the state?

While most industry sources predict a tight situation nationally for three to five years, many think Colorado's plight may get better—at least returning to the national average.

SUPPLIES GROWING

Larry Goldstein of the Petroleum Industry Research Foundation in New York City said national inventories are improving and Colorado's problem may be primarily due to the overloaded distribution system. The new Koch Oil pipeline may help that.

Independent refiners are pressing for a mandatory system of allocating crude oil among refiners. If they succeed, it could ease the problem of Colorado's heavy reliance on independents. Hearings by the Senate Antitrust Committee chaired by Philip Hart, D-Mich., may lead to such allocations.

Gasoline consumption may also drop somewhat if tourists get nervous about coming to Colorado, or if residents use more buses, cut back on unnecessary driving and conserve fuel.

However, the Continental Oil Co. refinery in Commerce City must close for six weeks beginning Sept. 15 for improvements. Officials there hope that the shortage will ease by that time, although they are trying to stock gasoline or get more from Wyoming to offset that loss of production.

MORE SHORTAGES

Al Hein, executive vice president of the Colorado Petroleum Retailers Association, predicted there wouldn't be any real relief in the state "for another three weeks."

Tom Moen, president of that association, also believes the situation "will worsen here before it improves."

Thus, the picture for the next few weeks appears cloudy. Gasoline consumption historically drops after Labor Day, and the shortages could end then. But industry sources fear that heating-oil shortages, similar to those which hit Colorado last winter, may recur later this year.

Refiners may scramble so hard to meet gasoline demand now that they fail to build adequate heating-oil stocks for the fall, industry sources fear.

Other industry spokesmen are more optimistic—but most agree the situation will continue to be tight this winter. They only disagree on the severity of the problem.

THE GASOLINE SHORTAGE: WHAT HIT DENVER—MANY FACTORS SUGGESTED: TREMENDOUS GROWTH, REMOTENESS

(By Patricia Eisenstein)

Looking at the pictures of new cars lined up to buy gasoline you could see at a glance it wasn't 1941; looking at the American Automobile Association reports on gasoline station openings the last several weeks, you could hardly tell them apart in one respect: Denver really got bombed out in the gasoline shortage. But why Denver?

Lanny Richard at the Society of Independent Gasoline Marketers of America suggested several factors: the city's remoteness from waterways and pipelines forced suppliers to truck all gasoline in, a statement later reiterated by Chet Guthrie of Oriental Refining Co.'s sales vice president.

In fact, he noted, the difficulty in getting sufficient crude supplies had left at least one independent refinery, Oriental's, running at only about 55% of capacity; they were putting customers on daily allocations.

ONLY ONE MAJOR

Richard said Continental Oil Co. had more-or-less control of who got in and out of the Denver area; they have the largest refinery there, and the only "major" one.

Denver, said Richard, has been growing tremendously fast and so has demand for gasoline. The area has probably been on the verge of a shortage for some time—the allocation situation just pushed it over the edge.

Chet Guthrie of Oriental said the majors had found the Rocky Mountain area in general an unprofitable place to build refineries, thus leaving the entire area short of facilities.

REFINING DECREASE

In fact, said Guthrie, Denver's refining capacity has probably decreased. He thought three independents were running below capacity.

Asked about solutions, Guthrie said the Chase pipeline, being built by Skelly and Coke Industries, originating in Wichita which is supposed to come into Denver, won't help much since it comes from the Midwest, which is just as crude-short as the Rocky Mountain areas.

He also said even if there is some relief in the gasoline situation, there will be a squeeze on the intermediates, come winter, as far as heating oil goes (Denver had some serious problems last winter in this regard, with various municipal buildings closed for lack of fuel).

KEEP PRODUCT LOCALLY

One thing Guthrie thought would help: keep Rocky Mountain product in the area instead of shipping it east and west, as he says is being done now to a great extent.

Vickers' Harold Grueskin said the demand for petroleum products in the Denver area has been almost double that for the rest of the U.S.

Not only have refining facilities not kept up with this, Grueskin said Denver papers' reports on May indicated Denver people were getting less than their prorated percent of last year's product as compared to the rest of the U.S.

Grueskin noted all segments of the market were hit by shortages.

STOCKPILING FOR DOWNTIME

Conoco, he thought, was running at or near capacity. There had been some charges they were stockpiling fuel for less-than-nice reasons, but the firm said it was expecting maintenance downtime and was storing product against a 6-week period when it couldn't run the whole facility.

Grueskin said he could see no real solutions to Denver's plight, just some possible logistical redistribution.

He saw some easing of the situation after Labor Day; and noted people have already adjusted their buying habits to meet conditions.

PHASE IV IMPACT

In fact, he commented, if Phase IV is as reported he thought the whole U.S. might be in for all new distribution problems: there were price wars in effect at the time of the freeze base period (Jan. 10) and areas where these wars took place had bad profit margins. Why, then, would a company want to ship gasoline to an area where frozen prices had such bad margins when he could ship product to an area 100 or 500 miles away where the margin was good?

Are we in for more Denvers?

GOOD CHOICE FOR EPA

Mr. PELL. Mr. President, it is sad to note that in this administration there has been a startling trend toward politicalization of many of the administrative departments and agencies of the Federal Government. Hardly a day goes by without further reports of once proud and independent agencies being subservient to White House directives.

Throughout this period one agency, the Environmental Protection Agency, has maintained a proud record of independence and single-minded dedication to its mission: The protection of our national environment.

Credit, for this record must go to the Administrators of the Agency: First, William Ruckelshaus and, at present, Robert Fri.

I am pleased to note, Mr. President, that there are clear indications that this record of independence and determination would continue under the administrator whose nomination has been sent to us for confirmation: Russell Train.

I commend the Committee on Public Works for its prompt action in recommending confirmation of Mr. Train and I hope this body will confirm him as Administrator.

I have known Mr. Train for many years, both on a personal level and on an official level as chairman of the Subcommittee on Oceans and International Environment of the Committee on Foreign Relations. I know him to be a man passionately concerned with not only our national environment but with the world environment.

His record in this area is a clear one. He has served as Under Secretary of the Interior and then from 1965 to 1969 was president of the Conservation Foundation.

He has since been Chairman of the Council on Environmental Quality. In that role he has been a forthright spokesman for the need for vigorous governmental action both to restore our environment, damaged by years of neglect and abuse, and to protect the remaining environmental resources we have.

At a time when our national economic and energy problems are causing some

people to blame environmentalists for every difficulty, I am pleased that Mr. Train has refused to take an expedient or half-hearted position. He has staunchly defended the need for environmental controls.

In the area of international environment I can with some detailed knowledge attest to his leadership and energy in mobilizing world action on a host of problems.

Mr. President, the Washington Star-News in a recent editorial praised many of these qualities which I have cited in Mr. Train and I ask unanimous consent that it be inserted in the RECORD at this time.

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

GOOD CHOICE FOR EPA

All available evidence suggests that President Nixon made an excellent choice the other day in selecting a new chief for the Environmental Protection Agency. It's true that Russell E. Train has no experience in administration on the large scale he now must grapple with, but neither does anyone else we know of who holds high credentials as an environmental leader. And these Train certainly has, along with a good deal of talent and persuasive ability.

The latter has been exercised lately in his strong contention—voiced to businessmen and others—that environmentalism is getting an unfair rap as a creator of economic and energy problems. Such claims are vastly exaggerated, he argues, with some rather impressive documentation.

His leadership of the Council on Environmental Quality, since its formation in 1970, has produced highly valuable results, in studies, recommendations and legislation. But his most striking achievements have been in mobilizing international action to curb ocean pollution, and protect endangered species of animal, marine and plant life all over the world. Progress in these areas has been truly remarkable in the past year, and Train was in the forefront as this country's representative at international conferences.

At head of the private Conservation Foundation, he was defending the environmental ideal for several years before entering government. Now comes his supreme test, for the EPA faces a severe dilemma in applying some difficult provisions of the Clean Air Act. Modifications in the law are proposed, and there will be pressures for more flexibility in other fields of pollution control as the pinch becomes more painful here and there. Train will occupy the position at which environmentalism and economics collide, as they surely will in some major instances. The question is, how much will he bend? To the very minimum that's required, we hope.

That seems to be the message, too, in his statement that the EPA will continue to operate with the same independence assumed under its able first administrator, William D. Ruckelshaus. And Train emphasizes that the burden of proof will be on those who want to ease the environmental restrictions fixed by law. These are encouraging assurances, and we hope he proves equal to the pressures of politics, and divergent interests, that surely will converge with increasing momentum upon his agency.

DISCLOSURE BY SENATOR JACOB K. JAVITS, OF NEW YORK, OF DIRECT OR INDIRECT FINANCIAL INTERESTS

Mr. JAVITS. Mr. President, under the Senate Code of Ethics, I filed on May 14, 1973, with the Secretary of the Senate, a formal "Statement of Contributions and Honorariums," in which I disclosed all substantial contributions or honorariums received by me during the last calendar year. The form is a public document to which the press has access.

In addition, on May 14, 1973, I filed under the Senate rules a "Confidential Statement of Financial Interests," which includes lists of my assets and liabilities. As that statement is filed with the Comptroller General under the rules of the Senate and is not open to public examination, I hereby publish a list as closely as I can ascertain: First, of my interests in property as of August 1, 1973, each item having a value of $10,000 or more; and second, the securities held in a family trust established in 1937, of which I am the trustee and in which I have a beneficial interest, each item having a value of $10,000 or more; and, a list of my liabilities of $5,000 or more as of the same date.

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

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

JACOB K. JAVITS—INTERESTS IN PROPERTY

Nature of interest, type of property, and location

Home-Stake Production Co., Oil and Gas Interest, Oil and gas, Tulsa, Oklahoma.
Indian Trail Groves, Ltd., Orange groves, Palm Beach, Florida.
Shareowner—Indian Trail Rand, Inc., Land, Miami, Florida.
Real Estate Interests.
Big Mound Trail Corp., Trust-Stock, Land, Miami, Florida.
Hardwicke Companies, Inc., Corporate stock, New York, New York.
Capehart Corporation, Corporate stock, New York, New York.
Riverview Realty Corp.—Stock, Residence, Washington, D.C.
Computer Investors Groups, Inc., Stock, Corporate stock, New York, New York.
L. S. Inc.—Stock, Corporation stock, New York, New York.
Chubb Corp.—Stock, Corporate stock, U.S.
Westmoreland Coal, Corporate stock, U.S.
Southern Tier Cattle, Cattle, Kansas City, Missouri.
*Terra Bella Vineyards, Vineyards, California.
*Southgate Associates, Apartment, Chicago, Illinois.
*Martinco Realty, Land Interest, Miami, Florida.
Checking Account, Cash, First National City Bank, New York, New York.

JACOB K. JAVITS—BENEFICIAL INTEREST IN TRUSTS

Name of Trust of Fiduciary Interest: Ida Javits Trust.
Name of Trustee or Other Fiduciary: Jacob K. Javits Trustee.
Address of Trustee or Other Fiduciary: 110 East 45th Street, New York, New York.
Trust holdings:
Belco Oil & Gas Fund, Limited Partnership.
East Hampton Property, Land Interest.
Loxahatchee Real Estate, Land Interest.
Tysons Corner Property, Land Interest.
Government Employees Corp., Bonds.
Government Employees Financial Corp., Bonds.
Royal Palm Beach Colony, Inc., Bonds.
U.S. Treasury, Bonds.
American Telephone & Telegraph Co., Stocks.
Archer-Daniels-Midland Co., Stocks.
Atlantic Richfield Co., Stocks.
Bankers Securities Corp., Stocks.
Belco Petroleum Corp., Stocks.
Cenco Hospital & Convalescent Homes Corp., Stocks.
Cenco Instruments Corp., Stocks.
Cities Service Co., Stocks.
Consolidated Marbenor Mines Ltd., Stocks.
Criterion Insurance Co., Stocks.
Crown Zellerbach Corp., Stocks.
Equity Commercial Corp., Stocks.
First National City Bank Corp., Stocks.
Flying Tiger Corp., Stocks.
Government Employees Financial Corp., Stocks.
Government Employees Insurance Co., Stocks.
Government Employees Life Insurance Co., Stocks.
IBM, Stocks.
IDB Bank Holding, Stocks.
Indian Trail Ranch, Inc., Stocks.
Inland Container A, Stocks.
IMC Magnetics Corp., Stocks.
Perrage Properties, Inc., Stocks.
Royal Palm Beach Colony, Stocks.
Sherritt Gordon Mines, Stocks.
South Carolina Electric & Gas Co., Stocks.
Southern Company, Stocks.
Telco Marketing Service, Stocks.
Transamerica Corp., Stocks.
White Shield Oil & Gas, Stocks.
Zenith Radio Corp., Stocks.

* Ida Javits Trust—beneficial interest.

LIABILITIES

Name of creditor, address of creditor, and type of liability

1. Ida Javits Trust, c/o Jacob K. Javits, 110 East 45th Street, New York, New York, Advances—unliquidated.
2. First National City Bank, New York, New York, Personal loan for the renovation and furnishing of a co-op apartment at 322 East 57th St., New York City.
3. First National City Bank, New York, New York, Contingent liability of partnership loan re Southgate Associates.
4. Northwestern Life Insurance Company, Travelers Insurance Company, Union Labor Life Insurance Company, Equitable Life Insurance Society, New York Life Insurance Company, Massachusetts Mutual Life Insurance Company, Mutual of New York, Various loans on life insurance policies secured by cash surrender value of policies.

SCARCE FOOD: HERE TO STAY?

Mr. KENNEDY. Mr. President, the most fundamental commodity needed to sustain human life is, of course, food.

The threat of food shortages here, or anywhere in the world, is therefore a menacing fact. Yet, a growing food crisis here and, more graphically abroad, has been developing with each passing year.

Even as food items are beginning to disappear from our Nation's grocery shelves, famine and hunger are the tragic companions to millions of people around the world. The famine in West Africa—so long unnoticed by the international community—is only the most recent example of this growing crisis of food, stretching over the years from the Far East, India, and Bangladesh, and now closer to home.

Clearly, the question of food—its production, distribution, and availability—will be of increasing importance in the decades ahead, for us and for the rest of the world. Food is now, more than ever, an international problem demanding international solutions. With the

prospect of famine refugees, such as in West Africa today, and conflicts over food resources, such as on the high seas today, suggests that food may also become an international security issue as well.

Mr. President, these problems are reviewed in an exceptionally important article by Mr. Lester R. Brown. The future of food—of scarce food—is discussed by Mr. Brown, and I commend his essay to all Senators and ask unanimous consent that it be printed in the RECORD.

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

SCARCE FOOD: HERE TO STAY

(By Lester R. Brown)

This year has witnessed a dramatic upsurge in the world food situation, largely in response to global scarcity and rising food commodities—wheat, rice, feedgrains and soybeans—have soared to historic highs in international markets. Rationing has been in effect for at least some foodstuffs in three of the world's four most populous countries: China, India and the Soviet Union.

By summer, food was being airlifted into several countries in sub-Sahara Africa to stave off famine. India and Bangladesh faced critical food shortages. The United States was restricting soybean exports in order to bring internal food prices down. Food scarcity was affecting the entire world, rich countries and poor.

Within the United States, those protesting and boycotting over rising meat prices in recent months hardly know whom to blame. They are not certain that supermarkets bear responsibility, they are not convinced that it is entirely the farmer's fault, and they are not sure who the middleman is.

What most Americans have never stopped to ask is whether we, as consumers and parents, might in any way be responsible for the soaring meat prices. As average American consumers, we have increased our per capita beef consumption from 55 pounds a year in 1940 to 117 pounds in 1972. Meanwhile, as parents, many of us have borne far more children than needed to replace ourselves, expanding our population by 57 per cent during this same period. Altogether, our national beef consumption tripled, making us a leading beef importer.

For Americans, soaring food prices and the prospect of sometimes empty meat counters in the months ahead has come as a shock. If there was any sector of our economy which we thought was invulnerable, it was the capacity of U.S. agriculture to provide consumers with an adequate supply of low-cost food. Suddenly this is no longer possible.

A dollar devalued by as much as a third over the past 20 months against major currencies such as the German mark and Japanese yen is enabling two-thirds of a billion high-income consumers in Europe, the Soviet Union and Japan to compete very successfully for our domestically produced agricultural raw materials. Had the administration been willing earlier to reduce the scale of our vast dollar-draining military establishment abroad or to meaningfully address the energy crisis at home by curbing demand through such actions as reducing the size of automobiles, much of the decline in the dollar's value could have been avoided. Inaction on these fronts is now taking its toll at the supermarket checkout counter.

At the global level, the news media have drawn attention to several factors contributing to the food scarcities of 1973. Among these are the poor rice harvest in Asia, the shortfall in the Soviet wheat crop, and the temporary disappearance of the anchovies off the coast of Peru for several months in late 1972 and early 1973. But these are to some extent at least, short-term factors, and they should not be permitted to obscure other, more fundamental long-term trends and forces that are altering the nature and dimensions of the world food problem.

POPULATION AND AFFLUENCE

During the 1960s the world food problem was perceived as a food/population problem, a race between food and people. At the end of each year observers anxiously compared rates of increase in food production with those of population growth to see if any progress was being made. Throughout most of the decade it was nip and tuck. During the 1970s rapid global population growth continues to generate demand for more food, but, in addition, rising affluence is emerging as a major new claimant on world food resources. Historically, there was only one important source of growth in world demand for food; now there are two.

At the global level, population growth is still the dominant cause of an increasing demand for food. Expanding at nearly 2 per cent per year, world population will double in little more than a generation. Merely maintaining current per capita consumption levels will therefore require a doubling of food production over the next generation.

The effect of rising affluence on the world demand for food is perhaps best understood by examining its effect on requirements for cereals, which dominate the world food economy. Consumed directly, cereals provide 52 per cent of man's food energy supply. Consumed indirectly in the form of livestock products they provide a sizable share of the more than 70 per cent of the world's crop remainder. In resource terms, cereals occupy area.

In the poor countries, the annual availability of grain per person averages only about 400 pounds a year. Nearly all of this small amount, roughly a pound a day, must be consumed directly to meet minimum energy needs. Little can be spared for conversion into animal protein.

In the United States and Canada, per capita grain utilization is currently approaching a ton a year. Of this total, only about 150 pounds are consumed directly in the form of bread, pastries and breakfast cereals. The remainder is consumed indirectly in the form of meat, milk and eggs. The agricultural resources—land, water, fertilizer—required to support an average North American are nearly five times those of the average Indian, Nigerian or Colombian.

Throughout the world, per capita grain requirements rise with income. The amount of grain consumed directly rises until per capita income approaches $500 a year, and then begins to decline, eventually leveling off at about 150 pounds. The total amount of grain consumed directly and indirectly, however, continues to rise rapidly as per capita income climbs. As yet no nation appears to have reached a level of affluence where its per capita grain requirements have stopped rising.

There is now a northern tier of industrial countries—including Scandinavia, Western Europe, Eastern Europe, the Soviet Union and Japan—whose dietary habits more or less approximate those of the United States in 1940. As incomes continue to rise in this group of countries containing some two-thirds of a billion people, a sizable share of the additional income is being converted into demand for livestock products, particularly beef. Many of these countries, such as Japan and those in Western Europe, are densely populated. Others—the Soviet Union, for example—suffer from a scarcity of fresh water. Most lack the capacity to satisfy the growth in demand for livestock products entirely from indigenous resources. As a result they are importing increasing amounts of livestock products or of feedgrains and soybeans with which to expand their livestock production.

Throughout the poor countries, population growth accounts for most of the year-to-year growth in the demand for food. At best only very limited progress is being made in raising per capita consumption. In the more affluent countries, on the other hand, rising incomes account for most of the growth in the demand for food.

LAND AND WATER

As world demand climbs due to these two factors, we face several important constraints in our efforts to expand global food production. The traditional approach to increasing production—expanding the area under cultivation—has only limited scope for the future. Indeed, some parts of the world face a net reduction in agricultural land because of the growth in competing uses, such as industrial development, recreation, transportation and residential development. Few countries have well-defined land use policies that protect agricultural land from other uses. In the United States, farmland has been used indiscriminately for other purposes with little thought to the possible long-term consequences.

Some more densely populated countries, such as Japan and several in Western Europe, have been experiencing a reduction in the land used for crop production for the past few decades. This trend is continuing and may well accelerate. Other parts of the world, including particularly the Indian subcontinent, the Middle East, North Africa, the Caribbean, Central America and the Andean countries, are losing disturbingly large acreages of cropland each year because of severe erosion.

The availability of arable land is important, but perhaps even more important in the future will be the availability of water. In many regions of the world, fertile land is available if water can be found to make it produce.

Yet most of the rivers that lend themselves to damming and to irrigation have already been developed. Further efforts to expand fresh water supplies for agricultural purposes will increasingly focus on such techniques as the diversion of rivers (as in the Soviet Union), desalting sea water and the manipulation of rainfall patterns.

Another disturbing question is the extent to which the trend of rising per-acre yields of cereals in the more advanced countries can be sustained. In some countries, increases in per-acre yields are beginning to slow down, and the capital investments required for each additional increase may now start to climb sharply. In agriculturally advanced countries, such as Japan, the Netherlands and the United States, the cost of improving production for some crops is rising. For example, raising yields of corn in the United States from 90 to 100 bushels per acre requires much more nitrogen than was needed to raise yields from 50 to 60 bushels.

What impact the energy crisis will have on food production costs and trends remains to be seen. With a substantial rise in the cost of energy, farmers engaged in high-energy agriculture, as in the United States, will tend to use less, thus perhaps reducing future production increases below current expectations. Rising costs will affect not only gasoline for tractors but other basic items. Nitrogen fertilizer, for instance, often uses natural gas as a raw material, and energy is one of the dominant costs in its manufacture.

BEEF AND SOYBEANS

In looking ahead one must be particularly concerned about the difficulties in expanding the supply of world protein to meet the projected rapid growth in demand.

One important source of protein is beef. Efforts to increase its supply have run into

two problems: First, agricultural scientists have not been able to devise any commercially usable means of getting more than one calf per cow per year. For every animal that goes into the beef production process, one adult must be fed and otherwise maintained for a full year. There does not appear to be any prospect of an imminent breakthrough on this front.

The other problem is that the grazing capacity of much of the world's pasture land is now rather fully utilized. This is true, for example, in the U.S. Great Plains, in East Africa and in parts of Australia. Most of the industrial countries in which beef consumption is expanding rapidly, from Ireland through the Soviet Union and Japan, are unable to meet all the growth in demand from their own resources. Either some of the beef, or the feedgrains and soybeans to produce it, must be imported.

Soybeans are a second major protein source which has thus far defied the efforts of scientists to achieve a production breakthrough. A major source of high-quality protein for livestock and poultry throughout much of the world, soybeans are consumed directly as food by more than a billion people throughout densely populated East Asia. They have become the leading export product of the United States, surpassing export sales of wheat, corn and high-technology items such as electronic computers.

In the United States, which now produces two-thirds of the world's soybean crop and supplies more than 90 per cent of all soybeans entering the world market, soybean yields per acre have increased by about 1 per cent per year since 1950; corn yields, on the other hand, have increased by nearly 4 percent per year. One reason why soybean yields have not climbed very rapidly is that the soybean, being a legume with a built-in nitrogen supply, is not very responsive to nitrogen fertilizer.

The way the United States produces more soybeans is by planting more soybean acreage. Close to 85 per cent of the dramatic four-fold increase in the U.S. soybean crop since 1950 has come from expanding the area devoted to it. As long as there was ample idled cropland available, this did not pose a problem, but if this cropland reserve continues to diminish or disappears entirely, it could create serious global supply problems.

DEPLETED OCEANS

A third major protein source is the earth's oceans. From 1950 to 1968 the world fish catch reached a new record each year, tripling from 21 million tons to 63 million tons. The average annual increase in the catch of nearly 5 per cent, which far exceeded the annual rate of world population growth, greatly increased the average supply of marine protein per person.

Then suddenly, in 1969, the long period of sustained growth was interrupted by a decline in the catch. Since then, it has been fluctuating rather unpredictably, while the amount of time and money expended to bring in the catch continues to rise every year. Many marine biologists now feel that the global catch of table-grade fish is at or near the maximum sustainable level. A large number of the 30 or so leading species of commercial-grade fish may currently be overfished—that is, stocks will not sustain even the current level of catch.

The 1971 catch of 69 million tons amounted to nearly 40 pounds of live weight a person throughout the world. Of this catch roughly 60 per cent was table-grade fish, the remainder consisting of inferior species used for manufacturing fish meal, which in turn is used in poultry and hog feed in the industrial countries.

The world's major source of fish meal is the anchovy stock off the coast of Peru. Peru has supplied nearly two-thirds of world fish meal exports in recent years. Last year's disappearance of the anchovies, at first regarded as a temporary, recurring natural phenomenon, is now being viewed with considerable alarm by many biologists. There are growing indications that the stock has been seriously damaged by over-fishing.

If, as now seems probable, the global fish catch does not continue rising in the next decades as it did during the last two, the pressures on land-based protein sources can be expected to increase substantially.

Although there are still substantial opportunities for further expanding the world's protein supply, it now seems likely that the supply of animal protein will lag behind growth in demand for some time to come, resulting in significantly higher prices for livestock products during the 1970s than prevailed during the 1960s. We may be witnessing the transformation of the world protein market from a buyer's market to a seller's market, much as the world energy market has been transformed over the past few years.

DWINDLING RESERVES

Since World War II the world has been fortunate to have, in effect, two major food reserves: grain reserves in the principal exporting countries and cropland idled under farm programs, virtually all of it in the United States.

Grain reserves, including substantial quantities of both foodgrains and feedgrains, are most commonly measured in terms of carryover stocks—the amount in storage at the time the new crop begins to come in. World carryover stocks are concentrated in a few of the principal exporting countries—namely the United States, Canada, Australia and Argentina.

Since 1960, world grain reserves have fluctuated from a high of 155 million metric tons to a low of about 100 million metric tons. When reserves drop to 100 million tons, severe shortages and strong upward price pressures develop. Although 100 million tons appears to be an enormous quantity of grain, it represents a mere 7 per cent of annual world grain consumption, a perilously thin buffer against the vagaries of weather or plant diseases. As world consumption expands, so should the size of the working reserves, but the trend over the past decade has been for reserves to dwindle while consumption has climbed.

In addition, one-seventh of U.S. cropland, or roughly 50 million acres out of 350 million, has been idled under farm programs for the past dozen years or so. Though not as quickly available as the grain reserves, most of this acreage can be brought back into production within 12 to 18 months once the decision is made to do so.

In recent years the need to draw down grain reserves and to dip into the reserve of idled cropland has occurred with increasing frequency. This first happened during the food crisis years of 1966 and 1967 when world grain reserves were reduced to a dangerously low level and the United States brought back into production a small portion of the 50 million idle acres. Again in 1971, as a result of the corn blight, the United States both drew down its grain reserves and again brought a portion of the idled acreage back into production. This year, in response to growing food scarcities, world grain reserves once more declined, and the United States dipped much deeper into its idled cropland, permitting at least two-thirds to come back into production.

Now, even with the prospect of record harvests of wheat, corn and soybeans in the United States and a good-to-very-good cereal harvest in the Soviet Union, it does not appear that depleted world grain reserves will be rebuilt much, if at all, this year.

A WORLD FOOD BANK

If world food reserves become chronically low and idle U.S. cropland dwindles or disappears, the result may well be very volatile world prices for the important food commodities. It already is clear that a 25-year era of remarkably stable world prices for the principal temperate zone crops, based on U.S. commodity support levels, has come to an end.

The situation could become even more traumatic for consumers throughout the world if North America, on which the world has become progressively more dependent for its food supplies during this same postwar period, should experience a prolonged drought of several years during the 1970's. There has been such a drought roughly every 20 years since weather records were begun after the Civil War. The most recent drought period, in the early 1950s, was not especially severe, but the preceding one brought on the Dust Bowl crisis of the 1930s.

The prospect of an emerging chronic global scarcity of food calls for serious consideration of the proposal by the Food and Agriculture Organization of the United Nations for an internationally managed world food bank as a means of maintaining some semblance of order and stability in the world food economy. Just as the U.S. dollar can no longer serve as the foundation of international monetary system, so U.S. agriculture may no longer have sufficient excess capacity to ensure reasonable stability in the world food economy.

A world reserve could be built up in times of relative abundance and drawn down in times of acute scarcity. In effect, the cushion that surplus American agricultural capacity has provided for a generation would be provided at least partially by a world food bank. A system of global food reserves would provide a measure of price stability in the world food economy that would be in the self-interest of all nations. It also would provide assurance against famine in the densely populated low-income countries after a poor crop year—an assurance the affluent nations may be less able to provide in the future if the current system of autonomous, nationally oriented planning is allowed to continue without modification.

There is a similarly urgent need to evolve a cooperative global approach to the management of oceanic fisheries. Failure to do this will result in a continuing depletion of stocks, a reduction in catch, and soaring seafood prices that will make those of the early 1970s seem modest by comparison. It is in this context that we, as consumers, have a direct stake in the U.N.-sponsored conference later this year in Santiago.

THE DEVELOPMENT LANDS

Over the long run, the key to coping with world food scarcity lies in the developing countries. It is here that the population pressures are most severe and furthest from solution; it is here also that the unused potential for expanding food production is the greatest.

On the population front, current trends make possible the stabilizing and eventual halting of growth in the industrial countries. In the poor countries, however, it will be much more difficult to achieve population stability. For one thing, history shows that birth rates do not usually decline unless there is improvement in well-being—a reasonable standard of living, an assured food supply, a reduced infant mortality rate, literacy, and health services.

In short, it may well be in the self-interest of affluent societies, such as the United States, to launch an attack on global poverty, not only to narrow the economic gap between rich and poor nations, but also to meet the basic social needs of people throughout the world in an effort to provide incentives for lowering

birth rates. Population-induced pressures on the global food supply will continue to increase if substantial economic and social progress is not made. Populations that double every 24 years—as many are doing in poor nations—multiply 16-fold in scarcely three generations!

The United States could also lead an enlarged effort to expand the world's food supply by concentrating on the unexploited potential of the developing countries. A bipartisan proposal introduced in Congress last month would do this by restructuring the Agency for International Development and increasing by half the support it provides for agricultural and rural development.

Although the introduction of new wheat and rice varieties has increased production substantially in many developing countries, the jump in per-acre yields appears dramatic largely because their yields traditionally have been so far below their potential. But today rice yields per acre in India and Nigeria still are only one-third those of Japan; corn yields in Thailand and Brazil are less than one-third those of the United States. Large increases in food supply are possible in these countries at far less cost than in agriculturally advanced nations if farmers are given the necessary economic incentives and resources.

Concentrating efforts on expanding food production in the poor countries could reduce the pressure on world food prices, create additional employment in countries where continuously rising unemployment poses a serious threat to political stability, and raise income and improve nutrition for the poorest portion of humanity—the people living in rural areas of the developing countries.

The urgency of the food problem is underscored by increasingly frequent reports of starvation in sub-Sahara Africa and of food riots in Asia. Assuring adequate food supplies at reasonable prices may now be possible only through international cooperation. The disappearance of surplus food stocks and the return of idled cropland to production has removed the cushions that once existed as partial insurance against catastrophe for the poor and skyrocketing prices for the rich.

ALASKA PIPELINE

Mr. DOMINICK. Mr. President, yesterday the House passed their version of the right-of-way bill which among other things clears the way for the Alaskan pipeline to bring Alaska oil to the lower 48. Numerous facts and figures were presented and the history of this pipeline was discussed extensively during the debate on this matter. In my study of the bill, I met with numerous groups, including representatives of every major environmental organization. Just as the environment is an ever present issue of concern in my own State of Colorado so also was the environment a concern for those who worked diligently on this project. I have recently read an interesting article which, I believe, clearly sets forth the environmental developments on the pipeline and I think it will be of interest to all of my colleagues. I, therefore, ask unanimous consent that it be printed in the RECORD. The article was written by Esther T. DeWitt and Donald W. Hood of the Institute of Marine Science at the University of Alaska and appeared in the May-June, 1973 issue of Sea Frontiers, a publication of the International Oceanographic Foundation. I commend the authors for their interesting and informative item.

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

OIL IN COLD STORAGE

(By Esther T. DeWitt and Donald W. Hood)

The 1968 discovery of oil at Prudhoe Bay on the Arctic coast by Atlantic Richfield Company and Exxon Company, U.S.A. (then Humboldt Co.) set off a "black gold" rush unequalled in modern history. The rush was not from individual miners and prospectors carrying their supplies on foot or horseback as they did at Chilkoot Pass in the early 1900s, however, but by giant oil companies shipping derricks, pipe, mud and all other supplies by the four-engined *Hercules* workhorse of modern transportation and by barges sailing through the Bering Strait to catch the brief open-ice period of July and August. For a short space of time from October, 1968, to May, 1969, the Fairbanks airport was handling more airfreight than any other U.S. airport. As many as 12 *Hercs* were flying Fairbanks-Prudhoe Bay and back every three hours, on a round-the-clock schedule, to deliver over 270,000 tons of freight to the North Slope.

After this frenzied period and the $900 million lease sale was over, little has happened on the North Slope. All interests are waiting. They are waiting for the impact statement, waiting for a Department of Interior decision, waiting for court decisions on litigation by environmental groups, and waiting for Congress to change the right-of-way leasing law. Waiting—no one knows how long!

CLAIMS OF DISCOVERY

Research of oil in Alaska is fascinating and frustrating. Each man who viewed the "oil lake" on Cape Simpson claims to have been the first, and with the lack of communication in the 1800s, this is understandable. The earliest record seems to credit Thomas Simpson, an explorer for the Hudson's Bay Company, who walked the Arctic coast from 1836 to 1839. Mr. Simpson was well-known for the accuracy of his topographic maps of the area, which were the only maps until the U.S. Geological Survey crews began to arrive in the early 1900s.

Another oil discoverer, William Van Valin, was a teacher for the U.S. Bureau of Education at Wainwright, who drove his team of reindeer 550 miles north to look for the lake of oil. He found it and filed a claim on the west shore of Smith Bay. His diaries do not tell if he proved up his claim ($200 assessment work is required each year), but when President Harding established the Naval Petroleum Reserve No. 4 in February, 1923, Van Valin's claim was included.

Charlie Brower of *50 Years Below Zero* fame and Pat Grey found the lake at Cape Simpson in 1886 while hunting game for their whaling ship crew. They reported that they had found oil bubbling from the ground like a spring.

U.S. Geological Survey bulletins, reports, and professional papers show oil seepage first reported in 1911. They claim the first white man to see the oil was Alexander Malcolm (Sandy) Smith in 1917. Records are so widely scattered and incomplete that historians will find it difficult, if not impossible, to establish the *first* discovery.

The Alyeska Pipeline Service Company, formerly the Trans-Alaska Pipeline System, is a consortium of the participating oil companies. This organization faces a major project of encountering and attempting to cope with all of the arctic phenomena, legal rulings, conservationists, preservationists, opportunists, Congressional opposition, and the new National Environmental Policy Act signed in law January 1, 1970.

Statistically there are 586,000 square miles in Alaska, of which only a hundredth of one percent would be required by the pipeline project. The pipeline will be 789 miles long, 48 inches in diameter, with 641 of the miles across federal lands: Bureau of Land Management, the U.S. Department of Defense, and the U.S. Forest Service. The oil comes hot from the well. There will be a loss of wellhead temperature before the pipeline receives the oil. The pipeline will be designed to operate at a maximum temperature of 145° F.

THE OUTSTANDING DANGERS

Summaries of the dangers involved in the pipeline are presented in the U.S. Department of Interior's *Final Environmental Impact Statement Proposed Trans-Alaska Pipeline*, six volumes prepared by a special interagency task force for the Federal task force on Alaskan oil development, 1972; the three volumes *A Study of the Economic and Sociological Impact of Construction and Initial Operation of the Trans-Alaska Pipeline* by Mathematical Sciences Northwest; and *Environmental Studies of Port Valdez*, published by the Institute of Marine Science, University of Alaska, and many others.

The outstanding dangers attendant with the proposed pipeline project are: ballast pumping and spills from ships; the pipeline crossing earthquake fault zones; the old problem of permaforst; and the terrestrial mammals involved with the pipeline (migration patterns, lambing areas, etc.).

SPILLAGE AND BALLAST PUMPING

The *Environmental Impact Statement* suggests that the first of these dangers, that arising from ballast pumping and spillage at sea, can be minimized by modern equipment, new designs, engineering precautions, and computer and other controls.

In 1971, a bill to prevent ballast pumping into Alaska's coastal waters became law: "No vessel may take on petroleum or by-products unless it arrives without having discharged ballast at sea during the period of time from departure to arrival at a port in the state." This same law established a standard of maximium 50 parts per million (ppm) of oil residue to be discharged to water courses, a control measure that the federal government validated and accepted. Strict liability for the discharge of hazardous substances into natural waters was also established. The Alaska Department of Environmental Conservation has filed its first suit based on this law.

The facility to be built at Valdez is designed to limit the possibility of spillage during pumping operations between ship and shore. Stringently enforced regulations should help prevent any spillage. According to authorities who made predictions, an estimated 3.2 to 26 barrels per day would be spilled in the Port of Valdez. These predictions are of questionable value, as indicated in the statement itself: "The threats cannot be accurately predicted in terms of oil loss frequency, location, or/volume due to the complexities of the systems, the variable and the projection bases involved." It also states "The marine tanker system is variable in the degree to which they can be quantified and predicted."

University of Alaska scientists have been collecting data to predict the effect of treated oil-tanker ballast water on the ecosystem of Port Valdez. This scientific background will provide a basis for monitoring and regulating the environmental impact of an operational oil terminal.

Considering that oxygen is supplied from the atmosphere and photosynthesis and that the port flushes with Prince William Sound, there appears to be little reason for concern over oxygen depletion in the water column from the ballast treatment facility. In addition, physical parameters and density profiles taken during this study indicate that Port Valdez water undergoes complete horizontal

mixing. Vertical mixing is extensive in winter, when the system is estimated to flush every 40 days. During the other seasons, flushing appears to occur at least every 100 days.

There is no practical evidence or theoretical basis for expecting that petroleum contaminants added to the water through the ballast outfall would accumulate in the water column over those levels achieved by initial dilutions. The engineering design will insure a ballast water concentration of 0.1 to 0.5 ppm oil at a distance of 10 feet from the outfall. Natural mixing will further dilute the values tenfold in a distance not exceeding a half mile. Since biological data indicate that an oil concentration of less than 0.05 ppm causes little or no effect to photosynthetic processes and that oil is, in fact, food for many microorganisms, the oil in port waters derived from the treated ballast water is expected to have a negligible biological impact.

A PIPELINE WITH GIVE

Alaska is a geologically young area and earthquakes, the second danger, are to be expected. Alyeska is aware of this and, in areas where significant movement is predicted, the pipeline will be constructed utilizing special design techniques such as a trapezoidal zigzag pattern to assure a maximum of "give" in the line. The pipeline is being designed to withstand the combined stresses from internal pressure, thermal expansion, and seismic forces. Remotely operable block valves will be located on both sides of the Denali Fault crossing to facilitate isolation of that section of the line, should it become necessary.

The new Earth Resource Technological Satellite is taking infrared photographs that show the true extent of the faults. The pipe is designed to arc upward if the earth shifts at the site of the fault. The U.S. Geological Survey has completed its seismic study of the entire pipeline route, and these data are being used by the Alyeska design engineers. The 800 acres for the Valdez terminal are underlaid with bedrock, and the proposed structures are designed to withstand earthquakes. The terminal will be situated above the tsunami level at that location of the Great Alaskan Earthquake of 1964.

The pipeline will be continuously monitored and regulated from a control center at the Valdez terminal. Local control can also be exercised from pump stations. A combination of automatic and manual controls will assure efficient operation of the system and optimum response to all conditions.

FROZEN LAYERS IN THE EARTH

The thermal equilibrium of permafrost, the third danger, is of vital importance; yet, the impact of the pipeline will be similar to that of an arctic road. Permafrost is an everyday fact in many parts of Alaska, and buildings, roads, airfields, pipelines, and other facilities have been successfully built and managed on permafrost for many years.

The state secondary highway built by Alyeska in 1969 from Livengood to the Yukon River did present some permafrost challenges. Vertical bank cuts for the highway north from the Yukon River exposed large amounts of permafrost. As the silt washed down when the ice melted, it was carefully seeded with oats and perennial grasses to help prevent erosion. The grass roots held the silt in place, and the tundra was down over the bank in three years, proving that with help the tundra can be restored. Miles of secondary roads have been built in Alaska without causing permafrost problems.

The 4- to 5-foot-thick gravel roads at Prudhoe have not caused the permafrost to thaw. Most of these roads have been there four to five years. They were placed on top of the tundra without disturbing the vegetation. The pads must include adequate drainage to prevent scouring or slope failure. Culverts must be thawed early in spring, as are the state highway culverts, so ponds will not form along the road that might melt the underlying permafrost.

Alyeska has sponsored many tests of the pipe. The cold pipe test at Barrow was to obtain information about mechanical stress of the pipe subjected to burial in permafrost. After three years' testing, the pipe showed no significant defects.

The three-year hot pipeline test in Fairbanks proved that a mathematical model was correct in the researchers' estimation of the extent and rate of growth of a thaw bulb around a buried, heated pipeline. The pipeline was heated to 160° F. with sensors installed to monitor the melting permafrost. The thaw was as predicted by the mathematical model. The tests also proved that the permafrost stabilizes after the initial melting, and that vegetation can be grown above the line.

More than 5,000 core samples, varying from 2 to 36 inches in diameter, have been drilled. The samples are kept frozen and flown to the nearest laboratory, where they are analyzed for geological engineering characteristics and determination of permafrost content. The results are forwarded to the Alyeska design section, where the pipeline is designed on the basis of the permafrost conditions indicated. Alyeska is continuing its soil sampling program, making more frequent samples in areas where the more fragile conditions exist.

In extremely dense ice and silt areas, the most difficult with which to deal, the pipe will be elevated to prevent meltage and resulting erosion. In areas designated "special burial," the pipe will have to be insulated and buried with refrigeration coils to keep the soil frozen. Every precaution will be taken to keep the permafrost disturbance to an absolute minimum.

It is difficult to determine if Alyeska has spent more time and money on the permafrost problem or on the terrestrial animals.

Hunting will increase as access roads are built. The Alaska game agencies will have to establish and enforce more rigid hunting controls.

Concern has been voiced that the open construction ditch would pose a hazard to larger mammals, which might fall in and become injured. The trench will not be open long enough for the animals to get near it, however, since the area will be active with construction operations. The pipe will be laid as quickly as the ditch is available, since Alaska's short working season necessitates close scheduling.

The elevated pipeline construction would allow a maximum sustained clearance of 8 feet. Extensive studies commissioned by Alyeska are underway by the Cooperative Wildlife Unit of the University of Alaska to determine mammal use of the pipeline overpasses and underpasses. The final summation of the problem has been stated, "If the caribou and other migrating animals will not use the passes as furnished, then we will have to bury the pipe or make other provision to insure passage of the animals. Their migration patterns will not be substantially altered." The stipulations read that precautions must be taken to minimize disturbance in Antigun Canyon during the lambing season of the Dall sheep. When construction is completed and the equipment and workers are removed, it is believed that most of the indigenous animals will accept the line as part of the landscape and will return to their natural habitat.

In final analysis of problems such as mammal disturbance and permafrost, the Bureau of Land Management authorities must agree upon each mile of the pipeline design before construction can start.

It is encouraging that caribou return to the Prudhoe Bay area each spring after having been hunted for thousands of years by the Eskimos. Now protected by enforced hunting controls (oil firm employees cannot hunt; Eskimos may), the caribou have returned to the extent that they dropped an estimated 1,500 calves in the spring of 1972 in the surrounding areas. This confirms that, if adequate hunting controls were exercised, the animals would return to an area with oil wells, roads, and some traffic.

MINIMAL ADVERSE EFFECTS

Vegetation must be recognized as an additional problem. The hot-oil pipeline test was used to evaluate the effect of heat upon the vegetation. Biomass production in warmed soils over the pipe was 500 percent greater the first season and 300 percent greater the second season than in adjacent, unheated soil-control areas. Three years of intensive field testing of hardy, introduced plant species proved considerably successful in six of the eight transect sites from Fairbanks to Prudhoe Bay.

The natural oil seeps at Cape Simpson have established the fact that adverse effects to terrestrial and emergent aquatic vegetation were limited and were conspicuous only when fresh oil contacted foliage. Revegetation of both active and inactive flows was apparent.

It is factual that oil and its products do kill vegetation, and a leak under pressure could cause extensive damage. One possibility that has not been explored is the burning of an oil spill on the tundra. Millions of acres burn each year in Alaska from lightning fires; this land restores itself and two or three years later offers better hunting of some animals than before, according to biologists and native people.

In papers presented at the 1972 Alaska Science Conference, it was reported that some of the experimental grasses introduced will take hold. Construction of the first five pumping stations would be done with minimum disruption of the protective vegetation cover and thus ensure minimal adverse effects.

Again discussion takes us back to the same point of interest. If the contractor stays within federal stipulations and supervises the subcontractors accordingly, only very small amounts of damage will result. With each danger acknowledged, carefully researched, and protection established, it is time to move on. The delays must be cleared away and construction begun.

Taxpayers have paid more than $10 million for the *Environmental Impact Statement*. The oil companies have already invested over $350 million in project research with no returns. The sources of domestic oil are limited, and the balance of payment problem is of national concern—due partially to heavy oil and gas import demands. The energy problem is critical, and national security is at stake.

There seems to be no rational reason for the delay. We must take immediate advantage of one of the most thoroughly studied projects in the history of our country. It is time to put Alaskan oil on the market. Americans have been to the moon and back several times. We are surely capable of building a safe pipeline across the permafrost and tundra of Alaska.

AAAS SCIENCE AND MAN IN THE AMERICAS

Mr. MONTOYA. Mr. President, Mr. Paul Reimers, Coordinator of Informa-

tion Systems at the Library of Congress, brought an excellent example of a new trend in hemispheric solidarity to my attention. Recently the American Association for the Advancement of Science and the Mexican Consejo Nacional de Ciencia y Technologia jointly sponsored a 2-week colloquim on science and man in the Americas in Mexico City.

After introductory remarks by Dr. Glenn Seaborg, chairman of the AAAS Board of Directors, the Honorable Luis Echeverria, President of Mexico and honorary conference chairman, officially opened the meeting, the second in the AAAS 125-year history to be held outside of the United States.

So that the conference would be truly international, equal numbers of scientists from the United States and the Latin American nations participated. Sessions were cochaired by a United States and a Mexican representative. Simultaneous translations were provided at all sessions. By these means, the conference was not dominated by one country at the expense of others.

The keynote speech delivered by Lic. Gerardo Bueno Zirion, Director General of the Consejo Nacional de Ciencia, stressed that less developed nations have difficulty in using technology offered by the more developed nations. Often that technology is too expensive to procure and put into production. Faced with grave social and economic demands, it is difficult to free large amounts of capital even though the eventual return will justify expenditures.

Lic. Bueno went on to say that technology designed to save labor or to substitute synthetic for natural materials does not meet Latin needs because a prime reason for importing technology is to create jobs. As the developing nations raise capital by exporting natural mineral and agricultural materials, the substitution of synthetics lessens demand and decreases the ability of underdeveloped countries to create capital, thereby widening the gap between the have and have-not nations. Also, extranational corporations have used technology as a wedge to gain control of segments of developing economies and keep out native entrepreneurs. The remarks were honest and sobering to representatives of developed nations.

The 10 central themes of the conference were:

The Sea and its Resources.
Ecology and Environmental Deterioration.
Deserts and Arid Lands.
Nutrition and New Food Technology.
Earthquake and Earthquake Engineering.
Science Development and Human Values.
The Problems of Population.
The Importance of Education in Development.
Non-Nuclear Energy for Development.
The Earth Sciences in World Development.

Through the AAAS meeting, invaluable interpersonal associations were formed between United States and Latin American colleagues in the same or related disciplines. These bonds will no doubt add immeasurably to the free flow of technical advances between the nations of the Western Hemisphere.

Despite these important and intangible gains, much still separates the Latin American from the U.S. participants. Latin American scientists concentrate on the practical application of technological knowledge while their American counterparts place more value on theoretical study.

In spite of the distinct emphases, Science and Man in the Americas was a stimulating intellectual experience for the participants. Both sides found that the much touted language barrier disappears with common interests and a modicum of good will. The gracious hosting of the Mexican Government and its scientific organizations did much to supply this latter ingredient.

JUSTICE RETURNS TO KENT STATE

Mr. KENNEDY. Mr. President, I commend the Attorney General Richardson and Assistant Attorney General Pottinger for the decision they have announced today to reopen the Department of Justice investigation into the tragic killings on the campus of Kent State in 1970.

In a sense, today's decision is the best sign we have had so far that a new spirit of justice for respect for law is rising in the Department of Justice. For many, the Department's blunt and hostile refusal, year after year, to do its duty on Kent State, or to cooperate with the Congress in any investigation of the tragedy, had come to symbolize the Department at its worst.

Now, with this new sign that justice is returning to the Department of Justice, I praise the Department for its decision and I hope that Congress will be kept fully informed of its progress.

Certainly all of us in the Senate and House look forward to a full and complete and fair investigation of this tragic chapter in our recent history, an investigation capable of convincing not only the family and friends of those who died, but all our people, that justice at last is being done.

Mr. President, I ask unanimous consent that the text of the announcement released today by the Department of Justice may be printed in the RECORD.

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

DEPARTMENT OF JUSTICE,
August 3, 1973.

Attorney General Elliot L. Richardson announced today that he has authorized Assistant Attorney General J. Stanley Pottinger to conduct an additional inquiry into the circumstances surrounding the fatal shooting of four Kent State University students by members of the Ohio National Guard on May 4, 1970.

The authority was requested by Mr. Pottinger, who heads the Civil Rights Division, after he completed a review of the Justice Department's file on the Kent State case; an evaluation of recent requests from students, private investigators, and others for further federal investigation into certain aspects of the case; and consultation with Civil Rights Division personnel who were in charge of the investigatiton.

Mr. Richardson said his decision rested solely on "the need to exhaust every potential for acquiring facts relating to this tragedy."

"We have concluded in the light of Mr. Pottinger's review of the file that there are some areas where an additional inquiry is desirable," the Attorney General said.

"This does not mean that we have reason to believe that the prior decision to discontinue active investigation was wrong or made for improper reasons, nor does it mean that we think the additional inquiry is likely to lead to a different prosecutive judgment.

"Our purpose is simply to make sure that the Department knows as much as can possibly be learned as to whether there were violations of Federal law in this matter."

"I have authorized Mr. Pottinger to pursue the additional inquiry by such means as he feels are appropriate so that we will both be completely satisfied that the Department knows as much as can possibly be learned concerning possible violations of Federal law."

The Attorney General said Mr. Pottinger will report directly to him on the inquiry.

THE FINANCIAL AND INVESTMENT COUNSELING FOR OLDER CITIZENS

Mr. CRANSTON. Mr. President, as chairman of the Special Subcommittee on Human Resources and as ranking majority member of the Senate Subcommittee on Aging, I have long been aware of the truly disastrous impact of inflation on the millions of retired Americans living on fixed incomes.

Inflation hits hard at all Americans, but it hits hardest at the elderly who spend a great deal more on medical care, housing, and food than do other Americans.

Mr. President, on July 29, 1973, there was a most provocative article in the July 29 Washington Post written by E. M. Abramson, family financial counselor, which points the way toward legislative or other action on the part of the Congress that I think could make a real contribution in helping older citizens deal with the problems of trying to stretch their limited financial resources in this inflated economy.

The July 29 Post article describes an elderly woman who is receiving about $1,500 annually in social security benefits, and who receives approximately $2,000 a year from the interest on her savings of about $40,000. Now this woman estimated that she needs $5,000 a year to maintain her present standard of living—I should point out that this barely exceeds the poverty level and is not exactly an affluent annual expenditure need. In order for her to make up the $1,500 deficit that results, she is forced to draw on her capital, which then reduces the interest she receives, which—of course—forces her to deplete even more of her capital. This is an endless vicious circle.

This woman is not getting the best possible return on her money. The amount she receives in interest payments

would indicate that she is getting something like 5 to 5¼ percent on her money; whereas had she invested in a savings and loan association she might realize $2,400 a year in interest. Savings certificates could yield 6 percent interest. And the Federal National Mortgage Association recently advertised 8.3 percent interest on 8-year debentures, which, the Post article notes, would yield as much as $3,300 annually—more than enough to meet her $5,000 annual need.

Mr. President, the point of this article is that wise financial counseling could make a measurable difference in this woman's ability to remain independent—both financially and personally. The article goes on to cite several other examples of high-yield investments which this elderly woman could make, and states that—

> Financial counseling can make a substantial difference in the living conditions of countless thousands trying to stretch fixed incomes to cover inflated living expenses. Unfortunately, these people have limited amounts of capital and can ill afford the fees charged by professional counselors.

This woman undoubtedly has her money in a traditional savings account because that is where she has always had it. That is a system she knows and trusts and understands. Financial counseling for her, if it is to be at all successful, cannot be offered by someone who's "out to make a buck." The relationship must be based on the trust of the retiree for their adviser. Elderly pensioners have long been a favorite target of con men, get-rich-quick schemes, and phony health care plans. Consequently, most seniors are justifiably wary of anyone who tries to tell them what to do with their money.

The private sector has a great deal of difficulty in establishing a trust relationship with retirees—a relationship vital to really assisting the senior citizen in getting the most from his or her money. The more I look into the need for good, sound, financial and investment counseling for senior citizens, the more I think it is an area ripe for volunteer efforts.

It is interesting that in discussions we have had this week on the matter with various people knowledgeable in the field of senior affairs—including the American Association of Retired Persons—AARP—and the National Senior Citizens Law Center—have shown how enthusiastic people are about the idea of financial counseling for older Americans.

In 1971, Mr. President, the median income for heads of households over 65 was $5,000; of that $5,000, 46 percent was from actual retirement incomes—the rest, 54 percent, was from other sources such as savings, interest on savings, investments, employment, or resources such as a home or an automobile.

If the estimates that some 6 to 7 million elderly citizens will be eligible for the new supplemental security income program—SSI—are correct, then there are some 13 million seniors who could be assisted by such a program of financial counseling. Of that 13 million less than 5 percent are at all "affluent." That 5 percent would most likely not need the services—but some 12 million certainly do.

As chairman of the Special Subcommittee on Human Resources, which has jurisdiction over the domestic programs of the ACTION agency—the Federal volunteer agency created as the result of Reorganization Plan No. 1 of 1970—and as author and floor manager of S. 1148, the "Domestic Volunteer Service Act of 1973," which unanimously passed the Senate on July 18, and which I hope we will be able to send to the President for signature right after the August recess, I am very interested in the possibilities of utilizing ACTION volunteers—particularly the skills of SCORE/ACE volunteers, the Service Corps of Retired Executives and the Active Corps of Executives—in helping older citizens get the most from their capital. Consequently, I have suggested, and the distinguished floor manager of H.R. 7265, the House companion bill (Mr. HAWKINS) and our minority colleagues on each side, Senator BEALL and Mr. STEIGER, have agreed, that we include the following language in the explanatory joint statement on the S. 1148 compromise with regard to programs conducted under title II of S. 1148:

> A very appropriate application of the expertise of SCORE/ACE and other title III volunteers, either separately or working in conjunction with title II (especially in the new Senior Companions programs) and title I volunteers, is to provide financial and investment counselling to senior citizens and others living on fixed incomes in order to enable the maximum use of their limited resources.

Along this same line, the new Director of the ACTION Agency has already begun a new program placing RSVP volunteers in social security offices to provide various information and referral services to seniors. This would seem to be an ideal location for the kind of financial counseling I am suggesting.

It would seem to be appropriate for the Commissioner of the Administration on Aging, under the extensive demonstration projects authority granted him in the new title IV added to the Older Americans Act of 1965 of the Comprehensive Older Americans Services Amendments Act of 1973—now Public Law 93-29—undertake a large demonstration project of this type—possibly through six of the newly designated area agencies on aging—one each in the North, South, East, and West, and in an urban and a rural area. I am writing to Commissioner Flemming very shortly requesting that he investigate this possibility.

Several other possibilities come to mind, and I intend to introduce legislation as soon as the Senate reconvenes in September, to provide for a coordinated program of financial and investment counseling for senior citizens, pulling together the resources of the ACTION Agency, the Administration on Aging, and the Social Security Administration, along with appropriate private sector groups and organizations.

Organizations like AARP and the National Council of Senior Citizens send their members information on retirement income investment programs, and I see no reason why articles along the lines of the "Life Guides" series put out by AARP and even information on preretirement counseling, could not be made available in all social security offices, senior centers, and the like. The information and referral programs to be set up in social security offices upon implementation of the SSI program would also seem to be fertile ground for disseminating information about investments and the best application of the limited resources of elderly persons and making available experienced volunteer financial counselors.

I view this kind of program, not only as one which could provide investment counseling, but also one which could provide general financial advise as well. For example, perhaps an apartment dweller would be well advised to look into a condominium arrangement; or an elderly couple thinking about selling their home would be better advised to rent the house; or perhaps the insurance coverage an individual has is really in excess of his or her needs; and so forth.

My staff and I have only just begun to investigate the possible methods of assisting retired citizens with limited resources in the financial and investment counseling area. Our initial research suggests, however, that we may well be able to help literally millions of senior citizens remove some of the financial anxiety they are now suffering at very minimal cost to the Government.

Mr. President, on August 14 in San Diego, I will be privileged to chair a joint hearing of the Senate Labor and Public Welfare Committee's Subcommittee on Aging, chaired by Senator EAGLETON, and the Special Subcommittee on Human Resources which I chair, on alternatives to institutionalization of the elderly. I plan to ask for the suggestions of the witnesses at that hearing about the proposal I am making today; and, immediately upon our return in September, to introduce appropriate legislation designed to implement the recommendations of those witnesses and the results of my investigation.

Mr. President, I ask unanimous consent that the full text of the July 29, 1973, article from the Washington Post to which I have referred be printed at this point in the RECORD.

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

ADVICE FOR THE ELDERLY

(By E. M. Abramson)

The pages of financial publications and of those magazines whose appeal is primarily to the affluent abound with advertising for investment opportunities and financial advisory services.

"Of course," you say—this is logical, since the people who read these publications are the ones with money to invest. Obviously, those who have discretionary funds—that is, money over and above that needed for living expenses—are the people who need investment advice. Right?

Wrong! Of course the man with a substantial number of surplus dollars wants those

dollars at work providing the best possible return. But a difference of one or two per cent in return on his investments is hardly likely to make any noticeable difference in his life style.

The people who really need advice and assistance with their investments are the elderly retired who are attempting to survive with some small degree of comfort and self-respect on the income from their life savings or perhaps the proceeds from insurance on a late husband or wife.

These people have seen the values of their fixed investments whittled away over the years by inflation, until now they are barely subsisting on an income that was once thought adequate for a life of relative comfort.

On Feb. 26, a story appeared in The Washington Post about the serious effects on the elderly retired of recent rent increases in Montgomery County. One woman was featured in the article as typical of many faced with similar problems.

The 76-year-old subject of the story is receiving close to $1,500 a year in Social Security payments. She estimated that she needs a total of about $5,000 a year to maintain her present standard of living—not much above the poverty level in an area where living costs are among the highest in the nation.

Savings of about $40,000 provide her with a little more than $2,000 in interest each year. This woman is rightly concerned about the need to draw on the principal balance to make up the annual deficit of about $4,500. The continuing reduction of capital in turn decreases the amount of interest available the following year, thus increasing the rate at which her capital is disappearing.

This figure of "a little more than $2,000" in interest on a principal of $40,000 indicates that the money is returning perhaps 5¼ per cent—but more likely 5 per cent compounded on a quarterly or more frequent basis.

Is this the best return this woman can get on her money? Certainly not—there are several ways to ease her problem substantially by using the appropriate investment medium. Let's look at a few possibilities:

Savings and loan associations (in Maryland) offer 6 per cent passbook accounts insured by an agency of the state government. The yield would be $2,400—at least a small improvement over the $2,000 now being received.

THE MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. SYMINGTON. Mr. President, the Senate Armed Services Committee has completed action on a $20.4 billion military procurement authorization bill.

The committee acted after it voted the full $1.5 billion in authorization for the Navy's Trident submarine program. The vote on that issue was 8 to 7, as explained below, a reversal of the committee's previous position.

The administration had submitted authorizations totaling $22 billion. Of that total, $13.4 billion was in procurement authorizations and $8.6 billion in requests for research, development, test, and evaluation.

The Senate committee voted $12.388 billion for procurement and $8.059 billion for R.D.T. & E. Total authorizations were cut about 7 percent below administration requests.

In addition to authorizing subsequent appropriations, the bill annually sets active and reserve strengths of the armed services. It also authorizes certain military-funded assistance—MASF—in Southeast Asia.

A last minute attempt by the Defense Department to reach an agreement on a modified Trident program, with a smaller reduction in funds—$321 million—from that recommended by the committee's Research and Development Subcommittee—$885.4 million—failed because the chairman of the subcommittee, Senator THOMAS J. MCINTYRE, considered that the Navy's unwillingness to relax the acceleration of the program sufficiently or accept substantial enough savings in fiscal year 1974 made their proposal inconsistent with the subcommittee recommendation.

Senator MCINTYRE offered a compromise which would have accepted the Navy's goal of completing the prototype Trident submarine by October 1978—some 2 years earlier than envisioned by the subcommittee—if there were a substantial reduction in concurrency of construction of the follow-on submarines; if the rate of production of follow-on boats were reduced from three to two per year; if there were a delay of 1 year in the authorization of the second and third submarines; and if savings of about $500 to $600 million could be realized in fiscal year 1974.

The Navy, however, was unwilling to accept this compromise.

By an 8-to-7 vote Wednesday, the committee had approved the subcommittee's $885.4 Trident cut. However, Senator BARRY GOLDWATER later advised the committee that his proxy had been voted mistakenly, and the issue was reconsidered today.

The bill includes:

Fiscal 1974 authorization

[In billions of dollars]

	Authorizations requested	*Senate committee*
Procurement	13.4	12.388
R.D.T. & E.	8.6	8.059

The House Armed Services Committee approved a bill authorizing $21.4 billion. But the House, by floor amendment, limited the total to $20.4 billion.

The administration first requested $2.1 billion in fiscal year 1974 authorizations to aid to non-United States free-world forces in Vietnam and Laos. As the Indochina war subsided in June, the request for appropriations was $1.185 billion.

In a previously announced action, the Senate committee had voted $952 million as the—MASF—authorization for fiscal 1974. The House Armed Services Committee voted $1.3 billion.

In another previously announced action the committee had voted a cut in active duty strength of the armed services totalling 156,100. The committee decided to give the Secretary of Defense the discretion to decide how the total cut is to be apportioned among the services. When applied and fully effective, this manpower cut should save $1.6 billion a year.

The committee had approved the following average paid drill strengths for the military reserve components in fiscal 1974:

Army National Guard	379,144
Army Reserve	232,591
Naval Reserve	121,481
Marine Corps Reserve	39,735
Air National Guard	92,291
Air Force Reserve	49,773
Total	915,015

(Strengths are as recommended by the Pentagon except for a 4,500 increase in the Naval Reserve)

In other actions previously announced, the Armed Services Committee had:

Reduced Navy F–14 requests for $703.1 million by $505.4 million, to $197.6 million, to fund the program through December and require a negotiated contract, before considering the $505.4 million.

Deleted the $150 million Navy fly-off program to select a carrier-suitable fighter.

Reduce the Air Force A–10—A–X—program by $50 million reducing from 10 to 6 the number of planes to be purchased for developmental testing and eliminating long-lead procurement.

Approved the $1.148 billion requested for the Air Force F–15 program.

Cut $41 million requested to reimburse the Military Assistance Program for F–5As loaned to South Vietnam.

Added $158.8 million to permit the Air Force to buy 12 additional F–111 fighter bombers.

Cut $29.3 million from the Navy's procurement funds for detailed drawings and long lead-time components for sea control ships.

Cut $13 million—Army—and $9.6 million Air Force requests for executive—attaché—aircraft.

Reduced by $6 million Air Force procurement funds for the C–5A transport.

Deleted $15.2 million in research and development funds requested for development by the Navy of a submarine-launched strategic cruise missile.

Approved the Navy's full $913.2 million request for procurement of five nuclear attack submarines—SSN–688—and long-leadtime items for five additional attack submarines.

Reduced the $229.8 million, requested for conversion of submarines to carry Poseidon missiles, by $113.6 million.

Provided that Congress authorize the civilian employment strengths for the armed services beginning with the fiscal year which begins next July 1.

Reduced by $100 million the $475 million in R. & D. authorization requested by the Air Force for the B–1 bomber.

Reduced by $42.4 million the requested authorizations for research on area defense against a light ballistic missile attack of the sort which might result from an accidental missile firing.

Approved $657 million in authorizations to complete fundings for the Navy's new aircraft carrier—CVN–70.

SAVINGS AND LOAN CONVERSIONS

Mr. MOSS. Mr. President, on May 22, when the Senate first considered the bill to regulate financial institutions, we agreed to shorten the proposed moratorium on conversions by mutual savings

associations into capital stock companies. We do so in order to make certain that those associations who had already applied for conversion would have their applications acted upon early next year. It is my understanding that the intent in shortening the moratorium has been preserved in this bill that has emerged from the Senate-House conference.

I believe I am correct in stating that after December 31 of this year the Federal Home Loan Bank Board and the Federal Savings and Loan Corporation will issue decisions on those applications that were filed before May 22.

There is no reason that the Board should not proceed now with the processing of these applications so that a final decision may be rendered after December 31, and there is nothing in this bill that would prohibit the Board and Corporation from rendering such decisions after December 31.

MARINE CORPS LEAGUE GOLDEN ANNIVERSARY YEAR NATIONAL CONVENTION

Mr. HARTKE. Mr. President, as chairmay of the Committee on Veterans' Affairs it is my privilege to announce that the Marine Corps League will hold its Golden Anniversary Year National Convention in Miami Beach August 19–24. The league is an alumni association open to men who have served in the Marine Corps and is one of the few veterans organizations chartered by the Congress.

Since its initial founding on June 6, 1923, the fifth anniversary of the U.S. Marine counterattack in Belleau Wood during World War I, the league has grown to an organization with a potential membership of over 1,000,000 throughout the world. During the past half century, the league has been vigorously active in providing assistance to former Marines in every part of this Nation. It has been constantly vigilant in promoting and opposing legislation affecting the corps and veterans and has played an instrumental role in preventing several attempts to abolish the Marines under the guise of "economy."

Mr. President, it is impossible to try at this time to mention the many invaluable projects and activities of the league. To mention a few, they include visits to hospitalized disabled veterans, volunteering their free time in behalf of the sick and wounded, representing Marines before the Veterans' Administration in presenting claims and obtaining veterans' rights, assisting veterans in acquiring an education, and conducting an extremely successful youth physical fitness program.

Always faithful to the purposes of the league, the individual member has maintained true allegiance to our Nation, practicing Americanism in all its forms, engaging in programs to benefit his community, assisting the corps with quiet recruiting efforts and other endeavors, celebrating the birthday of the corps each November 10, as well as other historical occasions of peculiar interest to Marines, basking in their Marine comradeship, visiting the sick, aiding the distressed, and when the times came, burying their own.

Mr. President, the national conventions of the league arc as hardworking and productive as the association itself. I urge its membership to continue, even to redouble, its efforts. Its support of the Marine Corps has strengthened that valiant branch of our Armed Services. The country and its citizens benefit from its work. May the next 50 years of the league be as outstanding as the first five decades.

Mr. President, I ask unanimous consent that a brief history of the league be printed in the RECORD.

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

THE MARINE CORPS LEAGUE—A HISTORY OF THE FIRST 50 YEARS, 1923–73

(By Richard J. O'Brien)

"THE MARINE CORPS LEAGUE"

"The Marine Corps League is an alumni association of the United States Marine Corps. Its membership is open to men who have served before, during, and since the World War. Thus it is in a position to grow progressively stronger each year, because more and more persons will become eligible for membership. It is asserted by its members that the potential membership of the league now is approximately 100,000, and that its actual membership is spread throughout the country."

Congressman Arthur D. Healy of Massachusetts used the above words in 1937 in support of his successful bill which incorporated the Marine Corps League. President Franklin D. Roosevelt signed it on August 4th of that year, making the Marine Corps League one of the very few veterans organizations chartered by the U.S. Congress.

The enactment of this bill followed by fourteen years the founding of the Marine Corps League at the Hotel Pennsylvania in New York City on June 6th, 1923, a date especially chosen, as it was the fifth anniversary of the U.S. Marine counterattack in Belleau Wood. Thus, from the very first the League sought to commemorate events of special interest to Marines.

The forming of the League took place during an All-Marine Caucus called by Sidney W. Brewster of New York, a retired Marine major, who was Commandant of the Marine Corps Veterans Association (MCVA), forerunner of the League. The MCVA itself was formed only eight months before on the 147th birthdate of the Corps, November 10th, 1922, in the Hotel McAlpin, New York City. It was composed of individual groups of Marines who had banded together after the First World War to perpetuate the Marine Corps Spirit in their own communities. In their ranks were Marine veterans of the Civil War, the Spanish-American War, and the First World War, as well as several expeditions in between.

The genius of the Marine Corps League for 50 years has been the spirit of *Semper Fidelis*. It was at work from the first, moving the founders of our organization in setting down the great objects of our corporate being. Their motives were patriotic and fraternal, and they were very proud of their honorable service in the Marines, "the oldest branch of the nation's military service." With but minor modification in language the original Objects of the League are identical to those still in force half a century later. It may be said in truth that have stood, Marine-like, against the assaults of Time.

THE FIRST DECADE, 1923–33

There was much debate at the All-Marine Caucus about the name of the group to emerge from the reorganization of the Marine Corps Veterans Association. The more than 150 delegates representing every section of the Nation were in agreement that this, the first national Marine Organization, would embrace in-service Marines as members as well as civilian Marines. Since, at that time, active duty Marines were not officially considered "veterans" (even though many had fought in countless campaigns all over the globe), the group voted to change its name, and the Marine Corps League was born.

While all the delegates who attended are co-founders of the League, one of their ranks is considered the Father of the Marine Corps League, and that is John A. Lejeune, the Major General Commandant of the U.S. Marine Corps, and first National Commandant of the League.

"Johnny" Lejeune gave to the League three mottos. *Semper Fidelis* (Always Faithful); Once a Marine—Always a Marine; and "All for One and One for All." This latter caused him to mobilize the recruiters on behalf of the League, and the League on behalf of the recruiters and the Reserves. His strong backing and encouragement enabled the League to get a good start. Many of his officers at Marine Headquarters doubled in brass in the League, including Major J. C. Fegan as our National Adjutant, and Sergeant A. E. Beeg as Paymaster. Lejeune was elected to six consecutive one-year terms as National Commandant.

National Conventions were held in the fall each year of this first decade from New York to Chicago to Dallas, and cities in between. The only year no convention was held was in 1932, and that owing to the severe financial condition of the Country due to the depression. This period was devoted to "shaking down' the League, to adopting and refining the Constitution. By-Laws, rituals, and approving such items as the League colors (crimson and gold), grave marker, and its lapel button.

Of major importance was the League's involvement with the Belleau Wood Memorial Association (BWMA) in the efforts to preserve that Marine Corps battlefield in France. Through considerable effort the League was able to finance the operation of the Wood for a two year period. The cost was becoming too heavy a drain on the fledgling League and too great a burden on the BWMA. At last the battlefield was turned over to the American Battle Monuments Commission. The Commission maintains Belleau Wood to this date as an historic park.

Lejeune firmly believed that the Marine Corps Commandant should be Commandant of the League. So, when he retired from active service, he stepped down as League Commandant as well, recommending Major General Wendell C. Neville, his successor as Commandant of the Corps, to head the League. In response, on April 3rd, 1929, the National Staff of the League elected Neville, a holder of the Medal of Honor, as National Commandant.

Neville, while accepting the post, believed the League should be civilianized. He asked W. Karl Lations of Masachusetts, the seniormost Vice Commandant, to run the League in his stead. This Lations did, and he was subsequently elected as the first civilian commandant at the 1929 convention in Cincinnati. Among his accomplishment was to move the League headquarters to downtown Washington from Marine Corps Headquarters. Lations' major contribution as Commandant was the conversion of the League to a civilian business-like basis for the benefit of all.

By its policy the League is "non-political, non-partisan, and non-sectarian." But the League has always reserved the right to engage in political and legislative issues which effected the welfare of the U.S. Marine Corps, the League itself, and of its constituent or subsidiary organizations, and the rights, privileges and benefits which were based on military service of any member thereof.

The League used its legislative weight to back legislation favorable to Marines and other veterans, and to oppose that which was

not. Its greatest weight of the decade, however, was felt when an attempt was made in the early 1930's to abolish the Marine Corps under the guise of "economy." That this effort failed was due in part to vigorous protestations by the members of the League, led by National Commandant Carlton A. Fisher of New York.

New York Detachment No. 1, with Angelo John Cincotta, Milton Soloman and Frank X. Lambert leading the way, secured donations from members of the League throughout the Country. They bought full page advertisements in daily newspapers protesting against any decrease or possible abolition of the United States Marine Corps. They initiated a drive to send letters of protest to the Congress and the President. Congressman Frances P. Bolton of Ohio speaking in 1953, attributed the "untiring efforts of the Marine Corps League in the 1930's" to the abandonment of efforts to disband the Corps as an economy move.

THE SECOND DECADE, 1934–43

The membership strength of the League improved every year, rising to 17,143 by the end of the second decade.

Jerome D. Cohen of Massachusetts, National Junior Vice Commandant in 1937, was the force behind the movement for federal incorporation of the Marine Corps League. Working through Senator David I. Walsh and Congressman Healy, both of Massachusetts, he was successful in securing passage of this significant bill on August 4th, 1937.

Thus, a new era began, and the Marine Corps League, under National Commandant Maurice A. Ilich, gained greatly in national stature. (Before he was to pass away in 1972, Ilich would be accorded the title of "Grand Old Man of the Marine Corps League" because of his great spirit and many faithful years of prior and subsequent national service).

Although several detachments of the League had auxiliaries for years it was not until the 14th National Convention in Akron in 1937 that the Marine Corps League Auxiliary was chartered as a national subsidiary organization. The first National President was Marian L. Harper of New Hampshire.

In 1938, Sylvester Corrigan, a wealthy oilman from Oklahoma, passed away, leaving a large sum of money to the Marine Corps League. The will was contested by relatives, and the League finally settled for $15,000. Of this sum, $5,000 was placed in the Corrigan Memorial Fund, an irrevocable trust, with the income going to the mother of Niles Huff, a Marine who died while serving in the Marines. Mrs. Huff died a few years later so that the interest on this trust now accrues to the League. $10,000 was put in the Niles Huff Memorial Fund with the income going to the League. For a time this money was given to the mother of a deserving Marine.

The Devil Dogs, the Honor Society of the League, was authorized as a subsidiary organization of Boston in 1939. Gerald L. Bakelaar of New Jersey was elected as first Chief Devil Dog.

In 1942 League Commandant Chris Cunningham and National Adjutant-Paymaster Steve Brown started publication of a monthly tabloid, the *Marine Corps League Bulletin*. It quickly won the approval of the membership and before long had a press run of 45,000 with some editions being 32 pages. From 1924–1940, League news had been carried in the pages of *Leatherneck Magazine*. But from 1942 on, the League published its own paper or magazine, with the banner years being 1942–50 under Cunningham and Brown.

When World War II broke out, three of the League's first five civilian commandants returned to active duty with the Marine Corps. They were Past National Commandants Ilich, Fisher, and Lations. Hundreds of rank and file Leaguers followed ther examples. Their actions gave visible proof to our slogan, "Once a Marine—Always a Marine."

In 1943, under the leadership of Thomas Wood of Ohio and Alexander F. Ormsby of New Jersey, the League spearheaded a drive for proper postwar plans for the benefit of veterans in the area of Rehabilitation. This embraced the setting up of clearing houses in Cincinnati and other cities by business houses and industrial leaders. Veterans were given vocational guidance and efforts were made to place them in the type of work for which they were best fitted. The services of medical specialists were enlisted for those suffering from rare diseases and arrangements were made to secure treatment for them at nominal cost, far below regular fees.

THE THIRD DECADE, 1944–53

The League achieved its membership high shortly after World War II when 27,664 were carried on the rolls under League Commandant Thomas Sweeney of Illinois.

During this period the League sponsored several exhibit tours of enemy war materials with money accruing to the League's Welfare Foundation. Many thousands of dollars for this worthy cause were obtained in this manner.

Under Commandant Alan Stevenson of New York in 1945 the Marine Corps League was accorded the privilege of representing Marines before the Veterans Administration (VA) in presenting claims and obtaining veterans rights. Florence E. O' Leary of Ohio became the first Service Officer.

The following year the Internal Revenue Service exempted the Marine Corps League from income tax payments. The Service also declared that contributions made to the League and its Auxiliary units would be deductible income tax items.

With the end of World War II America turned its focus on its returning disabled veterans. League and Auxiliary members and representatives of other groups visited them in VA hospitals, volunteering their free-time in behalf of the sick and wounded. To coordinate the efforts of these volunteers, the Veterans Administration Voluntary Service (VAVS) program was created. The League and Auxiliary supported the VAVS program from the beginning, and continue to do so today, 27 years later, as a program that literally goes to the heart of the Marine Corps League.

In 1944, a Marine Corps recuperation center in Oregon came to the attention of the League when Leaguers from Portland tried to obtain recreational equipment for returning veterans of the Pacific campaigns. An almost spontaneous League effort to assist the Marine Barracks, Klamath Falls, resulted. League and Auxiliary detachments across the country sent the needed equipment, and funds for other recreational purposes. L. L. Pittinger of Oregon became a full-time League Service Officer there. The concerted effort remained through the close of the Barracks two years later.

Following World War II the Marine Corps League adopted a project for the erection of the heroic-sized bronze statute of the flag raising on Iwo Jima by Fleix DeWeldon in the Nation's Capitol. Congress approved of the project, the department of the Interior provided the land, the Fine Arts Commission approved the design, and the U.S. Marine Corps favored the project all the way. All that was needed was for the League to come up with the anticipated cost of $250,000. This proved to be a Gargantuan fund-raising task for which the League was not organized. National Liaison Officer, Colonel Jean W. Moreau, USMC (Ret.), then formed an independent organization, the Marine Corps War Memorial Foundation, Inc., which raised the money from regular Marine Corps units, Marine Corps Reserve (inactive), and other sources. League and Auxiliary contributions exceeded $7,000. Final costs were placed at nearly one million dollars. When the monument, erected to the memory of our comrades who have fallen on all the fields of battle in Marine Corps history, was dedicated on November 10th, 1954, National Commandant George K. Shamgochian of Massachusetts and other distinguished Leaguers were in attendance.

In 1950, the outbreak of the Korean War and the resultant mobilization of the Marine Corps Reserve cut a wide swath through the ranks of the Marine Corps League. An estimated 30% of the membership was called up. Whole detachments were mothballed while its members went off to war. Every issue of the League *Bulletin* carried names of Leaguers killed in action. Some of these Marines held office on the department level.

While in National Convention at Washington in 1950 the League received a surprise visit from Harry S. Truman, President of the United States. The president came to apologize for earlier intemperate comments made about the U.S. Marine Corps being the "Navy's police force," and having "a propaganda machine that is almost equal to Stalin's." The National Bugler, Herbert Baldwin of Florida, was so swept up by the unexpected visit he could scarcely sound the notes of "attention." The President's brief visit was well received by National Commandant Clay Nixon of Washington, and the delegates in attendance.

Under the leadership and inspiration of John R. O'Brien of New Jersey the Marine Corps League embarked on a "Free Beer for GI's in Korea" campaign. League detachments collected contributions from especially marked beer cans placed in taverns. General of the Armies Douglas MacArthur in answer to a letter of inquiry, wrote he would be glad to accept the free beer, and that the cans should be marked, "Gift—Not for Sale—For our Armed Forces in Korea from the Marine Corps League." The beer was purchased and shipped by Major General E. O. Ames of California. The Staten Island detachment of New York raised $2,350 for this cause, more than any other League detachment.

Throughout this decade the League continued to back legislation of importance to the Corps. It fought unification and the abolishment of transfer of the U.S. Marine Corps to the Army. In the battle to make the Commandant of the Marine Corps a member of the Joint Chiefs of Staff, the Honorable Mike Mansfield of Montana and Brigadier General James P. S. Devereux, USMC (Ret.), the hero of Wake Island, testified in their individual capacities as representatives of the Marine Corps League, rather than as members of congress, which they were. Their testimony, and thousands of letters to congressmen from Leaguers, helped to turn the tide of victory.

In an effort to combat Communism, the League conducted nationwide Americanism drives and engaged in educational work through the medium of speakers in the organization.

THE FOURTH DECADE, 1954–63

In order that the League might be suitably represented at ceremonies in the vicinty of Washington on national holidays and other important occasions, two area Marines, John P. Lester of the District of Columbia and Raymond B. Butts of Virginia, formed the League's National Guard of Honor. Appropriately uniformed, the Guard appeared numerous times throughout the decade at parades, funerals, and other significant occasions at the call of the national Commandant where the National Colors were presented.

One of the League's key programs developed during this period. The Marine Corps League Foundation Fund, conceived and led by Herbert Rose and Claude H. Downing of Florida, was created to assist certain qualified persons in acquiring an education above or equivalent of the scholastic high school level. First presented at the 33rd National Convention in Miami in 1956, the Foundation Fund was approved the following year at the

convention in San Jose, California. Through the present time all funds received by the Foundation are still intact.

Out of a desire to recognize its own, the League, in 1959, instituted the National Marine of the Year Award. The first recipient was I. D. Hale of Wisconsin, for his outstanding efforts in League and veterans affairs. There were several subsequent years where no award was made as none were found qualified for such a high honor.

In 1963, a proposal from the Lou Diamond Detachment of Ohio led to the reorganization of the National Headquarters of the League. A 15-member Board of Trustees was created consisting of eight Division Vice Commandants, four National Trustees, the National Commandant, Senior Vice Commandant, and Junior Past National Commandant. While the latter three each had one-year terms, the Division Vice Commandants and Trustees were elected to rotating three year terms with four up for election each year. The Board of Trustees system provided for stability and continuity in the handling of League affiairs, and continues into our 50th year as the governing body of the League.

THE FIFTH DECADE, 1964–73

This decade commenced with the publication of a Marine Corps Order encouraging close cooperation with the League by Marine Corps officials. The freshening and strengthening of relations between the Corps under General Wallace M. Greene, Jr., and the League under Raymond B. Butts, was a felicitous beginning for the coming years.

With the advent of the Vietnam war the League threw its support behind the Civic Action Fund for Vietnam, sponsored by the Marine Corps Reserve. Throughout the period of active Marine Corps involvement in Southeast Asia, the League and Auxiliary donated untold thousands of dollars to the Civic Action Fund for General Lew Walt's use in waging his important "other war" in Vietnam.

On a note of pride, and "to perpetuate patriotism and valor," the League and Auxiliary teamed up in 1965 to construct entrance gates to the grounds of the famous Freedoms Foundation in Valley Forge, Pennsylvania. National Commandant Burton P. Daugherty of Michigan and National President Helen Robinson of New York presided at the ceremonies which were attended by high-ranking civilian and military officials. The dedication coincided with the League's 42nd National Convention in nearby Harrisburg, Pennsylvania.

In early 1966 the League corrected the perennial problem of bonding paymasters and commandants through the purchase of a blanket position bond covering each of these officers automatically. Mid-West Vice Commandant James H. Shultz of Kansas was instrumental in arranging the bonding at a cost far below what the cost would have been if each individual detachment had procured its own.

The fifth decade saw the Marine Corps League adopt its two great Youth programs, Young Marines, and Youth Physical Fitness.

Originating as an idea of the Brass City Memorial concept grew and was formally established as a League-wide program by resolution of the 41st National Convention meeting in Wichita in 1964. Commandant Daugherty signed the National Charter at Ansonia, Connecticut on October 17th, 1965. The first director of Young Marines was Steve Zuraw of Connecticut. This action program for youths 8–17 emphasizes eight points basic to the development of Young Marines: citizenship; leadership; physical fitness; school; home and outside activities; personal habits; character; and drill. Its motto is "Our Youth Is the Future." By decades end over 5,000 Young Marines were enrolled in 65 detachments located in 21 states.

Youth Physical Fitness, the second of the League's two ever-expanding youth programs, was adopted by the League at the 1967 Mid-Year Staff Meeting in Arlington, Virginia. The program had been a great success in Ohio, where in 1965, it earned a Gold Medal from the Freedoms Foundation at Valley Forge "for outstanding contribution to the youth of junior and senior high school age through its physical fitness program."

Walter A. Churchhill of Ohio, the Father of the Youth Physical Fitness Program of the Marine Corps League, conceived the program, largely financed it through its developmental staffs, and serves today as its National Chairman. The program is currently operating in 20 states with a potential of five million or more youths participating. The goal of 20 million youths participating by 1975, the 200th birthdate of the U.S. Marine Corps, has been established.

To help finance both the Young Marines and the Youth Physical Fitness programs, Churchhill, a Past National Commandant, developed the United States Marines' Youth Foundation in 1968. This carefully organized Foundation provides support for appropriate youth activities sponsored by Marine Corps-oriented organizations. It has enable the League's youth programs to develop without undue concern for funding and helped ensure their success.

On February 8th, 1967, after attending the Secretary of the Navy's briefing in Washington. League officials led by National Commandant Claude H. Downing, acting in response to a challenge from Marine Corps Commandant General Greene, to "do something besides talk," founded, in coordination with seven other national Navy-Marine Corps oriented organizations, the Navy-Marine Corps Council. The purpose of the Council was to further the collective efforts of the several organizations in areas wherein they had common interests and objectives in support of the Navy-Marine Corps team. The Council meets regularly, and may recommend actions and resolutions on behalf of the Navy Department to its members, but does not publish or implement such actions or resolutions in its own name.

At the 1971 Mid-Year Staff Meeting the League's Board of Trustees voted to support Marine Corps' desires that there be created a United States Orientering Federation (USOF). This was reaffirmed at the 1971 National Convention in San Antonio.

The Marine Corps had adopted orienteering, a world sport combining cross-country running and land navigation, as a military sport. Under the League's umbrella an organizational meeting was held at League Headquarters on August 1st, 1971, at which a complete set of By-Laws for the USOF was approved. The USOF, which embraces civilian and military orienteering clubs and individuals, was later incorporated under the laws of Virginia, and was accepted into the International Orienteering Federation (IOF). The President's Council on Physical Fitness and Sports has since recognized orienteering and approved it for participation in the Presidential Awards Program, a significant step.

Two long-time Leaguers from Ohio, Philip A. Schloss and John L. Kleinhans, were elected USOF President and Secretary/Treasurer respectively. The USOF, spawned and still assisted by the Marine Corps League, already has had a tremendous impact on orienteering in America. Its influence is expected to grow with the passage of time.

Throughout this period the League's voice was raised in concern over such issues as drug abuse, possible amnesty to draft dodgers, our POWs/MIAs, and the planned reduction in the number of beds in our VA hospitals. On the local level the Golden Triangle Detachmen of Texas commenced its successful HALT Program (Hire A Leatherneck Today), as one example of Leaguers helping in the important area of jobs for veterans.

Out of concern for the wounded, Marines including James Merna of Maryland, Don Yeaman of Washington, Larry Bassin of Florida, and Joseph O. Pueschel of Hawaii, with their fellow Leaguers conducted special projects to entertain the hospitalized. Operations with names like Cheer, Hurricane, Appreciation, and Care and Recuperation did much to help our veterans forget their difficulties and see, at least for a time, that people really cared, and that there was a happier side to life.

Near the end of the decade the League, under National Commandant H. Lynn Cavin, adopted optional health and life insurance programs for the benefit of the membership, and voted to support the Marine Military Academy in Harlingen, Texas, by seeking out potential Cadets for admission.

As this goes to press National Commandant Gilbert E. Gray of New York is preparing to go to Belleau Wood, France, with a veteran of that battle and other Leaguers to commemorate the 50th birthdate of our beloved Marine Corps League. U.S. Marines and French and German officials have been invited to meet there in friendship, and to help commemorate the golden occasion with planting a tree. conducting respect for the past, and hope for the future.

CONCLUSION

Many of the events described above were highlights. Less spectacular were the day to day activities of the individual civilian and in-service Marine Leaguers. Always faithful to the purposes of the League they maintained true allegiance to our Nation, practices Americanism in all its forms, engaged in programs which benefitted their communities, assisted the Marine Corps with quiet recruiting efforts and other activities, celebrated the birthday of the Corps each November 10th as well as other historical occasions of peculiar interest to Marines, basked in their Marine comradeship, visited the sick, aided the distressed, and, when the time came, buried their own.

Marines great and small have marched with John A. LeJeune in the ranks of the League, men like Ray Davis, Chesty Puller, Lew Walt, Smedley D. Butler, Harry Lee, Lou Diamond, J.C. Breckenridge, Clifton B. Cates, Mickey Finn, Len Chapman, John Glenn, Lou Wilson and many thousands of others who, in war and peace, have proudly worn the Globe and Anchor.

The Spirit of *Semper Fidelis* has moved many in the League to outstanding achievement. Marines like Jack Brennan, Merton C. Lowe, Jackie Steinquest, John Baker, Raymond Wilkowski, Orville Hubbard, Mason D. Wade, John P. Lester, Patrick J. Cody, Robert Blanard, Jack Davis, Harold Welsh, Hugh Maus, Charley Stone, Lucian J. Caldara, Lue Madsen, John S. Zak, S. Johanna Glasrud, Edward J. Bange, C.A. Boedigheimer, C.A. McKinney, to name but some of the dedicated Leaguers not previously mentioned. Their ranks are legion.

In its 49th year, the Secretary of the Navy in Washington, John H. Chaffee, paid a singular tribute to the Marine Corps League. In an open letter to all members, Chaffee pointed out that the League ". . . is providing outstanding leadership for our communities, in the same tradition that the Marine Corps has provided distinguished leadership on the field of battle."

He continued:

"The Marine Corps League will be 49 this June. During those nearly five decades, possibly the most valuable of the League's contributions—from my standpoint—has been its support of the Marine Corps. You have, indeed, helped to preserve the traditions, promote the interests and perpetuate the history of the U.S. Marine Corps. I appreciate that support.

"I urge your membership to continue, even to redouble, its efforts. The Marine Corps is strengthened by your support. The nation

and its people benefit from the work of the Marine Corps League."

The 'Society of Leathernecks', as the League was called in 1923, has come a long way in fifty years, from John A. Lejeune to his successor in office as Commandant, Gilbert E. Gray. Its headquarters in that time went from Washington to Albany, to Baton Rouge, to Philadelphia, and back to the Washington area, this time to stay. Today its potential membership is over 1,000,000, with its actual membership scattered all over the world.

The Marine Corps League is recognized as one of the leading national veterans organizations. Its members speak of its history and traditions with pride, and they have worked long and hard to make the League "second only to the U.S. Marine Corps."

And, like the Corps itself, its record is one of achievement.

GENOCIDE—TO CONDEMN OR CONDONE

Mr. PROXMIRE. Mr. President, there is no question that the United States condemns, rather than condones, the crime of genocide. And yet in almost a quarter of a century since the Genocide Convention was drawn up, we still have not become a party to this treaty. If we truly desire to prevent genocidal acts from recurring, this Nation must take two steps.

First, the Senate must advise and consent to the ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide. In so doing, we will show the international community that we abhor this crime.

Second, Congress must pass the implementing legislation necessary to put the terms of the Genocide Convention into effect. This provides for the arrest, trial, and punishment within America's borders for our citizens accused and convicted of acts of genocide that took place here in the United States. Of course, those charged will be fully protected by the Constitution.

In the future, the United States may enter into agreements whereby genocide would become one of many crimes for which we will consent to extradition. This has already been done for such crimes as robbery and murder. And like the extradition treaties of which the United States is a signatory, our citizens will be properly protected.

But the first step to demonstrate our condemnation of genocide is to ratify the Genocide Convention. Mr. President, I urge the Senate to take that first step without delay.

ERTS SATELLITE

Mr. MOSS. Mr. President, Mr. Joel N. Shurkin, the science writer with the Philadelphia Inquirer, has recently written an excellent article describing the Earth Resources Technology Satellite and some of its accomplishments.

I am often challenged to explain "what the space program has done for me lately" and Mr. Shurkin does this so well 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:

[From the Philadelphia Inquirer, July 25, 1973]

ERTS SATELLITE HAILED FOR EARTH SURVEY

(By Joel N. Shurkin)

A Vermont professor looked at a satellite photo of Lake Champlain and spotted pollution coming from a paper mill at Fort Ticonderoga, N.Y.

The Attorney General of Vermont is now using the satellite picture as evidence in a law suit against the mill and the state of New York.

In Brazil, scientists looking at satellite pictures of the Amazon jungle, found a river that was not supposed to be there. All their maps, it seems, were wrong.

In California, scientists studied pictures from space of 8,000 farm fields in the Imperial Valley. Using a computer, they could determine who was planting wheat crops with 95 percent accuracy.

The satellite that did all that is the Earth Resources Technology Satellite (ERTS) built in Valley Forge, which celebrates its first birthday this week. In the past year it has proven itself to be one of the most valuable unmanned objects ever sent into space.

Ceremonies honoring ERTS were held Monday at the Franklin Institute by officials of the National Aeronautics and Space Administration and by General Electric, which built the 1,965-pound eye-in-the-sky.

NASA Administrator, Dr. James C. Fletcher, said the satellite "more than realized our fondest hopes." Other NASA and government officials said the $160 million project satisfied even the optimists with its pictures of earth.

The satellite was to demonstrate the ability to survey the resources of the planet Earth from space. It was only supposed to be operational for a year.

But with the year over, NASA said most of the systems on board were still operating and there was no way of knowing how long the satellite will continue its survey.

It has orbited the earth more than 5,000 times; taken more than 60,000 pictures of a total area four times the area of the globe, surveyed all of the United States once and some of it ten times.

Three-quarters of the Earth's land mass has been studied at least once in a total of 330,000 messages.

It has performed so well scientists have been using it as a working operational satellite rather than as just an experiment.

ERTS is 10 feet high and 13 feet wide with its solar power wings extended. It is in an orbit 575 statute miles up, circling the world pole to pole in 103 minutes.

The orbit is sun-synchronous, which means it crosses the same spot on earth at the same time every 18 days. This permits scientists to get pictures with the same sun angle for comparison.

It uses several types of sensors, two using infra-red waves and two using red and green in the visible spectral range.

The pictures are transmitted to computers on earth, where they are almost instantly available. They are given out to anyone who wants them through the Interior Department in Sioux Falls, S.D. for a nominal charge.

Some 320 scientists in 44 states and 30 foreign countries are actively participating in interpreting ERTS pictures.

Among other achievements of the satellite are:

Watching the effects of the seasons and weather on the earth.

Correlating information from 200 ground stations to match the photos from space.

Monitoring floods and plotting earthquake zones.

Watching water maintenance procedures in the Florida Everglades.

Mapping parts of the world never visited or mapped by men, such as the Amazon basin.

Discovering possible mineral deposits and pinpointing where schools of fish may be found.

Making land-use surveys of such places as the city of Los Angeles.

Spotting pollution and its effect on the weather. (The steel mills near Chicago were found altering the weather around Lake Michigan.)

A second ERTS satellite is scheduled to be launched in three years.

FUTURE GROWTH AND DEVELOPMENT

Mr. JACKSON. Mr. President, several weeks ago the Members of this body voted overwhelming approval of my proposal for land use legislation which will help to assure that the Nation's need for economic development and a healthy environment can both be met.

During that debate I pointed out that between now and the year 2,000, we must build again all that we have built before. That we must build as many homes, schools, and hospitals in the next three decades as we built in the previous three centuries.

This incredible rate of growth really began at the end of World War II and will continue into the future. The United States, with 6 percent of the world's population, presently uses over one-third of the world's energy and 47 percent of the world's raw materials.

Exponential growth has meant that the Senate has found it necessary to pass many environmental measures to assure clean air, water, and land. It has also meant that we must now take steps to assure that our energy system is adequate to meet the development demands of the next 30 years and beyond.

To do this job right will require the talent and attention of the leaders of all segments of society and people in all walks of life.

In my judgment, none will be more important than the construction industry—the men who will build the America of tomorrow.

In that connection, a timely and farsighted report has come to my attention by Martin J. Ward, general president of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada. President Ward, writing in the July 1973, issue of the UA Journal provides valuable insights into future trends in the construction industry. This report will be helpful to the Members of the Senate in planning for the challenges that lie ahead.

Mr. President, I ask unanimous consent that this report be printed in the RECORD.

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

DEALING WITH THE FUTURE

(By Martin J. Ward)

It is very important for UA members to be informed about future trends in the construction industry so that we all have a clear picture of what we must do to meet the opportunities and challenges facing us in the years ahead.

On a day-to-day basis, I suspect that most members are unaware of just how gigantic our industry is. Currently about $120 billion

of construction are put in place each year. This volume accounts for 10 per cent of all goods and services produced in the United States. It makes construction the largest single industry in the nation—bigger than steel and auto put together.

The $120 billion pie is divided into three nearly equal parts. Government, commercial, and residential construction each account for approximately one-third of the total.

All of these sectors of construction are building at near-record rates, so that for the balance of the century, construction will continue to be one of the nation's most rapid growth industries.

Further, manpower experts tell me that the greatest future manpower requirement in the industry will be in the crafts represented by the United Association.

HEAVY DEMAND FOR UA SKILLS

A major reason for this heavy demand for skilled pipe tradesmen is the need to supply the nation's insatiable demand for energy. This effort will outstrip all other types of building activity during the next several decades.

Between now and the year 2000—according to figures supplied to the regional conferences by the vice president in charge of manpower of the Bechtel Corporation—700 twin 1100-megawatt generating stations will have to be built. These stations will be the equivalent of the giant project at Peach Bottom, Pennsylvania. By the time this project is completed next year, around 600 UA craftsmen will have been employed there between seven and eight years.

In addition, 13 new oil refineries are in the planning stage to help supply the nation's expected future demand for gasoline, fuel oil, and other petroleum products.

On top of this, there will be a flurry of construction in the transportation pipeline field, led by the Alaska pipeline, which is ready to go as soon as Congressional authority for a new right-of-way is obtained.

All this hectic activity in the energy field will represent just a fraction of the commercial and industrial work expected to be built in the next 27 years. Nor does it take into account the entire new towns and government installations that will take shape during this period.

FUTURE SHOCK

UA members can be excused if they come down with a case of future shock as they try to digest the implications of these figures. But all of us must realize what shape the future is taking if we are to formulate effective policies to deal with it.

One thing we must realize is the changing nature of the construction industry. Not too many years ago we could assume that all of this building would be done by union craftsmen. But we can no longer take for granted that all these billions of dollars of new construction will be put in place by union labor. We must work very hard to resist the encroachment of open shop operators and to insure that the UA maintains its historic dominant position in the industry. If we don't, we will be shunted to some backwater while the world passes us by.

The only way we can maintain this dominant position is for our local unions to represent the craftsmen who are doing the work.

I have often given figures to show the growth of the open shop movement. It is now estimated to be between 30% and 40% of all current construction. The threat comes home in concrete terms when we look at the 13 new oil refineries that will be built in the next few years.

If construction of these oil refineries follows the figures for non-union work, a bare majority of these will be built by union craftsmen. Seven owners would plan to build union. The other six would be built open shop.

Such a split would have been unthinkable even a few years ago. And it is something that we can't allow to continue. All of these refineries should be built by union labor, and the General Officers are working as hard as we can to convince owners that building union is in their best interests.

If we are to succeed in these efforts, we must have the cooperation of every UA member. I have often written about our responsibilities in making our union employers more competitive. In saying this, however, I do not wish to give the impression that union building tradesmen are the only—or even the major—reason for the growth of the open shop movement.

EMPLOYER RESPONSIBILITY

Our contractors must assume some part of the responsibility for the growth of the open shop. To combat our common enemy, we are trying to foster an era of strengthened joint effort between the UA and our union employers.

A major problem building trades unions face in planning for future manpower needs is a lack of information about the manning requirements of our employers.

Most large projects have a lead time of two to four years. However, as far as the most important ingredient—skilled manpower—is concerned, unions don't usually know even three months ahead of time how many men will be required, or even where a job will be built.

Building trades unions need time to plan for manpower requirements, especially for projects as massive as nuclear generating stations. Information on new technology is also needed so that training programs can be developed to qualify men to work with new materials and processes. This will give us the opportunity to target in on future skills as well as on future manpower needs.

We have been conducting talks to foster more orderly manpower planning. The Building and Construction Trades Department is also working with the Labor Department to see if a national clearing house can be set up to provide a better flow of information on manpower needs.

UNION-EMPLOYER COOPERATION

Another problem is that some of the employer associations we deal with are composed of both union and non-union contractors. We are eager to work with our union employers to develop new training materials and programs to qualify skilled manpower. But we see no sense in permitting these training programs to be made available to the non-union members of these associations. This knowledge puts them in a position to combine low wage rates with the advanced technology developed by union initiative and financed as a portion of the compensation of union members. This helps non-union contractors to undercut our union conditions and takes work from our fair employers.

As I recently told one of the employer associations at their annual meeting, this is obviously a situation that they must look into. I believe the answer is an association of union employers that will work with us in a cooperative, not an adversary, relationship for the mutual advantage both of the UA and of themselves.

I recognize that there are problems in attaining this desired situation, but I believe that our employers have to face up to where their best interests lie.

UNION RESPONSIBILITIES

As far as our local unions are concerned, the General Office is encouraging more flexibility in looking at special job situations and more aggressiveness in organizing the workers in our jurisdiction. As we stressed at the regional meetings, the 1971 convention established an organizing fund so that we can capture work that is currently being lost to UA members.

This organizing fund is available to UA local union as a subsidy to finance the hiring of local union organizers so that the programs will fit the needs of our local unions.

The major thrust of these programs is in the residential and small commercial fields. But the General Office is prepared to assist local unions in any organizing campaign to obtain UA representation for the men who are doing work in our field.

There is no doubt that we face many problems as we look into the future. However, all of us who have lived this far into the twentieth century realize that change is the only thing we can be sure of.

We can expect great changes in the construction industry in the years ahead. And we must begin now to prepare ourselves for these changes if we are to continue to serve the needs of our industry and our nation.

GNP AND THE QUALITY OF LIFE

Mr. FULBRIGHT. Mr. President, on a number of occasions I have spoken in the Senate about what I believe is the inadequacy of the Gross National Product as a true measure of the well-being of a society and the quality of life.

In a statement on this subject on November 10, 1971, I said:

> We need to develop some measure of the national welfare and there should be far more effort both in academic communities and in the Government to evolve such measures. The Gross National Product, by its very nature, cannot serve this purpose.

Since that time I have been pleased to observe that progress has been made in developing a standard which would provide a more meaningful accounting of economic and social welfare.

Last year I reported on efforts by Prof. William D. Nordhaus, a Yale University economist, who has developed an index he calls the Measure of Economic Welfare. It excludes such things as military spending, police and sanitation services and road maintenance which do not really produce net improvements in the quality of life. One of the major problems with the GNP is that it fails to separate the "goods" from the "bads." The more garbage we generate, the more gambling at the racetrack, the more police we have to hire, because of rising crime all add to the GNP.

Subsequently, I discussed this matter with some of our leading economists at a hearing on July 27, 1972, of the Joint Economic Committee. On that occasion Prof. Paul Samuelson advised me that in the new ninth edition of his economic welfare—NEW—was being introduced "to try to correct the GNP for obvious departures from what any reasonable jury would consider to be welfare considerations."

Mr. President, on July 29, the New York Times carried an article in the development of the MEW or NEW in an attempt to overcome some of the deficiencies of the GNP. The article quotes Professor Nordhaus as saying that—

> GNP is a reasonably good measure of economic production but not of economic welfare . . .

I think this is an important step in enabling us to better evaluate our national well-being. I ask unanimous con-

sent that the article by Robert Reinhold be printed in the RECORD, along with an editorial from the Washington Post of April 30 which shows the lag in U.S. productivity in recent years in comparison with some of our leading trading partners.

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

MEW OR NEW, HOW DOES THE ECONOMY GROW? QUALITY OF LIFE ESCAPES THE GNP

(By Robert Reinhold)

CAMBRIDGE, MASS.—Whatever else may be said about the environmental movement, it has raised disturbing questions about the desirability of unrelenting economic growth.

While most sophisticated economists tend to dismiss as simplistic the notion that zero economic growth is the answer to the world's problems, many are looking hard at the nature of economic growth and asking what its real effect on human well being is.

What good is an ever-expanding gross national product if, in large measure, it buys fleets of garbage trucks or pays for police and soldiers simply to maintain existing levels of environmental quality and personal security? On the other side of the ledger, why is the presumably beneficial value of increased leisure time not measured? Has the country been growing in any meaningful sense?

Such questions have prompted economists to ask whether that venerable measure of national economic progress, the gross national product, is very closely related to real social welfare. As a measure of production of goods and services, it is said, G.N.P. is more an index of material quantity than of quality of life.

To what extent G.N.P., as a prime tool of Government policy, distorts national priorities is disputed. But Americans are aware that while they have more cars than ever before, they also have more congestion on the roads and dirtier air to breathe.

Single-minded pursuit of an ever-bigger G.N.P. has demonstrated to the Japanese that bigger is not necessarily better. Per capita G.N.P. has jumped more than 10-fold since World War II, so that Japanese housewives fear to buy fish lest they poison their children with industrial mercury.

So economists in Japan and in the West have begun to grope for a better index to economic welfare—not to replace G.N.P., which remains an important tool, but to supplement it and to correct its distortions.

One effort to build such a new measure has been made by two economic theorists at Yale University, Professors James Tobin and William D. Nordhaus. By rejuggling the ingredients of G.N.P. they have fashioned a new index called MEW or Measure of Economic Welfare. MEW was proposed as a "primitive and experimental" venture as far back as December, 1970, at a colloquium of the National Bureau of Economic Research.

Still very tentative, MEW has more recently been endowed with a certain legitimacy by Paul A. Samuelson, the Nobel Prize-winning economist here at the Massachusetts Institute of Technology. He recently included the Tobin-Nordhaus idea in the 1973 edition of his classic test, "Economics," and, with his flair for phrases, redubbed it NEW for Net Economic Welfare.

The rationale behind NEW or MEW was summed up by Professor Nordhaus in a recent interview. "We argue," he said "that G.N.P. is a reasonably good measure of economic production but not of economic welfare because it is a measure of output not consumption."

Thus, MEW, which Professor Nordhaus cautioned was not definitive, but only a "methodological exercise to show that such things can be done," is oriented toward personal consumption. It was devised by rearranging the various components of national accounting, throwing out those that do not seem to contribute to household welfare and adding others that do.

Broadly speaking, G.N.P. is calculated by adding annual personal consumption, private investment in capital and all Government purchases. To avoid double counting, various intermediate goods are excluded, such as the flour that goes into making bread.

MEW makes three major adjustments in this system.

First, the final expenditures normally calculated in G.N.P. are reclassified and reassigned. Those better defined as intermediate in terms of welfare are subtracted. For example, G.N.P. includes items that Professors Tobin and Nordhaus call "regrettably necessary" adjuncts to other activities, such as the cost of commuting to work and personal business expenses.

Also, rather than simply adding in all Government expenditures, MEW splits them into three categories—intermediate, consumption and net investment—and treats them accordingly.

Government spending on such items as police and fire protection, garbage disposal, road maintenance and national defense are excluded as "necessary overhead costs of a complex industrial nation-state." Also excluded are the costs of the space program.

The largest and probably most controversial exclusion under this concept is that for military spending. "We see no direct effect of defense expenditures on household economic welfare" says the Tobin-Nordhaus paper, published last year by the National Bureau. "No reasonable country (or household) buys 'national defense' for its own sake.

"In reclassifying defense costs—or police protection or public-health expenditures—as regrettable and instrumental, we certainly do not deny the possibility that given the unfavorable circumstances that prompt these expenditures, consumers will ultimately be better off with them than without them. This may or may not be the case. The only judgment we make is that these expenditures yield no direct satisfactions."

The two economists estimated that overhead and regrettable expenses rose from 8 to 16 per cent of G.N.P. from 1929 to 1965.

Second, various items not usually included in national accounts, such as the value of leisure time and unpaid "nonmarket" work, are included. Assigning dollar values to time and work that is not priced by market forces does pose problems. MEW attempts to assign a value to leisure time by using national studies of time use and applying standard economic theory. Similarly, values are placed on the household chores performed by housewives and the productive work done in the house by husbands.

In addition, an effort is made to recognize the value returned by Government capital—such as schools and highways—on a continuing basis.

Third, deductions are made for the "disamenities" of urban life—the congestion, litter, pollution, noise insecurity and racial discord.

MEW estimates their value by using the difference between wage rates in cities and rural areas. The higher incomes of city dwellers are interpreted as a "disamenity premium" paid in compensation for living in unpleasant surroundings.

All of these adjustments involve large assumptions that are open to dispute. Critics have challenged MEW on a number of technical grounds, particularly over the treatment of leisure time and the exclusion of military spending.

Flawed as it may be, when MEW is calculated, it shows considerably slower growth than is shown by Net National Products, or N.N.P., the variant of G.N.P. that takes into account depreciation in capital. From 1929 to 1965, per capita MEW climbed by 1.1 per cent a year on average, compared with 1.7 per cent for N.N.P. Leisure time was the largest single reason for the difference.

Although MEW did not grow as fast as N.N.P., it nevertheless did grow, prompting Professors Tobin and Nordhaus to observe, "The progress indicated by conventional national accounts is not just a myth that evaporates when a welfare-oriented measure is substituted."

Mr. Nordhaus readily concedes that MEW may be quite inaccurate. But, he says, the exercise was designed to focus attention on the nature of growth and counter the notion that what is needed is no growth. "Zero economic growth is a blunt instrument for cleaner air, prodigiously expensive and probably ineffectual," says the Tobin-Nordhaus paper.

In the interview, Mr. Nordhaus argued that while the advocates of zero growth might want to slow damaging industrial growth, few would opt for no growth in good housing and recreational and health facilities.

"The question is not of growth versus no-growth," he said. "It is a question of beneficial growth versus nonbeneficial growth."

The big imponderable in MEW is to what extent human happiness is correlated with consumption. Is modern society—with all its airplanes, computers and televisions—really very much happier than the simpler society of our grandparents?

No economic measure will ever answer that question, so efforts have been mounted to build statistical indexes of social well being, called social indicators. Even such an economically oriented institution as the Organization for Economic Cooperation and Development has recognized the inadequacy of economic measures.

The O.E.C.D. recently began work on developing a comprehensive set of social indicators to measure changes in its 23 member nations, in such social concerns as health, individual development, job satisfaction, leasure, command over goods, physical environment, personal safety and social opportunity.

PRODUCTIVITY AND WORLD COMPETITION

Productivity, the amount that the average worker produces in one hour, indicates our economic strength better than any other single statistic. Because of our very high productivity, we live better than other nations while working shorter hours. Increased productivity is the magic that makes possible higher earnings as well as longer weekends as well as broader social benefits of every sort. It is reassuring to learn that national productivity rose at an annual rate of 4.7 per cent in the first three months of this year. The rate of improvement is maintaining the level of late 1972, and greatly exceeds the 20-year average of 3 per cent.

But the current period is, of course, one in which the economists would expect productivity to be rising unusually rapidly. The big jumps come when production is soaring, typically in the recoveries from recessions. Since most of the industrial nations are now going through similar recoveries, they are also improving their productivity. In recent years, they have generally been doing it a good deal more effectively than American industry. They are closing the gap that once set our industry apart from any other nation's, and they are doing it at a speed that does much to explain our current troubles with international trade deficits, currency devaluations and rising world prices.

From 1965 to 1972, productivity rose by the following percentages in this country and five of its leading trading partners:

	Percent
United States	20.0
Great Britain	36.6
Italy	41.5
West Germany	42.0
France	53.3
Japan	130.8

These figures are taken from the International Economic Report that Mr. Peter Flanigan presented to the President a month ago. The report also observes that, from 1965 to 1970, our export prices rose a great deal faster than those of the other five countries. The disparity in productivity is part of the answer. On the other hand, the report found that from 1970 to 1972, our export prices rose far more slowly than those of the other five. That was result of the 1971 devaluation and a relatively low rate of inflation. Unfortunately, within the past several months our inflation rate has more than doubled and now approaches the very high European rate, casting new doubt over the prospects for trade development in 1973.

As long as our productivity continues to rise, our economic wealth and its accompanying benefits will continue to expand. But, to be candid, there is not much reason to expect any early change in the differences between our performance and that of the other major industrial nations. We are getting richer. But our friends and competitors are getting rich faster, and the productivity figures explain why.

SOVIET ECONOMIC PROBLEMS

Mr. PROXMIRE. Mr. President, this week's issue of the London Economist reports extensively from a study recently released by the Joint Economic Committee, "Soviet Economic Prospects in the Seventies." Its assessment—especially of the performance in 1972—generally agrees with the critical appraisal of the assembled specialists in our 30-chapter, 776-page study. Expert witnesses at our hearings July 17–19 inclusive, including David Rockefeller and other leading business, government, and academic figures, also concurred. It is interesting to recall that the last very poor year for the Soviet economy was assessed in the committee's study, "Dimensions of Soviet Economic Power," released by Chairman Paul Douglas of the committee in December 1962. At that time there was a considerable foreign objection to the study's major conclusions.

Prof. Alex Nove, one of the leading British economists, viewed the study's assessment of a gross national product growth rate of 2.5 percent as too low. A figure of 4 percent would have been closer to his view. Senator Douglas was also personally attacked by the chief of the Soviet Statistical Agency, Mr. Starovsky, as being unfairly critical of Soviet performance. It is interesting now to find our assessment of a 2 percent gross national product growth rate for the Soviet Union in 1972 acceptable to the London Economist. To date Mr. Starovsky, still chief Soviet statistician, has not been heard from.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

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

[From the Economist, July 28, 1973]

SOVIET UNION—THE SIZE OF THE OUTSTRETCHED HAND

The size of the economic problem which is making the Russians look to the west for help gets clearer week by week. This is the time of the year when Mr. Brezhnev is anxiously watching the progress of the struggle to get in the harvest on the fields of the Ukraine and the Soviet Union's other major grain-growing areas. Last year's disastrous grain harvest obliged the government to dig deep into its gold reserves in order to pay for $2,000m worth of emergency grain purchases from the west. The gold reserves are estimated to be still worth between $8,000m and $10,000m, but they are needed to support Russia's other economic fronts.

The trouble is that the news from the other fronts is not good either. The Soviet Union's gross domestic product increased by less than 2 per cent last year. In the opinion of the authors of a study of Soviet economic prospects in the 1970s, just published under the auspices of the United States Congress, this is probably the worst result since Stalin first introduced central planning in 1929. Since agriculture still accounts for a quarter of Russia's gross domestic product, last year's miserable harvest—the result of bad weather and bad organisation—takes part of the blame for that. But Soviet industry, too, did badly last year.

A lot of things failed to reach their planned targets for the year. They include natural gas (3.5 per cent under target), oilfield equipment (15.4 per cent under), chemical equipment (9.6), light industry equipment (11.0), grain harvesting combines (7.1), turbines (11.1), washing machines (15.4), refrigerators (2.6) and glass (4.4). The production of steel by the continuous casting method is far behind schedule, and this must be a particular disappointment to the Soviet leaders, who have been hammering home the need for Soviet industry to get on top of modern techniques of production.

Productivity in industry, according to the rather special way the Soviet planners measure it, rose only by 1½ per cent a year in 1971 and 1972, well short of the 3.7 per cent average planned for the 1971–75 period. When the Russians talk about higher productivity they mean the extra output that can be got from a given input of both capital and labour by means of things like better management, more efficient use of machinery, and just plain hard work. So the failure on this count is a particular blow to the Soviet leaders' hopes of reaching the ambitious goals of the 1971–75 plan. These include an 8 per cent increase in industrial output, little more than half of which was to come from the injection of extra capital and labour. The rest was to come from higher productivity.

The latest setbacks come at an awkward time for Mr. Brezhnev. The Soviet government is now engaged in the difficult exercise of trying to provide a better deal for the consumer while at the same time putting a lot of resources into modernising industry and agriculture, and doing all this without cutting the defence programme. Recent imports of western grain, steel pipes and machinery have helped to make up the worst shortfalls in Russia's own output. But last year Russia had a balance-of-payments deficit of around $700m, which is expected to jump to $2,000 in this year and to an even higher figure in 1974. So Russia will probably have to dip further into its gold reserves, as well as expanding its gold production. But its gold, like so much of its vast natural wealth, is largely to be found in remote areas in the north and east where heavy investment in roads and railways and houses is needed before the stuff can usefully be got out of the ground. It is two-thirds of a vicious circle.

Can the Soviet Union ever get back to the relatively fast growth rates of the early 1960s? There is little prospect of throwing in any dramatically new amounts of labour or capital. Certainly there is not much extra labour to be got from the agricultural sector. It is true that agriculture still employs more than a third of the total labour force (compared with 5 per cent in the United States). But under the present economic plan agricultural output is supposed to increase by 22 per cent by 1975. This means that the farm managers will do their utmost to stop their labour force from getting away to the towns. The Soviet Union's internal pass system enables them to stop all but the most determined farm workers who want to slip off to the bright—well, brighter—lights. Labour can be released from the farms only if the money can be found to replace it with machinery. And birth rates are falling everywhere in the Soviet Union, except among the non-Russian peoples of central Asia, so there is not much hope of a long-term increase in the total labour supply.

The supply of capital for the basic industries—mining, steelmaking, engineering, petrochemicals and the rest—is not getting any easier, either. The Brezhnev government's decision to increase the supply of consumer goods pulls resources away from heavy industry. There is also the problem of diminishing returns on investment. According to the weekly paper. The Economic Gazette, the cost of capital investment—that is, the cost of each additional unit of national income per rouble of productive investment—increased by 13 per cent between 1961 and 1965. The rise has gone on, and very likely accelerated, since then.

Of course, Russia spends large amounts on research and development in the hope of modernising itself. According to the new American study, it put $28,000m into research and development last year. But perhaps as much as 60 per cent of this was for military purposes. Only some $11,000 was left for the needs of the civilian sector (in the United States, the corresponding sum was $16,000m), and even this is clearly not yielding results comparable with those achieved in the defence field. No doubt the military customers in Russia have a clearer picture of their requirements than their civilian counterparts and are powerful enough to insist on getting them.

Managers in industry are given little opportunity, or incentive, to do more than stick to the task of fulfilling the production plans handed down to them by remote bureaucratic bodies. A story in the Soviet Builder's Gazette illustrates the pitfalls of the single-minded concentration on crudely defined targets. Russia apparently produces twice as much glass as the United States, although it builds only half as many houses. Where does it all go? Well, 46 per cent of it gets broken before or during installation. Why? Because glass production plans are set in terms of square metres, which tempts managers to concentrate on producing thin glass, which then breaks easily.

It is not surprising that innovation, that essential part of technological progress, does not flourish. Many inventions emerge but few are applied, because, as Soviet economists themselves admit, it is safer and more profitable for the managers to churn out the same old items than to expose themselves to the risks and uncertainties of new production. According to a Pravda report last year, more than 600 standard processes and blueprints in the petrochemical industry were 20-30 years old, and only about 80 were being revised.

Even when there is a real will to introduce a new process, a long time passes before it can be fitted into the firm's own plan and the plans of all the other firms involved in the business, and cleared with the ministries, the state committees and the intermediate bodies and agencies. And even when full approval has been given by all concerned, another 18 months may pass before the idea is actually implemented. Low depreciation rates do not encourage the introduction of new machinery. It often takes 15-20 years to recover the cost of the original equipment.

Managers are terrified of being caught unprepared for some sudden change in production targets, so they hoard both labour and raw materials as a form of insurance, regardless of the manpower shortage and the official campaigns against waste of materials. The forces of inertia are so strong that even the present levels of activity could not be maintained without the help of the so-called "pushers" (*tolkachi*) who, by pulling strings and exploiting loopholes, can often locate and provide essential supplies—to their own personal gain.

There are really only three things the Soviet leaders could in principle do to improve the situation. The first would be to make substantial cuts in the country's defence programme. But this switch from guns to butter would clearly be unacceptable to most of the present political and military leaders unless it was accompanied by a wide-ranging agreement with the west; and even then they would still feel the need to keep up Russia's military superiority over China and its grip on the eastern European states. Some amount of pressure for military savings has obviously been one of the factors impelling Russia to engage in the missile talks with the United States and the forthcoming troop reduction talks in Vienna. But even if substantial savings do emerge from agreed armaments cuts, their effects will probably not be felt in the economy for some considerable time.

The second option would involve radical economic reforms that would free the managers from some of the shackles of centralised control. The decree issued on April 3rd, which provided for the establishment of new industrial associations, similar to western corporations and supposedly free from ministerial control, showed that the Soviet government is prepared to contemplate limited measures in the interests of efficiency. But any major decentralising reforms are probably unthinkable because they might lead to demands for political reforms as well as to a temporary falling off of output.

This leaves the third option: the large-scale import of western technology to help the Soviet Union buy time. That is the meaning of the big new deals which Russia is trying to negotiate with West Germany, the United States, Japan and other non-communist industrial nations. Mr. Brezhnev, like several former Russian rulers and notably like Peter the Great, is looking westward for short cuts to material progress while shunning any reforms that might disturb the country's autocratic system. But even if he gets the help he wants, some substantial improvements will have to be made in the way the Soviet economy is run if it is to have the desired effect. Mr. Brezhnev will have to prod his host of bureaucrats (half a million more now than in 1964) into action—and flexibility. He has an enormous task on his hands, even if that harvest turns out all right.

A STUDY IN CONCENTRATION

Mr. METCALF. Mr. President, when concentration of economic power in huge bank trust departments disquiets Barron's, the national business and financial weekly published by Dow Jones & Co., certainly the Congress should be similarly concerned, and possibly motivated toward determination of the extent of concentration and an evaluation of its effects upon the American people and their elected government.

When top officials of Federal regulatory commissions testify that several of these banks each has its officials on the boards of various companies within the same industry—but that the most recent data from the banking community is 5 years old—perhaps it is time to determine the extent to which these interlocks now occur, and the extent to which the banks also influence the companies through control of credit.

The Barron's article appeared in the June 18 issue of the newspaper. The testimony of the regulatory commission officials was reported on June 27 by Kay Mills of Newhouse News Service.

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

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

[From Barron's, June 18, 1973]

Since Morgan Guaranty was good enough to publish a booklet containing the vital data on its trust and investment division, we thought the least we could do would be to pass along to those who might not have caught it the list of the bank's leading dollar investments. Hence the accompanying table. Thanks to a friend who likes to play with numbers, we were able to include column 4—the % of the individual company's total common share capitalization in the bank's portfolios.

Even at a glance, one is struck by the fact that portfolios under a single roof—even as elegant and capacious as Morgan's—contain roughly 14% of Disney's outstanding shares; 10% of Polaroid's; a similar amount of Magic's; and large fractions of the equity of Avon, Schlumberger and American Express. When one adds to such percentages similar (if somewhat smaller) holdings at the nine other leading bank trust departments, the effect (on us, anyway) is a wee bit disquieting.

A STUDY IN CONCENTRATION: MORGAN GUARANTY'S TOP 25

	Holdings on Dec. 31, 1972			
	Dollars (millions)	Shares (millions)	Shares outstanding (millions)	Morgan's percent of total
IBM	$2,094	5.21	116.2	4.5
Eastman Kodak	1,138	7.69	161.5	4.8
Avon Products	651	4.75	57.8	8.2
Sears Roebuck	605	5.22	156.7	3.3
Xerox	596	4.00	79.3	5.0
Walt Disney	473	3.97	27.8	14.3
Polaroid	423	3.36	32.8	10.2
Procter & Gamble	396	3.54	81.9	4.3
Schlumberger	390	4.29	36.5	11.8
General Motors	344	4.25	287.6	1.5
American Home Products	330	2.70	51.7	5.2
Coca-Cola	320	2.15	59.7	3.6
Exxon	309	3.51	224.2	1.6
American Express	$306	4.71	48.6	9.7
Mobil	286	3.86	103.2	3.7
Kresge	285	5.82	117.2	5.0
J. C. Penney	279	3.10	57.1	5.4
Merck	274	3.08	74.2	4.2
Philip Morris	272	2.31	27.3	8.5
McDonald's	262	3.45	38.9	8.9
Texaco	212	5.58	272.0	2.1
First National City	210	2.73	116.1	2.4
Schering Plough	207	1.51	26.3	5.7
Johnson & Johnson	206	1.57	56.4	2.8
MGIC Investment	203	2.11	21.1	10.0

BANKS AND THE ENERGY CRISIS

(By Kay Mills)

WASHINGTON.—Enter now the bankers into the energy crisis picture.

A top economist for the Federal Power Commission told the Senate Antitrust and Monopoly Subcommittee Wednesday that interlocking directorships between banks and oil companies—as well as bank ownership in stocks of more than one oil company—threaten competition in the petroleum industry.

Dr John W. Wilson, chief of FPCS Division of Economic studies, said in a separate interview that these interlocks, as well as joint lease acquisitions, joint pipeline ownership and other joint ventures, enable oil companies to "behave as partners" rather than as "vigorous rivals."

The banking directorships and stock ownership represent "another way in which these so-called independent companies are related to each other," Wilson added.

During the same hearing, the Federal Trade Commission's chief antitrust man, James T. Halverson, testified that an FTC investigation of the structure of the petroleum industry is revealing the control by major companies of both refining and pipelines "constitutes a significant competitive problem." Major antitrust action is reportedly planned.

In his testimony, Wilson told the subcommittee chaired by Sen. Philip A. Hart (D-Mich.) that Federal law prohibits one person from serving on two boards of companies producing the same goods or services—but evidently two people working for the same corporation can serve on boards of competing firms.

"For example," he said, "the most recently available evidence on corporate directors from the banking community shows that, as of 1968, Morgan Guaranty and Trust Co. of New York had its employees serving on the boards of Continental Oil, Cities Service, Atlantic Richfield, Belco Petroleum, Columbia Gas, Louisiana Land and Exploration Company and Texas Gulf Sulphur."

Morgan also held stock in Texas Eastern Transmission Corp. and Panhandle Eastern Pipeline as well as gas distribution utilities, Wilson said.

His testimony also listed First National City Bank directors on the boards of Allied Chemical, Monsanto, W. R. Grace, Standard Oil of N.J., Mobil and Sinclair. In addition, "The bank also owns substantial stock interests in Panoil, Phillips, Panhandle Eastern Pipeline, Tenneco and numerous gas distribution utilities."

"Continental Illinois National Bank and Trust had directors with Union Oil, Continental Oil, Amoco, Northern Natural Gas, and others, including major coal companies which have been merged recently with Con-

tinental Oil and Standard Oil of Ohio," he added.

Wilson also testified about oil stock ownership in rival firms by bank trust departments and told a reporter he knew of no FPC limitation on the amount of stock owned.

"For example, in 1968, Boston's State Street Bank & Trust Co. owned 15 per cent of the common stock of Texas Oil and Gas, 6.3 per cent of the common in Amerada Petroleum, 11.6 of the common in Zapata Offshore, 10.1 per cent in Kerr McGee, 7.7 per cent in Pennzoil and 7.6 per cent of Newmont."

Wilson called the interlocking directorates "A threat to effective competition among these petroleum companies not only because (they) create a commonality between their boards, but even more so because of the critical role of the financial community in providing the capital which will be needed to expand energy production to meet future needs.

"Simply put," he added, "vigorous economic competition would be better served if the same banks were not represented on the boards of rival oil companies."

SAM NEAMAN: A MAN OF STATURE AND ACCOMPLISHMENT

Mr. HARTKE. Mr. President, some weeks ago I had the pleasure of speaking at a convention in Hollywood, Fla., honoring Mr. Samuel Neaman, board chairman of the McCrory Corp. Management people came from all over the country to honor this man, one of the finest business executives in the world. I say in the world, Mr. President, because Sam Neaman came up in the business world through successfully reorganizing floundering companies in several countries. Mr. Neaman's humane qualities and leadership, coupled with his ability to inspire and motivate his associates, revitalized diverse enterprises around the globe.

As a ranking member of the Senate Committee on Finance, Mr. President, I take a keen interest in successful business enterprise. With our Government facing near chaos in the management of economic affairs, it is noteworthy that some men can take chaotic conditions and re-create success. I never cease to wonder why men such as Sam Neaman never fail even under the most adverse conditions.

In 1963, the McCrory-McClellan-Green nationwide variety store chain found itself floundering with thousands of employees facing an uncertain future. In an unprecendented move, the parent McCrory Corp. turned to Sam Neaman, a nonretailer, a former industrialist, manufacturer, and homebuilder and appointed him president of that drifting enterprise.

Under his leadership, the downward-trending company was shaken out of its doldrums and infused with new vigor and vitality. Accepting the challenges of new ideas and concepts that flowed from the top, staff specialists and technicians developed and implemented a new breed of systems, controls, and highly efficient distribution technology. The turnabout in the company's financial condition was soon apparent and it became increasingly healthy as the newly developed systems took hold.

In the 9 years since Mr. Neaman was brought in to revive the variety store division, the progress of recovery and health is charted by three facts: the number of stores multiplied from 595 to 1,100; sales volume doubled; pretax profits jumped from zero to 6.9 percent of sales; and the employee family grew from 16,500 to 28,000 men and women in 46 States.

Mr. Neaman was elected president of the parent McCrory Corp. in 1966 and board chairman and chief executive officer in 1969. His dynamism and management skill, now reaching into the four divisions comprising the McCrory retailing complex, was manifested in the latest annual report of the corporation showing record sales and earnings for the ninth consecutive year. Sales in fiscal 1972 rose to a new high, bringing McCrory into the blue ribbon billion-dollar class.

Among other significant achievements was the acquisition of the J. J. Newberry variety stores which were joined with the McCrory variety stores to form the G. McNew division. The corporation's operations also include a department store division—S. Klein and Britts, automotive and home accessories division—OTASCO, and an apparel specialty division—Lerner Shops. The McCrory complex, with 2,300 stores and some 60,000 employees in 48 States and the District of Columbia, has become a major retailing force in the United States.

Mr. President, these are facts and figures to show success in a monetary regard, but Sam Neaman sees more in an enterprise than the dollars and cents. He knows you cannot put the human element on a chart or graph. He knows that the key to profitability and growth is not only modern management, but also the active development of the company's human resources: It is people.

Sam Neaman's nontraditional and innovative management approach has been most effective in the area of operations and procedures. To his associates he submitted the concept that the same sophisticated systems and technical tools so effective in manufacturing and heavy industry could be equally effective in the retailing business. With this motivation, his management team developed and introduced into operations electronic systems controls and distribution "sciences" that border on the space age and have resulted in revolutionary distribution efficiencies. In one new system, a computer push-feeds staple merchandise into each store automatically, based on its own history of activity and current inventory and invoice record. In another, and even more amazing development, a computerized system has been designed to provide the merchandising blueprint for a new store to achieve optimum sales and profits—before the store is built.

Undoubtedly at the root of the McCrory success story is Samuel Neaman's management philosophy:

We believe in guided autonomy—individuals using their initiative, having the authority to act upon it and looking to fellow executives for guidance in fields of their specialty; We try to break our problems into small segments and assign each to an individual who is totally dedicated to solving it; Our operating systems and procedures are designed to provide for individual as well as corporate success because in the long run, both are inseparable; And finally, we believe in a continuous re-examination of everything we do in light of new experience. This is the only way we can maintain our progress.

With the same ability and devotion that have contributed to his success in the business world, Mr. Neaman has given time and effort to a wide range of causes in the interests of human affairs.

Among his numerous endeavors, he has served actively on behalf of the New York Fund and the National Jewish Hospital of Denver. He is a founder of the Albert Einstein College, a director of the American Friends of the Hebrew University, and of the National Committee of the Holy Land Conservation Fund.

He is vice president of the America-Israel Chamber of Commerce and Industry and chairman of the Greater New York Committee for State and Israel Bonds. A native of the Galilee, Mr. Neaman proposed to Israeli leaders the establishment of a new international center of learning at the Technion, Israel Institute of Technology. Initial planning of the project is well underway and, in honor of its founder, it will be named the Samuel Neaman Institute of Advanced Studies at the Technion.

Sam Neaman answered the call to serve in the struggle against fascism. He rose to the rank of major in the British Army in World War II, seeing action in North Africa, Italy, and France.

Mr. President, I am proud to know Samuel Neaman. The United States is better for having him in our society and, it is my hope that his days of duty will continue for years to come so that we may further bask in the accomplishments of this man.

WE DO NOT KNOW HOW

Mr. HUGHES. Mr. President, a recent book on foreign aid entitled "We Don't Know How" by William and Elizabeth Paddock, has aroused considerable interest and controversy. It was alluded to in hearings of both the Senate Foreign Relations Committee and the House Foreign Affairs Committee. A review of this book, by three distinguished Iowa State University professors, refuting many of the points made by the Paddocks, was published in the June 24, 1973, Des Moines Sunday Register.

In the interest of throwing some additional light on an ongoing discussion of great importance to the country, I ask unanimous consent that this review be printed in the RECORD.

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

DEFEND FOREIGN AID AGAINST CHARGES OF POOR MANAGEMENT AND FUTILITY

(By Raymond R. Beneke, Earl O. Heady, and John F. Timmons)

NOTE.—In 1967, the Paddock brothers, William and Paul, published a sensationalized book about world food problems called "Famine, 1975."

(William Paddock is an agronomist who has worked on agricultural projects in poor countries, and his brother is a former Foreign Service officer. Now William Paddock and his wife Elizabeth have produced another sensational book, "We Don't Know How", about the alleged failure of the American foreign aid program, published by the Iowa State University Press.

(The following is a review and commentary on this book by three professors of economics at Iowa State:)

In "We Don't Know How" the Paddocks elaborate the prophesy of doom and despair first set forth in "Famine, 1975." Their prophesy is not new, being derived from the doctrine enunciated by Thomas Malthus in 1798. Malthus contended that, given man's capacity to multiply and the "passion between the sexes," the human race was preordained to expand its members until checked by starvation, disease, malnutrition and wars because of the limits of subsistence.

Malthus held that poor relief only provided an incentive for aggravating food and population problems, and the Paddocks contend that help, where effective, only increases the number of people who must ultimately starve. Thus food relief to India, public health measures which reduce mortality in Central America and even research and education which contribute to increased rice and wheat production in the underdeveloped countries of Asia are portrayed by the Paddocks as sinister deeds.

The thrust of their attacks on foreign aid includes ineptness, stupidity and deceit of the organizations and personnel conducting foreign development programs.

DISTORTION, HALF-TRUTHS

The Paddocks purport to have initiated "an independent audit" of foreign assistance efforts with high hopes of documenting the success of these efforts. But upon gathering hearsay opinions and guesses concerning approximately 50 projects in Mexico and Central America, the authors conclude that the Agency for International Development does not know how; but neither does the Peace Corps, the Rockefeller Foundaiton, the World Bank, the United Nations nor the American Friends Service Committee.

We have to conclude that the Paddocks are being less than candid concerning their original objectives. Indeed, it is obvious that they sought only evidence that would discredit foreign aid and support their Malthusian theme. They offer page after page of gossip, distortion and half-truth to support their claim that all efforts in foreign aid have been a dismal failure. Finally in a display of over-kill, readers are encouraged to believe that this record of failure is for the better, since success would only mean that more human beings must some day starve.

Since World War II, the United States has striven to help poorer countries improve their lot. Mistakes have been made and successes have been registered. We have learned from these experiences. What are the results?

U.S. OUTLAYS DECLINED

Using 1961–65 as a base, agricultural production in less developed countries has increased from 78 per cent in 1955 to 122 per cent in 1972. However, per capita production during the same period increased only from 95 per cent to 99 per cent because of rapid increases in population. But per capita production did increase.

U.S. outlays for economic assistance to poorer countries have declined from two-thirds of one per cent of our gross national product in 1964 to only one-third of one per cent at present, as other affluent nations have increased their assistance to poorer countries. This year, 1973, the U.S. will rank only twelfth among the nations of the world in the proportion of GNP devoted to helping poorer countries improve their productivity.

Yet the Paddocks urge the U.S. to terminate its efforts to help poorer nations because they say "we don't know how."

Visiting only Mexico and three small Central American countries (Guatemala, El Salvador and Nicaragua), the Paddocks draw sweeping conclusions for South America, Asia, Africa and the rest of the world. The Paddocks report on only one-half of the 50 projects they claim to have visited. Was the other half too successful for their tastes? Much of their information on the visited projects is inaccurate or out of date.

Their Mexican visits were in 1969—several years after the last U.S.-AID project was completed. The single Mexican project on agricultural credit on which they reported and claimed a failure has proven to be a success. They disclaim progress in Mexico. Yet, since the mid-1940s, Mexican wheat production has tripled, corn production has doubled and the country has had a very high growth rate.

Just why the Paddocks go out of their way to repeatedly belittle and flail Dr. Norman Borlaug, the 1971 Nobel Peace Prize winner, or to discredit the Rockefeller Foundation role in improving agricultural technology, is a mystery.

Under an AID loan, Guatemala converted from an import to an export position for rubber. The Paddocks dismiss an AID health project in Nicaragua, even though it had supplied more than 400,000 medical consultations, 340,000 communicable disease vaccinations and 3,700 communal latrines for rural people who previously had not experienced these services and facilities.

In spite of their criticism of the mass fertilizer program in El Salvador, 14,500 demonstrations were put on by farmers in three years. This would have been hard to excel even in a state such as Iowa when fertilizer and hybrid corn were first coming into use.

One of the Paddock methods is to speak through other people; that is, to quote a cab driver, bush pilot, hotel clerk, developmental official or other person with whom they visited, or to quote from another writer or lecturer who promotes the same thesis as themselves. One of these quotes fairly well expresses the Paddocks' philosophy (or perhaps hope):

"We have now squarely to face this paradox. . . . We have increased human hunger by feeding the hungry. We have increased human want by giving to the needy. It is almost impossible for us to face the fact that this is so. . . ."

The reader has no basis for evaluating their interviews and information from hundreds of taxi drivers, foreign government officials and miscellaneous persons. However, when one analyzes the facts and reasoning that can be verified, glaring discrepancies arise.

ABOUNDS WITH PROGRESS

Although India still has serious food and population problems, it has increased acreage devoted to new wheat varieties by over 45 million acres since 1966 and wheat production more than doubled in this period. The new wheat varieties came through Dr. Borlaug and the Rockefeller Foundation which the Paddocks belittle. Fertilizer use in Pakistan has increased five-fold since 1965. A major AID project has been in backing construction of fertilizer plants to increase supply, lower price and increase use.

The world abounds with progress and successful projects which contradict the Paddocks' thesis that no project has been successful, that the world has made no progress in per capita productivity.

It is perhaps ironical for the Paddocks but encouraging for humanity, that world food production increased 36 per cent within the decade from which the Paddock predictions of famine in 1975 were derived. Possibly, technical assistance efforts of the U.S. public and private agencies helped bring about these remarkable increases.

It is to be hoped that these same agencies will continue to assist the developing countries through their most critical phase of development in which they are now struggling. If this assistance can be provided, improved with our experience, the United States, as is becoming to a major world power, will have made monumental contributions to the world's poorer countries as well as to our own security and well-being.

Mr. HUGHES. Mr. President, one other point should be clarified. The book was published by the Iowa State University Press, an independent, completely self-supporting affiliate of the university. Mr. Carl Hamilton, vice president for information and development, of Iowa State University, has issued a statement pointing out that the University Press published the book—

Not as an endorsement of the authors' assertions, but because it was felt that the book stated a pertinent viewpoint in the general and continuing national debate over foreign aid programs.

Says Mr. Hamilton:

In no sense can it be stated that the Paddock book represents the viewpoint of Iowa State University. Still, the university defends the right of the press to publish this work.

SMALL BUSINESS NEEDS TAX REFORM

Mr. BAYH. Mr. President, in reviewing the administration's very limited and generally inadequate tax reform proposals, presented earlier this month to the Committee on Ways and Means by Secretary of the Treasury Shultz, I was particularly struck by the total absence of any recommendation to ease the tax burden on the Nation's 11 million small businesses. Not only does this ominous silence represent a lack of any effort toward reform, it is actually a retreat from the administration's previous stand as expressed in last year's bill, S. 544. What is more, it is a repudiation of a specific pledge in the President's own party's platform of 1972, which called for "tax incentives" and a "tax system that more fairly applies to small business."

What is involved here is not just a President treating as "inoperative" a firm promise on the basis of which he sought reelection. That would constitute a sin of omission or, in geometric terms, a 90-degree shift in policy. What is involved, instead, given what we must assume was at least a starting point in the shape of last year's S. 544, is a complete 180-degree shift in policy and a very definite sin of commission.

No doubt administration spokesmen will try to claim that this policy shift results from "changed conditions." But every small businessman should ask himself how much, if at all, conditions have changed since the Republican Party platform was written and adopted only 10 months ago. The answer to that question will, I am afraid, reveal something of the degree of cynicism with which this administration views its electoral mandate.

By contrast, Mr. President, the majority party in Congress has been fully responsive to the needs of the small business community of America. The chairmen of the Senate and House Select Committees on Small Business have introduced a landmark piece of legislation—in the Senate it is S. 1098—to reform the Internal Revenue Code as it impacts on small business. I am proud to be

a cosponsor of that bill and pledge to the distinguished senior Senator from Nevada (Mr. BIBLE) my unstinting support in helping to enact it into law.

It is important to recognize, Mr. President, that the Small Business Tax Simplification and Reform Act of 1973 is not a "giveaway." It is not designed to extend special favors to the small businessman at the expense of other taxpayers. Its central thrust is to redress, in some degree, the vast competitive imbalance that has developed between small and large businesses since World War II. For the fact is, the tax code has been in no small part responsible for the growth of this imbalance. In simplest terms, the code is replete with provisions that permit giant corporations to take tax advantages which, for all practical purposes, are just not available to the small businessman. And that is the reason why, as Senator BIBLE so cogently pointed out in his recent testimony before the Ways and Means Committee, the effective tax rate—and I stress effective, because taxes are paid not in legal niceties but in dollars—for small- and medium-sized businesses is practically double what it is for the Nation's largest corporations.

Needless to say, one of the largest costs of doing business—and therefore of pricing one's products or services—is the amount of taxes one has to pay. So if a small manufacturer of a particular product has to pay twice as high an effective tax rate as his giant competitor, he is simply not going to remain very competitive for very long. That is the cold reality our small businessmen face today.

But tax rates are only one part of the problem. In a number of other vital respects the tax code, perhaps inadvertently, discriminates against small business, often in no other way than by making it unnecessarily expensive to do business and obey the law. That is why title I of S. 1098, establishing governmental machinery charged with the responsibility of simplifying the Internal Revenue System and in general looking after the interests of small business, would be so important a step in the direction of real equity.

For again I must emphasize, Mr. President, that the small businessman is not looking for—and basically does not need—handouts, subsidies, or other special favors from Government. What he needs is a fair chance to compete in an unrigged market. Our bill would go a long way toward making that possible.

It is clear, in any case, that small business will get no equivalent help from the present administration. Promises, proclamations, and protestations of concern are all that the executive branch has any intention of providing as an alternative to the approach developed in S. 1098.

It is, therefore, the Congress' responsibility to do what needs to be done—while there is still time. Small business will not survive in this Nation unless we somehow reestablish a competitive climate that will permit it to survive. The enactment into law of S. 1098 is vital to that effort. I strongly urge the distinguished chairman of the Committee on Finance to schedule hearings on our bill for the earliest possible date and to give it the detailed and sympathetic consideration it—and small business—deserves.

MILITARY RIGHTS AND DUTIES ARE NOT INCOMPATIBLE

Mr. PROXMIRE. Mr. President, a group of concerned servicemen stationed in West Germany has forwarded to me an enlightening copy of the "Daily Bulletin" of the 601st Tactical Control Wing. This official news bulletin, dated June 15, 1973, contains notices of official meetings and procedures as well as pertinent regulations. One of the notices contained therein is a reminder to all enlisted men to attend a mandatory briefing on the Uniform Code of Military Justice. This in itself would not be very noteworthy were it not for an addendum placed at the extreme bottom of the bulletin to be read as a daily proverb or maxim. Printed there in quotation marks is:

> Pay a little more attention to your duties and a little less attention to your rights.

In my opinion, the duties of a member of the Armed Forces are not generally incompatible with the fundamental rights guaranteed to each citizen by the Constitution. Admittedly, some rights must be circumscribed within the military to insure discipline. Yet a workable balance may be maintained that will provide adequate safeguards for the men and women who serve in the Armed Forces and will still maintain an adequate defense for our country. The task is indeed a hard one. Former Chief Justice Earl Warren remarked that it is—

> Made more difficult by the fact that while the military serves the vital function of preserving the existence of the nation it is, at the same time, the one element of government that exercises a type of authority not easily assimilated in a free society.

I personally do not believe that it is an impossible task, and I am sure that the various services would agree with me that the many years of experience under the Uniform Code of Military Justice testify to our success in this area. This major revision of the Articles of War capped a long period of concern for the rights of servicemen with which it is essential that all of us be familiar.

HISTORY OF MISTRUST OF THE MILITARY

Our history and that of our British ancestors reflects a deep mistrust of the power exercised by the military. Sir William Blackstone, the great English legal commentator, recognized the inadequacy of martial law and opposed its extension beyond the time of military necessity:

> For martial law, which is built upon no settled principles, but is entirely arbitrary in its decisions, is, as Sir Matthew Hale observes, in truth and reality no law, but something indulged in rather than allowed as a law.

The British also identified the presence of a large standing army in peacetime as a threat to their liberty. Consequently, it was specified in the British Bill of Rights of 1689 that—

> The raising or keeping of a Standing Army within the Kingdom in time of peace, unless it be with the consent of Parliament, is against the law.

The framers of the American Constitution inherited a similar fear of standing armies. James Madison, for example, felt a danger to individual liberties in a permanent military force. Nevertheless, he called for a compromise between the competing considerations of national security and individual freedom:

> The veteran legions of Rome were an overmatch for the undisciplined valor of all other nations, and rendered her the mistress of the world.
>
> Not the less true is it, that the liberties or Rome proved the final victim to her military triumphs; and that the liberties of Europe, as far as they have existed, have, with few exceptions, been the price of her military establishments. A standing force, therefore, is a dangerous, at the same time that it may be a necessary, provision. On the smallest scale it has its inconveniences. On an extensive scale its consequences may be fatal. On any scale it is the object of laudable circumspection and precaution.

The result of this fear was a Constitution which attempted to exert strict control over the military and to protect fundamental liberties from arbitrary exercises of authority.

Article 1, section 8 of the Constitution vests in Congress the power to declare war and to raise, maintain, and regulate the Armed Forces. Article 2, section 2, provides for civilian control over the military by the President, acting as Commander in Chief. The right of the people to bear arms at least partially as protection against the tyrannical potential of the military is preserved by the second amendment of the Bills of Rights.

The third amendment forbids the quartering of soldiers in any house in time of peace and permitted quartering in time of war only if provided by law. Finally, the fifth amendment demonstrates that the framers knew how to exempt military personnel, for they specifically denied to members of land or naval forces and the militia the right to a presentment or indictment of a grand jury. It may be inferred therefore that the remainder of the Bill of Rights were to be applicable to servicemen and to civilians to protect both groups from the capricious use of power by Government.

CONGRESS CREATES THE UNIFORM CODE OF MILITARY JUSTICE

The Congress, in fulfillment of its important responsibility of regulating the Armed Forces, created the Uniform Code of Military Justice—UCMJ—in 1950. This action was taken in response to substantial pressure applied from all sections of the country for reform of the military justice system, primarily due to the controversial manner in which it operated during World War II. Rear Adm. Robert J. White, retired, former dean of the Catholic University Law School, cited the high percentage of court-martial convictions—88 percent—as a strong argument in support of reform at that time. The numerous excessive sentences requiring sentence reduction in 77 percent of noted cases was also a contributing factor.

The result of this extensive national dialog was the UCMJ, a workable compromise between defense and constitu-

tional rights, which injected a significant degree of due process into the military justice system. Procedures were established to guarantee a trial free from command influence, adequate representation of counsel, and the opportunity to obtain witnesses and other evidence on behalf of the accused. Compulsory self-incrimination and cruel and unusual punishment were prohibited.

SUPREME COURT DECISIONS

Most important, the UCMJ also established the Court of Military Appeals—(CMA)—to serve as a Supreme Court of the Military and to consist of three civilian judges, appointed by the President with the advice and consent of the Senate for a term of 15 years. In the 23 years since its establishment, there has been a steady development of constitutional rights for military personnel.

A large portion of this development undoubtedly stems from the case of *Burns* v. *Wilson,* 346 U.S. 137 (1953), which was decided by the Supreme Court. Prior to that decision, military courts were considered to be free from interference by courts created under article III of the Constitution since they were established by an act of Congress pursuant to authority granted to Congress under article I of the Constitution. Accordingly, decisions of military courts were considered to be nonreviewable by Federal courts so long as the military court was acting within its jurisdiction. Thus, until 1953 servicemen possessed only those constitutional rights which were specified in the UCMJ. *Burns* against *Wilson* firmly determined in that year the right of a member of our Armed Forces to appeal to the Federal courts via habeas corpus petition any denial of constitutional rights. The court said that—

The military courts, like the State courts, have the same responsibilities as do the Federal courts to protect a person from a violation of his constitutional rights.

Consequently, a military prisoner could, for example, appeal in the Federal courts a denial of his right to due process since, the court noted:

The constitutional guarantee of due process is meaningful enough and sufficiently adaptable, to protect soldiers—as well as civilians—from the crude injustices of a trial so conducted that it becomes bent on fixing guilt by dispensing with rudimentary fairness rather than finding truth through adherence to those basic guarantees which have long been recognized and honored by the military courts as well as the civil courts.

COURT OF MILITARY APPEALS

The Court of Military Appeals responded to this and other Supreme Court opinions with several key decisions in the criminal area. In *U.S.* v. *Jacoby,* 11 U.S.C.M.A. 428 (1960), the CMA held that the—

Protections of the Bill of Rights, except those which are expressly or by necessary implication inapplicable, are available to members of our Armed Forces.

A year later Judge Quinn of the CMA described the due process rights of a member of the military as including those guaranteed by the Bill of Rights plus those established by Congress. Then in 1967, in the case of *U.S.* v. *Tempia,* 16 U.S.C.M.A. 629 (1967), the CMA discarded the "independence" theory by which Supreme Court decisions were felt not to be binding on military courts. Instead the CMA asserted that military courts must follow Supreme Court decision when that Court is promulgating constitutional rules.

EFFECTIVE IN WARTIME

As a result of the actions by Congress and the initiatives made by the courts, the military justice system has gone through significant development since World War II. Although I am certain that improvements to the system could be and have been suggested, I think that we can express our general satisfaction with the manner in which the system has operated over the past 23 years in spite of the stresses brought about by the Korean conflict and the war in Southeast Asia. Testimony taken by the Senate Judiciary Subcommittee on Constitutional Rights in 1963 gives additional support to the system by indicating that the UCMJ would probably continue to be effective in a war as extensive as World War II. Although the subcommittee heard comments to the contrary, most of the witnesses believed the experience under the UCMJ in Korea to be a firm demonstration that the system, modified to provide increased appellate review in the field, would meet both the demands of defense and those of justice in an emergency. As a result, the subcommittee reached the conclusion that—

Uncertainties as to how the present system of military justice would operate in a period of all-out war do not constitute a sufficient reason to discard protections for servicemen which are feasible under present conditions.

SERVICES SHOULD COME TO CONGRESS

The Department of Defense has had several opportunities to inform Congress in the recent past if they did not agree with the organization or provisions of the UCMJ. To my knowledge they have not done so. Neither has the Air Force. If the Air Force does not believe that discipline is compatible with the rights presently guaranteed to servicemen, I think that we should hear from them. Until that time, it is entirely inappropriate for any military command to attempt to suppress the rights of American military personnel by suggesting that the defense of their rights will interfere with their service obligations.

An official military bulletin, representing the views of the commanding officer, is not the proper forum for finding a new balance between liberty and security. Congress and the courts have the responsibility for making decisions in this area. That is what civilian control is all about.

Improper pressure of the kind demonstrated by the 601st Tactical Air Command can only serve to subvert the discipline and morale of the men and women who are required to read this bulletin. It would be a good idea for all members of the Armed Forces to recall the words of Blackstone:

He puts not off the citizen when he enters the camp; but it is because he is a citizen, and would wish to continue so, that he makes himself for a while a soldier.

The time is long past when an individual could be considered to have given up his fundamental rights upon entering the service. Let the Air Force come to Congress if it wishes to return to these earlier times.

LEGISLATIVE REVIEW REPORTS

Mr. METCALF. Mr. President, as chairman of the Joint Committee on Congressional Operations, I submit a tabulation of legislative review reports by Senate committees pursuant to section 118(a) of the Legislative Reorganization Act of 1970 (P.L. 91–510) which amended section 136 of the Legislative Reorganization Act of 1946 (P.L. 79–610).

Section 136 of the Legislative Reorganization Act of 1946 under the heading "Legislative Oversight by Standing Committees" provided that—

Each standing committee of the Senate and House of Representatives shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee.

The Joint Committee on the Organization of Congress of which both the vice chairman of this committee, the Honorable JACK BROOKS of Texas, and myself were members, in its study of congressional reform concluded that the function of legislative oversight required by the above-quoted section of the 1946 Legislative Reorganization Act had not been effectively discharged by the committees. Accordingly, the Joint Committee recommended measures to pinpoint and emphasize the legislative review function. Among these provisions was the requirement that each committee report at the conclusion of a Congress its activities in carrying out its legislative review function.

This requirement is provided for in Section 118 of the Legislative Reorganization Act of 1970.

On September 22, 1972, the then chairman, Congressman BROOKS, and I addressed a letter to each standing committee calling attention to the above requirements relating to legislative review and enclosed certain background information thought to be of assistance to the committees. That letter reads as follows:

DEAR MR. CHAIRMAN: As you know, Section 118 of the Legislative Reorganization Act of 1970 (P.L. 91–510), as amended by P.L. 92–136, requires standing Committees of the House and the Senate after January 1, 1973 to make reports to their respective Houses on their activities in reviewing and studying the "application, administration and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of that Committee."

Section 118a requires Senate Committees to file such reports not later than March 31st of each odd-numbered year and Section 118b requires House Committees to file such reports "not later than January 2nd of each odd-numbered year."

As these will be the initial reports under these sections of the Reorganization Act, we felt that the attached information containing the legislative background might be of help to you in preparing these reports.

The background information referred to in the letter was inserted in the CONGRES-

SIONAL RECORD, volume 118, part 26, page 32353 by Senator Mansfield.

House committees were required to report under section 118(b) and rule XI 28. (a) of the Rules of the House of Representatives by January 2, 1973, and Senate committees were required by section 118(a) to file their reports by March 31, 1973.

A tabulation of the legislative review reports of House committees was inserted in the CONGRESSIONAL RECORD by Congressman BROOKS on January 23, 1973, on page 1802.

Mr. President, I ask unanimous consent to print a similar tabulation of legislative review reports filed by committees of the U.S. Senate in the RECORD.

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

U.S. SENATE, 93D CONGRESS, LEGISLATIVE REVIEW REPORTS OF STANDING COMMITTEES PURSUANT TO SEC. 118 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970 (PUBLIC LAW 91-510)

Committee	Date	Report	Content (coverage)	Pages
Aeronautical and Space Sciences	Mar. 27, 1973	93-89	Legislation and review	12
Agriculture and Forestry	Jan. 23, 1973	93-5	Legislative review	16
Armed Services	Apr. 12, 1973	93-118	Activities of the committee	109
Banking, Housing and Urban Affairs	Apr. 3, 1973	93-99	Legislative review	36
Commerce	Mar. 30, 1973	93-97	do	12
District of Columbia	Mar. 29, 1973	Congressional Record statement by Senator Eagleton, pp. 10258 to 10259.	Oversight activities	2
Finance	Feb. 28, 1973	93-51	Legislative review activity	17
Foreign Relations	Jan. 21, 1971	93-98	Legislative history	160
Government Operations	Mar. 27, 1973	Congressional Record statement by Senator Ervin, pp. 9727 to 9729.	Legislative review	3
Interior and Insular Affairs	Mar. 29, 1973	93-95	do	14
Labor and Public Welfare	Mar. 30, 1973	93-96	Legislative review activity	38
Public Works	December 1972	Committee Print Serial No. 92-28	Legislation and review	93
Rules and Administration	Mar. 27, 1973	93-93	Legislative review	7
Other committee reports involving legislative review: Select Committee on Small Business.	July 27, 1973	93-357	23d annual report	410

INQUIRY INTO FATAL SHOOTING OF FOUR KENT STATE UNIVERSITY STUDENTS

Mr. BAYH. Mr. President, within the last few days information has come to my attention which I believe sheds important new light on the tragic killings which occurred at Kent State University in May of 1970. I have today made this information public and transmitted it to the Attorney General.

I ask unanimous consent that the text of my statement on this matter together with the text of the letter on which it was based be printed in the RECORD. At the request of the individuals involved, I have not made their names public at this time. I have, of course, informed the Department of Justice as to their identity.

There being no objection, the articles, statement, and letters were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BIRCH BAYH

I am happy to see that Attorney General Elliot L. Richardson has announced today that he has authorized Assistant Attorney General J. Stanley Pottinger to conduct an additional inquiry into the circumstances surrounding the fatal shooting of four Kent State University students by members of the Ohio National Guard on May 4, 1970.

I wrote to Assistant Attorney General Pottinger urging just such a course on July 9, 1973. During the confirmation hearing for FBI Director Clarence Kelley, a story in the Akron Beacon Journal drew my attention to the still mysterious role of one Mr. Terrence B. Norman. The story raised questions concerning what role Mr. Norman was playing at Kent State, why he was carrying a gun, and how he was able to stay on campus after it was closed.

On June 25, 1973, I submitted to Mr. Kelley a series of written questions in an effort to determine what, if anything, the FBI had done to investigate allegations that Norman may have precipitated the firing by National Guardsmen at Kent State by firing his .38 caliber revolver.

FBI Director Kelley reported on July 9, 1973 that Terrence B. Norman has never been under contract or directly employed by the FBI. However, Mr. Kelley reported that in April 1970, less than a month before the Kent State shootings, Norman had supplied information of value to the FBI regarding the National Socialist White People's Party, an outgrowth of the American Nazi Party, for which he received a cash payment of $125. Mr. Kelley said Norman's .38 caliber snubnose revolver was surrendered to Patrolman Harold Rice of the Kent State University Police Department on May 4, 1970. It then passed through the hands of several other members of the Kent State police force before being turned over to the FBI on May 5, 1970. The FBI laboratory, however, did not examine the gun to determine whether it had been fired, Kelley said, since the gun had passed through a number of hands before coming into FBI custody. Such a laboratory examination, he said, could only show whether the gun had been fired recently, but not as to whether it had been fired on the specific date in question.

In response to other questions, Mr. Kelley said the FBI initiated an investigation of the incident on May 5, 1970 at the request of the Assistant Attorney General, Civil Rights Division, U.S. Department of Justice and results of the investigation were reported to the Justice Department.

Mr. Kelley indicated the FBI did not probe into circumstances by which Norman received an accredited press credential from the Press Officer of the Ohio National Guard and did not investigate why Norman, allegedly a regular student, was able to be on campus May 5 after the campus had officially been closed and the press had been excluded from the campus. He also reported that the FBI has no information as to why Norman was not subpoenaed by the Ohio State Grand Jury and said the FBI does not know the location of Mr. Norman presently. Significantly, Kelley also indicated there had been no questioning of Mr. Norman since the date of the shootings.

There are several obvious gaps in the original investigation, particularly as concerned the role of Mr. Norman.

The question of why Mr. Norman was never interviewed by the FBI has not been answered.

The question of why Mr. Norman was able to remain on the campus after it had been officially closed and after the press had been excluded was not answered.

The question of how Mr. Norman received accredited press credentials was not investigated by the FBI.

Recently, since that time, I have received information from a company commander of the Ohio National Guard raising even more serious questions as to the thoroughness of the original investigation. I have today transmitted to Attorney General Richardson a letter from that Company Commander and two exhibits in the form of signed statements from members of his unit in the Ohio National Guard.

The letter of the Company Commander and the statements of two members of his company indicate Mr. Norman was present during the fusillade which killed the students.

The company commander states that he questioned four of his men who indicated that "as Norman ran toward our lines, people were chasing him yelling 'Stop that man—he killed someone'." The Commander quotes a lieutenant in his unit as indicating that he had overheard Norman tell the Kent State police "I think I shot one of the students—the students grabbed me and started beating me, so I pulled my gun." The Commander included in his letter to me the handwritten statements of two of his men who corroborate this version of the event.

In spite of the fact that there was thus substantial reason to believe that Norman may have in fact fired his gun, the commander reports that he was unable to arouse any interest on the part of the FBI when he reported the information to them.

The tragedy which occurred at Kent State was perhaps the most shocking and traumatic event in the long history of student unrest through the period of the late 1960's and early 1970's. I believe that it is imperative that in this of all cases the American people have full confidence that justice has been fully and impartially carried out. I have, of course, forwarded this information to the Attorney General. I hope that the reopened investigation announced today by Assistant Attorney General Pottinger will proceed forthwith to at last see to it that all the facts are fully made known.

AUGUST 2, 1973.

HON. ELLIOT L. RICHARDSON,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: As you may know, during the course of Mr. Kelley's confirmation hearings I submitted certain questions to him to be answered for the record once he assumed his position as Director of the Federal Buerau of Investigation. These involved the activities of Mr. Terrence B. Norman during the tragic killings at Kent State University on May 4, 1970. On July 9, 1973, Mr. Kelley submitted his answers to these questions.

As a result of certain press reports concerning Director Kelley's response, I received

today a letter from an officer in the Ohio National Guard who was in command of an infantry company on the Kent State Campus. I enclose a copy of his letter, together with handwritten statements signed by two of his men. These seem to indicate that it is quite possible that it was in fact Norman who fired the first shot. As Director Kelley indicated, the FBI did not perform a ballistics test on the weapon.

Because this information appears to me to be highly significant, I am forwarding it to you and would request that you take the necessary steps to see to it that Mr. Norman's role in this unhappy occurrence is fully explored.

Sincerely,

BIRCH BAYH,
U.S. Senator.

JULY 27, 1973.

Hon. BIRCH BAYH,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SIR: It was with much interest that I read a report by UPI in your investigation of the Kent State matters, especially those involving the mysterious reporter, Terry Norman.

On May 4, 1970, I was in command of Co. —— of which 54 men were involved in the quote "skirmish line". It was through my men that Terry Norman returned after the shooting incident in which the four students were killed. Although I did not personally apprehend him, the incident came immediately to my attention and I attempted to gather all the information I could on the matter. Without any formal investigative capabilities, I was only able to gather statements from my own men and tried to relate these to the official investigative bodies which I came in contact with.

In addition to the copies of statements of two of my men which are enclosed with this letter, I also have the notes which I made while questioning several others who were near enough to the incident to have knowledge of it. Four enlisted men made the following statement, "as Norman ran toward our lines, people were chasing him yelling "stop that man—he killed someone". Another man, a lieutenant overheard Norman tell the campus police, "I think I shot one of the students—the students grabbed me and started beating me, so I pulled my gun". As you will see from the attached statements, they are in agreement with the above statements.

The FBI seemed to show no interest whatever in these statements whenever I reported them and, in a letter from J. Edgar Hoover to Congressman John Ashbrook, the Director stated that the FBI never heard of Norman nor employed him. However, I notice that they now admit to having paid him for some information in April 1970. I believe the above mentioned letter was prompted by Sgt. —— (one of the attached statements is his) inquiry through Congressman John Ashbrook, 16th Ohio Congressional District into this matter.

In addition to the above statements, Terry Norman had one other contact with the Ohio National Guard that I am aware of. It was with a member of another unit whose duty it was to issue press passes to personnel who were authorized to have them. In my questioning of this Guardsman, he reported that Norman attempted to get a press pass several times but was refused because he had no credentials. Norman then brought a person, believed by this guardsman to be a campus policeman, with him to apply for one. This individual stated that Norman should be issued a press pass because he was working for the FBI. When asked again for credentials this individual replied, "well not as an agent, just taking pictures". Norman was then issued a press pass on this basis. It should be noted here that none of the people making these statements or myself were called on to testify before the Grand Jury investigating the Kent incident.

If a check were made of the Akron City police files, I believe Terry Norman's name will appear therein for impersonating a police officer or carrying a weapon without a permit; however, this is not directly related to the May 14th incident.

If the above information is of no value to you, please feel free to disregard it; however, I would be willing to supply names of the personnel who made the statements contained herein, if desired. My only request being that these persons not be unduly harassed as they have been in the past.

My interest in this matter is simply that this incident with Norman has never been fully answered to my satisfaction. I always wondered if the gun which the FBI checked was actually the one which Norman turned over on May 4 to persons other than the FBI.

I would appreciate if this letter would be treated confidentially as I am still a member of the Ohio National Guard and am still under indictment in the civil suits pending in the courts over the May 4th killings. I will, however, be willing to discuss at anytime what I know of this matter.

Thanking you, I am ——.

"I, . . ., observed on May 4, 1970 the following: A number of people running down the hill yelling "stop that man—he shot someone". I glanced to my right and saw a young man showing a press pass to a guardsman and passing him. I moved towards him along with a number of other people. He was stopped 10 yds. behind our line by 4 or 5 people. A plain closed [sic] official had stopped him and was asking him questions. I heard the young man say: "a student grabbed my camera and started to beat me up—I shot"—He then reached inside his jacket and removed a silver colored pistol which was taken from him and he was led away. He was a short and blond haired, wearing slacks, white shirt, jacket, and had a camera around his neck."

"I, . . ., a member of . . . Co. of the Ohio National Guard did aid in the capture of a civilian who was said to have had fired a pistol and hit a student during the dispersing of an authorized rally at Kent State University, Kent, Ohio. After completing our mission of dispersing the students, I along with a fellow guard member returned to where we began our mission. Within two or three minutes a civilian approached a line we had formed, presented a press card and we let him pass through. He had gone approximately ten to twenty feet to my immediate rear when some other civilians who I think were newsmen came running down the hill to our front pointing and shouting "stop that man." Within ten to fifteen seconds four or five guardsmen including myself had him surrounded with bayonettes pointing towards him and within a few inches of his body. He didn't attempt to escape. He held out his press card and kept saying over and over in an excitable voice, "They were trying to kill me." I took his card and examined it. It looked official. The name on the card was Terry Gordon, but I don't remember the name of the people he worked for. We held him until some policemen came, and upon reaching his person, found a small pistol. The young man looked to be about 21 years of age. He was of thin build, and approximately 5 ft. 9 in. tall. He had medium length blond hair. He was of fair complexion. He was wearing a long sleeve button up yellow shirt and had a camera hanging around his neck."

"That is all I remember about him, and of the incident."

"NOTE. . . . mistook the name Norman for Gordon."

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. 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.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. TUNNEY). Under the previous order, the hour of 10:45 a.m. having arrived, the Senate will now go into executive session to vote on four treaties, Ex. C, 93d Congress, 1st session; Ex. H, 93d Congress, 1st session; Ex. D, 93d Congress, 1st session; and Ex. I, 93d Congress, 1st session.

CONVENTION ON THE PREVENTION OF MARINE POLLUTION (EX. C, 93–1); CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (EX. H, 93–1); AMENDMENTS TO THE INTERNATIONAL CONVENTION ON LOAD LINES, 1966 (EX. D. 93–1); SIX AMENDMENTS TO THE CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1960 (EX. I, 93–1)

CONVENTION ON THE PREVENTION OF MARINE POLLUTION BY DUMPING OF WASTES AND OTHER MATTER (EX. C, 93–1)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) 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), and the Senator from Alabama (Mr. SPARKMAN) would each vote "yea."

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), the Senator from Tennessee (Mr. BROCK), and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent to attend the funeral of a friend.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The yeas and nays resulted—yeas 86, nays 0, as follows:

[No. 368 Ex.]

YEAS—86

Aiken	Fannin	Mondale
Allen	Fong	Montoya
Baker	Fulbright	Moss
Bartlett	Griffin	Nelson
Bayh	Gurney	Nunn
Beall	Hansen	Packwood
Bellmon	Hart	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Helms	Proxmire
Buckley	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Harry F., Jr.	Hughes	Roth
Byrd, Robert C.	Humphrey	Saxbe
Cannon	Jackson	Schweiker
Case	Javits	Scott, Va.
Chiles	Johnston	Stafford
Clark	Kennedy	Stevens
Cook	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClellan	Thurmond
Dominick	McClure	Tower
Eagleton	McGee	Tunney
Eastland	McGovern	Weicker
Ervin	McIntyre	Williams
	Metcalf	Young

NAYS—0

NOT VOTING—14

Abourezk	Goldwater	Muskie
Bennett	Gravel	Scott, Pa.
Brock	Hartke	Sparkman
Church	Huddleston	Stennis
Cotton	Inouye	

The PRESIDING OFFICER (Mr. TUNNEY). Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (EX. H, 93–1)

The PRESIDING OFFICER. The question, Will the Senate advise and consent to the resolution of ratification? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) 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) and the Senator from Alabama (Mr. SPARKMAN) would each vote "yea."

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), the Senator from Tennessee (Mr. BROCK), and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent to attend the funeral of a friend.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The yeas and nays resulted—yeas 86, nays 0, as follows:

[No. 369 Ex.]

YEAS—86

Aiken	Fannin	Mondale
Allen	Fong	Montoya
Baker	Fulbright	Moss
Bartlett	Griffin	Nelson
Bayh	Gurney	Nunn
Beall	Hansen	Packwood
Bellmon	Hart	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Helms	Proxmire
Buckley	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Harry F., Jr.	Hughes	Roth
Byrd, Robert C.	Humphrey	Saxbe
Cannon	Jackson	Schweiker
Case	Javits	Scott, Va.
Chiles	Johnston	Stafford
Clark	Kennedy	Stevens
Cook	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClellan	Thurmond
Dominick	McClure	Tower
Eagleton	McGee	Tunney
Eastland	McGovern	Weicker
Ervin	McIntyre	Williams
	Metcalf	Young

NAYS—0

NOT VOTING—14

Abourezk	Goldwater	Muskie
Bennett	Gravel	Scott, Pa.
Brock	Hartke	Sparkman
Church	Huddleston	Stennis
Cotton	Inouye	

The PRESIDING OFFICER (Mr. TUNNEY). Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

AMENDMENTS TO THE INTERNATIONAL CONVENTION ON LOAD LINES, 1966 (EX. D–93–1)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE) the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) 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), and the Senator from Alabama (Mr. SPARKMAN) would each vote "yea."

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), the Senator from Tennessee (Mr. BROCK) and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent to attend the funeral of a friend.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The yeas and nays resulted—yeas 86, nays 0, as follows:

[No. 370 Ex.]

YEAS—86

Aiken	Fannin	Mondale
Allen	Fong	Montoya
Baker	Fulbright	Moss
Bartlett	Griffin	Nelson
Bayh	Gurney	Nunn
Beall	Hansen	Packwood
Bellmon	Hart	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Helms	Proxmire
Buckley	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Harry F., Jr.	Hughes	Roth
Byrd, Robert C.	Humphrey	Saxbe
Cannon	Jackson	Schweiker
Case	Javits	Scott, Va.
Chiles	Johnston	Stafford
Clark	Kennedy	Stevens
Cook	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClellan	Thurmond
Dominick	McClure	Tower
Eagleton	McGee	Tunney
Eastland	McGovern	Weicker
Ervin	McIntyre	Williams
	Metcalf	Young

NAYS—0

NOT VOTING—14

Abourezk	Goldwater	Muskie
Bennett	Gravel	Scott, Pa.
Brock	Hartke	Sparkman
Church	Huddleston	Stennis
Cotton	Inouye	

The PRESIDING OFFICER (Mr. TUNNEY). Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

SIX AMENDMENTS TO THE CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1960 (EX. I, 93–1)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) 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) and the Senator from Alabama (Mr. SPARKMAN) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent because of illness in his family.

The Senator from Utah (Mr. BEN-

NETT), the Senator from Tennessee (Mr. BROCK) and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

The Senator from New Hampshire (Mr. COTTON) is absent to attend the funeral of a friend.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea".

The yeas and nays resulted—yeas 86, nays 0, as follows:

[No. 371 Ex.]

YEAS—86

Aiken	Fannin	Mondale
Allen	Fong	Montoya
Baker	Fulbright	Moss
Bartlett	Griffin	Nelson
Bayh	Gurney	Nunn
Beall	Hansen	Packwood
Bellmon	Hart	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Helms	Proxmire
Buckley	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Harry F., Jr.	Hughes	Roth
Byrd, Robert C.	Humphrey	Saxbe
Cannon	Jackson	Schweiker
Case	Javits	Scott, Va.
Chiles	Johnston	Stafford
Clark	Kennedy	Stevens
Cook	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClellan	Thurmond
Dominick	McClure	Tower
Eagleton	McGee	Tunney
Eastland	McGovern	Weicker
Ervin	McIntyre	Williams
	Metcalf	Young

NAYS—0

NOT VOTING—14

Abourezk	Goldwater	Muskie
Bennett	Gravel	Scott, Pa.
Brock	Hartke	Sparkman
Church	Huddleston	Stennis
Cotton	Inouye	

The PRESIDING OFFICER (Mr. TUNNEY). Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

PROGRAM FOR TODAY

Mr. GRIFFIN. Mr. President, I know the question of the hour and of the moment is, What do we do now? So I wonder whether I might inquire of the distinguished majority leader what guidance or advice he can give us concerning what may happen to those who have their bags packed and are ready to leave.

Mr. MANSFIELD. Mr. President, I am delighted to respond to the distinguished acting Republican leader. But first, with his approval, and the Senate's, I should like to yield to the distinguished Senator from Alabama (Mr. ALLEN) for the introduction of a resolution which will be of interest to the Senate.

SENATE RESOLUTION 156—FELICITATIONS TO SENATOR STENNIS ON HIS BIRTHDAY ANNIVERSARY

Mr. ALLEN. Mr. President, today marks the anniversary of the birth of the distinguished Senator from Mississippi (Mr. STENNIS). On behalf of myself, and Senators EASTLAND, HANSEN, MANSFIELD, FANNIN, ROBERT C. BYRD, and CASE—and in a moment I shall ask unanimous consent that the names of all Senators be added as cosponsors of the resolution—I should like to read it and then ask unanimous consent that it receive immediate consideration:

Whereas, the distinguished Senator from Mississippi (Mr. Stennis) was born near DeKalb in Kemper County, Mississippi, and today marks the anniversary of his birth; and

Whereas, the members of the United States Senate rejoice at the continuing impovement of his health which has enabled him to leave Walter Reed Hospital and return to his place of abode in the Nation's Capital; and

Whereas, Mr. Stennis is loved, admired and respected by every member of the United States Senate, and is held in the highest esteem throughout the Nation for his patriotism, his indomitable spirit, his statesmanship, his leadership and for the example he sets as a Christian gentleman; and

Whereas, the members of the United States Senate wish to take note of this milestone in the life of our distinguished colleague and to felicitate him on this happy occasion: Now, therefore, be it

Resolved, That the United States Senate does hereby congratulate and felicitate the distinguished Senator from Mississippi on this occasion and expresses the wish that he will enjoy many other such anniversaries in the future. Be it further

Resolved, That members of the Senate greatly miss the distinguished Senator and wish for him an early return to the Senate Chamber and to his duties in the Senate. Be it further

Resolved, That a copy of this Resolution be spread upon the Journal of the Senate and a copy furnished to Mr. Stennis.

Mr. President, I now ask unanimous consent that the names of each Senator be added as a cosponsor of this resolution.

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

Mr. ALLEN. Mr. President, at this time I send the resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution having already been stated by the Senator from Alabama, the Chair would state, Is there objection to the present consideration of the resolution?

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

FULL OPPORTUNITY AND NATIONAL GOALS AND PRIORITIES ACT

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business, S. 5, which the clerk will state.

The assistant legislative clerk read as follows:

S. 5, to promote the general welfare.

The Senate resumed the consideration of the bill.

PROGRAM FOR TODAY

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished acting Republican leader, so far as the work the Senate has before it is concerned, in the matter of votes, it has been completed.

What will happen in the House, I am not aware of at the present time. There are nine conference reports of a varying nature in the House, but to the best of my knowledge it would appear that, at the most, we could be called on to consider three; one, the transportation appropriation bill, if the House passes that; two, the District of Columbia appropriation bill, if the House passes that; and then we are looking into the matter of interest rates. We think there may have been an extension, but we are not certain. That is one which we will have to do because the authority expired August 1.

Thus, I do not anticipate too much in the way of difficulties, but I would appreciate it if a "bare majority" could be on hand during the remainder of the day.

Mr. CURTIS. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. The Senator from Michigan has the floor.

Mr. GRIFFIN. I yield to the Senator from Nebraska.

Mr. CURTIS. I understand that the conference report on the agricultural bill is among those the Senator mentioned?

Mr. MANSFIELD. No; we have an idea that they will accept what the Senate has done, or there will likely be no agricultural bill.

Mr. CURTIS. It could happen that there would be an amendment of some nature which technically——

Mr. MANSFIELD. That is right.

Mr. CURTIS [continuing]. Might have to be accepted by the Senate.

Mr. MANSFIELD. That is right.

Mr. CURTIS. If that occurs, it is the plan of the leadership to call it up today?

Mr. MANSFIELD. Yes, it is. I was only joking when I said a moment ago that I hoped a "bare majority" would stay on hand today, because I would like to see a substantial majority of Senators such as we had on the last vote retained until we go out tonight for a number of weeks.

Then, of course, the pending business before us is S. 5, a bill to promote the general welfare, and that may call for amendments, so there may be votes on that.

That is the best, indefinite though it is, that I can give the Senate at this time.

Mr. GRIFFIN. Then, the guidance is that there may not be any votes, but on other hand, there may be votes.

Mr. MANSFIELD. That is a wise, astute, and obtuse observation. [Laughter.]

HOUSE JOINT RESOLUTION 466, HOUSE JOINT RESOLUTION 52, HOUSE CONCURRENT RESOLUTION 266, AND HOUSE CONCURRENT RESOLUTION 209

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a

message from the House of Representatives on House Joint Resolution 466, House Joint Resolution 52, House Concurrent Resolution 266, and House Concurrent Resolution 209.

The PRESIDING OFFICER (Mr. TUNNEY) laid before the Senate House Joint Resolution 466, House Joint Resolution 52, House Concurrent Resolution 266, and House Concurrent Resolution 209.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for their immediate consideration. They have been cleared all around.

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

AUTHORIZATION FOR THE PRESIDENT TO PROCLAIM THE NATIONAL LEGAL SECRETARIES' COURT OBSERVANCE WEEK

The joint resolution (H.J. Res. 466), authorizing the President to proclaim the second full week in October 1973, as "National Legal Secretaries' Court Observance Week," was read twice by title, considered, read the third time and passed.

AUTHORIZATION FOR PRESIDENT TO PROCLAIM WOMEN'S EQUALITY DAY

The joint resolution (H.J. Res. 52) authorizing the President to proclaim August 26, 1973, as "Women's Equality Day," was read twice by title, considered, read the third time and passed.

WOMEN'S EQUALITY DAY

Mr. BAYH. Mr. President, 53 years ago, on August 26, 1920, the 19th amendment became part of our Constitution guaranteeing that the right to participate in our electoral process would not be abridged on account of sex. This was an historic first step on the long road toward achieving true equality for American women. Although we have made great progress in the years since, we still have further to go. As of the moment some 30 States have ratified the proposed 27th amendment which would at last eliminate the vestiges of inequality based on sex from our laws. I am hopeful that the necessary eight more States will soon make the equal rights amendment part of our Constitution.

Because of the importance of the historic landmark in this movement which is marked by August 26, I am pleased to support legislation today which would request the President to issue a proclamation in commemoration of this anniversary. As we mark this occasion, I think that it is important to rededicate ourselves to the cause of achieving true equality for all our people.

ORDER FOR THE PRINTING OF ADDITIONAL COPIES OF HEARINGS ON A BILL

The concurrent resolution (H. Con. Res. 266), for the printing of 2,500 copies of part 8 of the hearings on the agriculture-environmental and consumer protection appropriation bill, for the fiscal year 1974, was considered and agreed to.

ORDER FOR PRINTING ADDITIONAL COPIES OF HEARINGS BY A HOUSE SUBCOMMITTEE

The concurrent resolution (H. Con. Res. 209), for the printing of 1,500 additional copies each of part 1 and part 2 of the hearings by the Subcommittee on Africa of the House Foreign Affairs Committee in May, June, July, September, November, and December 1971 entitled "United States Business Involvement in Southern Africa," was considered and agreed to.

FULL OPPORTUNITY AND NATIONAL GOALS AND PRIORITIES ACT

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 5) to promote the public welfare.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Roger G. King, a minority member of the staff, be granted the privilege of the floor during the debate on S. 5.

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

THE RAINBOW BRIDGE NATIONAL MONUMENT

Mr. MOSS. Mr. President, I should like to announce the ruling of the 10th Circuit Court of Appeals, sitting in Denver, which overruled the decision by the District Court of Utah concerning the filling of Lake Powell and the impingement of waters across the boundary on Rainbow Bridge National Monument.

Earlier, the district court had ruled that, under the statute, waters could not be permitted to cross the boundary line of Rainbow Bridge National Monument, and for that reason must be drained from the lake so that the lake would be held at essentially half of its capacity.

It has been our contention for a long time that Congress addressed this matter when it decided in 1961 that no protective work should be built across the canyon to keep water from flowing into the national monument. The circuit court has now ruled that this is the fact and that Congress, having acted in 1961 to assure that protective works could not be built, at the same time said that it was the intent of Congress that waters come within the monument.

I want to explain that Rainbow Bridge is one of our national treasures, the greatest stone arch in the world, and we all have concern for its stability and safety. If there were any threat at all to the bridge, I would have been among those who would have proposed permitting the water to flow into the monument. But the fact is that the water that comes in the monument will remain in a deep gorge far below the bridge and will not come near the abutments of the bridge and, in my opinion, will not impair in any way the safety of the bridge or its beauty.

Geologists have testified that it will not impair the safety of the bridge, and it is a matter of opinion as to whether it will result in any impairment of the beauty of the bridge. Actually, I think this will enhance its beauty.

The other part of the decision, however, is that by permitting Lake Powell to fill, we will be able to complete the purposes of the Colorado River Storage Project Act, which is to store water in this great lake, along with other lakes, so that the upper basin States of the Colorado Basin may utilize the waters of the river to which they are entitled and still keep the commitment we have to the lower basin States to permit the statutory amount to go down the river each year, in accordance with the Colorado River compact. In so doing, it will also generate electric power to pay for the project.

Had the lake been returned to half its storage capacity, it would have impaired the right of the upper basin States to claim their water in dry years, because there would not have been sufficient water to satisfy the lower basin, and the generation of electric power would have been greatly diminished.

So I think this is a happy conclusion. I hope it is a final conclusion to this matter, because I have had a bill pending in this body for almost 14 years to deal with the problem, and I hope that it will not now be necessary to press on with it in a legislative manner. I know this matter is of concern to all Senators in the Western part of the United States which is drained by the Colorado River; therefore, I thought it important to make this announcement on the floor of the Senate.

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

Mr. MOSS. I am happy to yield.

Mr. McCLURE. Mr. President, I think the Senator from Utah has made a persuasive statement. The event he announced is very important to all of us who live in the Western United States. There is no river basin in the continental United States that is in more critical need of proper management of its water resources than the Colorado River Basin, as the Senator himself well knows. I think it is very important that people understand how critical the need is and how important it is to manage that resource in the area which he has mentioned.

Mr. MOSS. I thank the Senator from Idaho. He is correct in stating that the Colorado River itself flows in a basin that is arid and in need of a water supply, not only for agricultural purposes, but for the very life of our industries and cities which depend on utilizing the waters of that river, which are overcommitted now. Therefore, the river must be managed. In this instance, I think we

can manage it well and in so doing enhance the scenic value of our country, as well.

AMENDMENT OF SECTION 14(b) OF FEDERAL RESERVE ACT

Mr. McINTYRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1410.

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate the amendments of the House of Representatives to the bill (S. 1410) to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 1 year the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury, which were: In line 5, strike out "'July 1, 1974'" and insert "November 1, 1973".

In lines 6 and 7, strike out "'June 30, 1974'" and insert "October 31, 1973".

And amend the title so as to read: "An Act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for three months the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury."

Mr. McINTYRE. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

QUORUM CALL

Mr. McINTYRE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUTHORITY TO TAKE UP EXECUTIVE L, 93D CONGRESS, 1ST SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to take up for consideration in executive session, Executive L, 93d Congress, 1st session; that an explanation of the amendment, which has been reported by the Committee on Foreign Relations unanimously, be considered at this time; that the measure itself be taken up immediately after the disposition of the appropriation for Treasury and Post Office, H.R. 9590, on which there is a time limitation.

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

Mr. MANSFIELD. In other words, we would like to get to the final reading today.

Mr. President, I might as well do it now.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Executive L, 93d Congress, 1st session.

The PRESIDING OFFICER (Mr. CLARK). Is there objection?

There being no objection, the Senate proceeded to consider executive business.

AMENDMENT TO ARTICLE 61 OF THE CHARTER OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate Executive L (93d Congress, first session).

There being no objection, the Senate, as in Committee on the Whole, proceeded to consider Executive L (93d Congress, first session), the resolution adopted by the General Assembly on the report of the second committee—enlargment of the Economic and Social Council, which was read the second time, as follows:

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY ON THE REPORT OF THE SECOND COMMITTEE (A/8578/ADD. 1 AND CORR. 1) 2847 (XXVI). ENLARGEMENT OF THE ECONOMIC AND SOCIAL COUNCIL

THE GENERAL ASSEMBLY

Recognizing that an enlargement of the Economic and Social Council will provide broad representation of the United Nations membership as a whole and make the Council a more effective organ for carrying out its functions under Chapters IX and X of the Charter of the United Nations.

Having considered the report of the Economic and Social Council,[1]

1. Takes note of Economic and Social Council resolution 1621 (LI) of 30 July 1971;

2. Decides to adopt, in accordance with Article 108 of the Charter of the United Nations, the following amendment to the Charter and to submit it for ratification by the States Members of the United Nations:

ARTICLE 61

"1. The Economic and Social Council shall consist of fifty-four Members of the United Nations elected by the General Assembly.

"2. Subject to the provisions of paragraph 3, eighteen members of the Economic and Social Council shall be elected each year for a term of three years. A retiring member shall be eligible for immediate re-election.

"(3) At the first election after the increase in the membership of the Economic and Social Council from twenty-seven to fifty-four members, in addition to the members elected in place of the nine members whose term of office expires at the end of that year, twenty-seven additional members shall be elected. Of these twenty-seven additional members, the term of office of nine members so elected shall expire at the end of one year, and of nine other members at the end of two years, in accordance with arrangements made by the General Assembly.

"(4) Each member of the Economic and Social Council shall have one representative.";

3. Urges all Member States to ratify the above amendment in accordance with their respective constitutional processes as soon as possible and to deposit their instruments of ratification with the Secretary-General;

4. Further decides that the members of the Economic and Social Council shall be elected according to the following pattern:

(a) Fourteen members from African States;

(b) Eleven members from Asian States;

(c) Ten members from Latin American States;

(d) Thirteen members from western European and other States;

(e) Six members from socialist States of eastern Europe;

5. Welcomes the decision of the Economic and Social Council, pending the receipt of the necessary ratifications, to enlarge its sessional committees to fifty-four members;

6. Invites the Economic and Social Council, as soon as possible and not later than the organizational meetings of its fifty-second session, to elect the twenty-seven additional members from States Members of the United Nations to serve on the enlarged sessional committees; such elections should be in accordance with paragraph 4 above and should be held each year pending the coming into force of the enlargement of the Council;

7. Decides that, as of the date of the entry into force of the above amendment, rule 146 of the rules of procedure of the General Assembly shall be amended to read:

"RULE 146

"The General Assembly shall each year, in the course of its regular session, elect eighteen members of the Economic and Social Council for a term of three years."

[2026th plenary meeting, 20 December 1971]

[1] Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 3 (A/8403).

Mr. MANSFIELD. Mr. President, when the Senate reconvenes on Wednesday, September 5, 1973, a rollcall vote is scheduled on an amendment to article 61 of the Charter of the United Nations (Ex. L, 93–1). The purpose of this amendment to the United Nations Charter is to increase the size of the Economic and Social Council—ECOSOC—from 27 to 54 members, and to provide for an interim procedure to achieve the new size.

For the information of the Senate, I ask unanimous consent that excerpts from the report of the Committee on Foreign Relations be printed in the RECORD at this point.

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

BACKGROUND

The function of ECOSOC, one of the main organs of the United Nations, is to promote economic and social progress, cultural cooperation and universal respect for human rights, and to coordinate the activities of the various U.N. specialized agencies and the International Atomic Energy Agency.

The powers of ECOSOC are recommendatory and advisory and it operates by majority vote, each member state having one vote. It is responsible to and reports to the General Assembly which elects the members by a two-thirds majority.

According to the State Department's letter of transmittal, the increase in size was one of several revitalizing measures proposed by the United States and adopted in 1971 "to restore confidence in the Council if effective measures to coordinate the efforts of the United Nations System were to be established, especially as these relate to the implementation of the Second Development Decade."

The State Department's recommendation for the size of ECOSOC was 42 members, but in order to win support for the other parts of the U.S. proposal it agreed to the figure of 54.

To date, 86 members of the United Nations have ratified this amendment, including the other 4 permanent members of the Security Council. It will enter into force as soon as the United States ratifies it.

COMMITTEE ACTION AND COMMENTS

The Amendment was transmitted to the Senate on May 21, 1973 and referred to the Committee on Foreign Relations which held a public hearing on July 24. The statement of the principal witness, Mr. Martin Herz, Acting Assistant Secretary of State for International Organization Affairs, appears below. Following the hearing, the Committee voted

without objection to report the Amendment favorably to the Senate.

In taking this action, the Committee relies on the word of the State Department witness to the effect that this enlargement would in fact strengthen ECOSOC and not weaken it. The Committee also noted that ECOSOC is one of the executive organs of the General Assembly and subject to its control and direction. The geographic allocation of ECOSOC seats reflects the realities in the General Assembly. In that connection the Committee expressed concern over the tendency towards bloc voting in the General Assembly and its organs, such as ECOSOC, and urges the Executive Branch to combat this trend to the greatest extent possible.

The Committee on Foreign Relations recommends that the Senate give its advice and consent to the ratification of Executive L, 93d Congress, 1st session, the Amendment to Article 61 of the United Nations Charter.

STATEMENT OF HON. MARTIN F. HERZ, ACTING ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

AMENDMENT TO ARTICLE 61 OF THE UN CHARTER

The Economic and Social Council is one of the major organs of the United Nations, and is expected under the UN Charter to coordinate economic and social activities of the UN system and the specialized agencies. It has been performing that function quite well, but the need for certain improvements became clear not only to us but also to other member states. One of our major aims in recent years has been to revitalize ECOSOC by improving its ability to act in a coordination capacity, including the field of development in which there was a certain scatteration of efforts. We were concerned that developing countries were turning more and more to the UN Conference on Trade and Development for action in the economic field. The UNCTAD is dominated by bloc voting, and we believe it is not as well equipped as ECOSOC, which has a closer association to the New York headquarters and the permanent delegations in New York.

We wanted to increase the membership of ECOSOC originally by only 12 to 15 members, in order to increase the participation of other nations in its activities. An enlargement of ECOSOC was of particular interest to many UN members, because with certain seats reserved for the larger powers, some of the others had to wait as long as 15 years for their turn on the Council.

More important, we were also concerned about the UN System's ability to coordinate science and technology activities which were scattered through many bodies of the UN System, and were overburdening ECOSOC and the General Assembly.

Accordingly, we introduced into ECOSOC a reform package that included the three major elements indicated above: enlargement of ECOSOC, establishing a new ECOSOC committee to achieve a consensus on the problems of developing nations, and a new ECOSOC committee on science and technology. By the time we achieved support for these proposals, we were forced to agree to a resolution that would expand the size of ECOSOC from 27 to 54, instead of our original ceiling of 42. (U.N. membership now is 132 nations; this is expected to increase to 135 this year.)

This expansion does require an amendment to the UN Charter. The President, accordingly, is submitting for the Senate's advice and consent to ratification an amendment to the UN Charter which would increase its membership from 27 to 54.

The expansion of ECOSOC in a sense is a price to pay for the other two elements of the package. It is not a big price, however. Although enlarging the membership might make it a bit more difficult to achieve agreement on problems, we are certain it would increase the participation and support of other UN members for ECOSOC. Moreover, the additional cost of the UN budget is negligible. To place the enlargement of the Council in perspective, I would like to comment briefly on the other two elements of the package resolution which we supported in ECO SOC and the General Assembly.

The new Review and Appraisal Committee has been set up to help ECOSOC achieve a consensus on the problems of developing nations. The basis for this examination is the International Development Strategy which recognizes in paragraph 11 that the primary responsibility for the development of developing countries rests with these countries themselves. The first review and appraisal has resulted in useful analytical material being prepared by the UN Secretariat and the various UN bodies. This material analyzes the importance of such factors as trade, investment, and population growth for development along with the importance of developing countries themselves acting in these fields. Final action on the first biennial "review and appraisal" of ECOSOC will be taken by the General Assembly this fall.

One other change was made in our original package proposal when the scope of activities of the new Committee on Science and Technology was defined as "for development." The first session of the Committee on Science and Technology for Development was held in March 1973. The Committee adopted various recommendations on a program for applying science and technology to development. At its second session, which will be held in 1974, we expect the Committee to begin to act as a focal point for coordinating scientific and technological matters coming before the UN and providing policy guidance in scientific and technological fields generally.

The requirement for ratification is 89 nations, including the five permanent members of the Security Council. Our latest information is that 85 nations have ratified this Charter amendment. The 85 nations include the other four permanent members of the Security Council.

The PRESIDING OFFICER. Without objection, the amendment to article 61 of the Charter of the United Nations will be considered as having passed through its various parliamentary stages up to and including presentation of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Amendment to Article 61 of the Charter of the United Nations adopted by the General Assembly of the United Nations on December 20, 1971, and set forth in General Assembly Resolution 2837 (XXVI), (Ex. L, 93d Congress, 1st session.).

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideraiton of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS FOR WEDNESDAY, SEPTEMBER 5 1973

Mr. MANSFIELD. Mr. President, to put all the pieces on the chessboard in order, for Wednesday, September 5, 1973, when we return we will have first the appropriations for Post Office and Treasury. Second, we will follow that with Executive L, 93d Congress, first session, which has just been brought to final reading.

Then, I wish to make the following request.

AUTHORITY TO CONSIDER S. 1914, TO PROVIDE FOR THE ESTABLISHMENT OF THE BOARD OF INTERNATIONAL BROADCASTING, ON WEDNESDAY, SEPTEMBER 5, 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following disposal of Executive L, 93d Congress, 1st session, the Senate then turn to the consideration of calendar No. 337, S. 1914, a bill to provide for the establishment of the Board for International Broadcasting, to authorize the continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes.

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

Mr. MANSFIELD. Mr. President, there is a time limitation on that measure; and there is a time limitation on the bill making appropriations for Treasury and Post Office.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. So there will be votes on these three measures on the day we return, Wednesday, September 5, 1973.

AUTHORIZATION TO TEMPORARILY LAY ASIDE S. 5 ON WEDNESDAY, SEPTEMBER 5, 1973

Mr. MANSFIELD. Mr. President, after consultation with the distinguished assistant majority leader, I ask unanimous consent that the pending business, S. 5, on Wednesday, September 5, 1973, be laid aside on a temporarily basis, until three measures which have been called to the attention of the Senate have been disposed of.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

FULL OPPORTUNITY AND NATIONAL GOALS AND PRIORITIES ACT

The Senate continued with the consideration of the bill (S. 5) to promote the general welfare.

Mr. MANSFIELD. Mr. President, I call to the attention of the Senate several provisions of S. 5 which tend to propagate a disturbing trend, which has arisen in recent years, of providing levels of pay for members and staff personnel of ap-

pointed commissions, councils, boards, and agencies which are equal to or exceed the level of pay for elected Members of Congress.

I would direct attention to the matter of compensation for the Chairman of the Council of Social Advisers, appearing at page 4, lines 10 and 11 of this bill. In the interest of maintaining the logic of the pay structure of the Federal Government, I would suggest that, in lieu of level II of the executive schedule therein provided which is the equivalent of congressional salaries, level III might be more appropriate.

On the same page—4—is a related matter which, in my judgment, warrants consideration. While it may be appropriate that certain provisions of title 5 of the United States Code be waived for the purposes of staffing a council of this nature, the desirability of allowing pay levels for staff employees to exceed the General Schedule maximum of GS 18 seems to me to be questionable.

In the matter of establishing an Office of Goals and Priorities Analysis within the Congress, I believe the same pay considerations as set forth above should apply. On page 9 of the bill, paragraph (c), beginning on line 13, the annual compensation of the director of such office—presumably an employee of the Congress—is to be equal to the pay of the Comptroller General, which pay level is the same as that of Members of Congress. Further, it is recommended that the assistant director be paid at the rate of the Assistant Comptroller General, which is in excess of the pay of any officer of the Senate. It occurs to me that levels III and IV, respectively, of the Executive Schedule might be more appropriate.

I have here an amendment which would bring about these changes which I now send to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that reading of the amendment, which has been explained, be dispensed with.

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

The amendment is as follows:

On page 4, line 11, strike out "level II" and insert in lieu thereof "level III".

On page 4, line 19, after "pay rates" insert "except that no such specialist or expert shall be paid at a rate in excess of that provided for GS-18 in such General Schedule".

On page 9, line 14, beginning with "equal to" strike out all through "United States" in line 15, and insert in lieu thereof "at the rate provided for level III of the Executive Schedule in title 5 of the United States Code".

On page 9, line 16, beginning with "equal to" strike out all through "United States" in line 17, and insert in lieu thereof "at the rate provided for level IV of such Executive Schedule".

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

Mr. TAFT. Mr. President, I certainly do not expect to oppose the amendment. In fact, I want to commend the distinguished majority leader and say I am very much in agreement with the amendment. I think it is appropriate not only to bring the salaries down to the level of congressional salaries, thereby also saving the Government some money, but the only thing I would suggest to the majority leader is that if we really want to save some money, why do we not do away with the bill entirely and not set up these unnecessary commissions?

I understand there are plans to divide this bill up at a later time today, and perhaps send it to other committees for consideration, but in the meanwhile I certainly think the distinguished Senator's amendment is a step, at least forward in the improvement of a measure that I think is an unnecessary measure in any event.

Mr. MANSFIELD. I appreciate the comments of the Senator from Ohio but, of course, he recognizes that the bill has been reported to the Senate by the committee. I do not anticipate that its consideration will be completed today but, unfortunately, in recent years a trend has been developing, which we are trying to correct through proposals of this kind, in the hope that the committees concerned will not report out measures which cause us to offer amendments, but will keep in mind that the attachés of the Senate, who do as good work, and perhaps more important work than any of these commissions, are hemmed in and have no chance to go ahead.

I am delighted to have the support of the Senator from Ohio on this amendment. As far as the bill is concerned, that will have to be decided by the Senate as a whole.

Mr. GRIFFIN. Mr. President, I only want to say that there has been consultation with the distinguished ranking Republican member of the committee, the Senator from New York (Mr. JAVITS), and it is my understanding he has no objection to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Montana.

The amendments were agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendments were adopted.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS TO 1 P.M. TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1 p.m.

There being no objection, at 11:36 a.m. the Senate took a recess until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD).

WHAT NEXT IN CAMBODIA?

Mr. SYMINGTON. Mr. President, the Cambodian insurgent forces are now reported within a few kilometers of Phnom Penh and can shell it at will. The refugee, rice, petroleum, and power problems in the capital are serious. The government is performing no better than before and the psychology of their situation is very poor.

No one knows whether the insurgents will assault the city either now or after August 15, or whether they will continue the slow squeeze. If conditions deteriorate further, it seems possible that key elements inside the government will decide to make the best deal possible and that suddenly it will all be over with a minimum of bloodshed, and with the insurgents emerging in control.

We must assume that the administration would not like to see this happen. "The Nixon doctrine in its purest form" would be down the drain, and the impact in Saigon and on the overall cease-fire situation would be serious. Although there is little prospect for negotiations and even less for a reversal of the military situation, the administration may simply play for time and hope for the best.

The administration's options are very limited as it seeks ways to hold the situation together. For the time being, bombing may deter a final assault, but what will happen after August 15?

From the administration's point of view, the most important consideration seems to be to keep the Cambodians from quitting. As ineffective as the Cambodian Army is, it probably can continue to put up a good fight in its present defensive perimeter. If the insurgents choose to assault Phnom Penh, it will cost them heavily and there almost certainly would be major destruction and loss of life in the city.

We have heard that Ambassador Swank has recommended that many of the 200-odd American mission personnel be withdrawn. Other Embassies have already done this and common prudence would seem to compel it. But we have also heard that Ambassador Swank's recommendations have been rejected in Washington. Why? Two apparent reasons: First, a sizable evacuation of U.S. officials might pull the psychological plug, and second, a continued U.S. presence may restrain the insurgents.

It seems possible to some of us that the following scenario may come to pass: The situation deteriorates further and the danger to Americans in Phnom Penh increases. More North Vietnamese may be "discovered" fighting with the insurgents. The President responds to safeguard American lives in the face of this or some other "provocation." It should be recalled that the only change requested by the White House in the June 29 statement of understanding with the Foreign Relations Committee was the insertion of the words "unless provoked"

following the assurance that there would be no escalation of U.S. military action prior to August 15 and that all action would cease as of that date. The U.S. air effort is increased and perhaps, if things are bad enough, a batallion or two of the Marines presently in Thailand are lifted into Phnom Penh "to protect American lives and property."

The Marines would not be "ground forces" in the Cooper-Church sense and they would not be "defending the government of Cambodia." No one could condone placing U.S. troops in danger and then denying them air support. August 15 comes and, if the insurgents continue to press, the President announces to the Nation that the June 29 amendment: first, was not designed to prohibit the protection of American lives; and second, in any event, the Congress cannot tie his hands as Commander in Chief—even the war powers bill would allow him to use American forces in a situation like that. The Congress is in recess, the President again has the upper hand, and the war goes on.

Although this scenario may seem a little far-fetched to some, it is interesting to note that one administration spokesman was quoted in the press last week as saying that the only thing that could affect the bombing cutoff would be a Communist assault on the American Embassy or American personnel connected with the Embassy.

There are other possible scenarios which might replace or complement the one which I have just sketched. U.S. forces might be used to secure ports of entry for military assistance. Or the South Vietnamese might be provided with material support for a thrust into Cambodia, ostensibly in self defense. Either of these would be a clear violation of the letter and the spirit of the Congress' intent as expressed by law.

Rather than run any further risk with American lives the President should withdraw our people from Phnom Penh. Rather than leave the American public in doubt, a senior executive branch official should promptly come before the Congress, personally and in public, to state the intentions of the administration.

Above all, the administration should acknowledge that the situation which it precipitated in Cambodia is now beyond repair and should avoid running the risk of new involvement in pursuit of a lost cause.

NORTH ATLANTIC ASSEMBLY COUNCIL—APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. BIDEN). The Chair, on behalf of the Vice President, and in accordance with Public Law 84–689, appoints the following Senators to be delegates to the North Atlantic Assembly Council to be held at Ankara, Turkey, October 21–27, 1973:

Senators JACKSON, PELL, BAYH, EAGLETON, TUNNEY, BENTSEN, MANSFIELD, JAVITS, PEARSON, COOK, STEVENS, and BUCKLEY.

Mr. MANSFIELD. Mr. President, on the list of NATO Council delegates, I would add the name of the distinguished Senator from Minnesota (Mr. HUMPHREY), and I wish the Chair would make an announcement to that effect.

The PRESIDING OFFICER. The distinguished Senator from Minnesota (Mr. HUMPHREY) will be added to the list of Senators as delegates to the North Atlantic Assembly Council to be held in Ankara, Turkey, October 21–27, 1973.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on August 2, 1973, the President had approved and signed the act (S. 59) to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes.

REFORM OF FINANCIAL INSTITUTIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

Our country depends on a strong, efficient and flexible financial system to promote sound economic growth, including the provision of adequate funds for housing. Such a system is one which allows financial institutions to adapt to the changing needs of borrowers and lenders, large and small, and is free to make full use of technological innovations.

Events during the last decade, however, have revealed significant defects in the operations of our financial institutions. On two recent occasions when the Federal Reserve System moved to restrain the economy, it was found that the inadequacies of our financial structures created unnecessarily severe burdens for the business community and the consuming public. The consumer-saver was denied a fair market return on his savings, while the consumer and small businessman, as borrowers, often could not obtain adequate funds to meet their requirements.

The inflexibility of our financial system can be directly attributed to the methods used by the Government to direct credit flows—methods designed to meet the depressed economic conditions of the 1930's but poorly suited to cope with the expansionary conditions of the past decade. In recent years, government regulations have limited the efficiency and flexibility of our financial system. Ironically, those regulations that were designed in part to keep a steady flow of funds moving into housing loans actually served to diminish that flow, severely penalizing both the borrower, who could not find funds, and the saver who received an unfairly low return on his savings.

As the Government tries to play its proper role in building a better financial system, we must proceed with one basic assumption: the public interest is generally better served by the free play of competitive forces than by the imposition of rigid and unnecessary regulation.

By law, thrift institutions—a category primarily composed of savings and loan associations but also including mutual savings banks—were created to provide funds for housing by maintaining large holdings of residential mortgages. However, earnings on holdings of previously acquired mortgages do not respond to changes in market interest rates. When market rates rise, the ability of thrift institutions to attract funds is limited and their ability to lend additional mortgage money is diminished.

Attempts to alleviate this problem by restrictive laws and regulations have achieved very little at great cost. The main technique has been to impose ceilings on the interest rates that financial institutions could pay savers for funds. The result, however, has often been a reduction in the flow of deposits to financial institutions. In many cases, in fact, deposits have been withdrawn so that they could be invested in higher yielding securities. Thus interest ceilings that were intended as a protective shield for the housing market turned out instead to be an additional burden.

Interest rate ceilings proved harmful to Americans both as savers and as borrowers in the late 1960's. Because the interest rate ceilings for deposits were often below market interest rates, small savers, who depended on banks and other saving institutions, were denied a fair rate of return on their money. On the borrowing side, smaller increases in savings deposits resulted in a sharp drop in loan funds available to consumers and small business firms.

Since financial institutions were prohibited from paying better interest rates, they were forced to compete for customers in other ways. Much of the public had to settle for so-called "free services" or even offers of consumer goods when in fact they may have preferred to receive higher interest on their deposits. In addition, such competition often led to increases in operating costs which prevented lending rates from declining when credit conditions later eased.

Finally, because of reduced inflows of savings, thrift institutions cut back on their mortgage lending or borrowed from Federal Home Loan Banks which had to pay market rates for their funds. Although the Federal Government stepped in and picked up some of the slack, mortgage flows were still disrupted.

Recognizing the need for action on all these problems, I appointed a Presidential Commission on Financial Structure

and Regulation during my second year as President to study this entire matter and to make recommendations for reforming our financial institutions. The Commission's report identified quite precisely the causes of rigidity and instability in our financial institutions. Its recommendations were of major assistance in our further deliberations concerning the best ways to correct the weaknesses in our financial system.

The time to correct those weaknesses has come. Our current efforts to fight inflation and preserve the value of the dollar at home and abroad require strong financial markets. Without strong markets, the American public will be forced once again to bear excessive burdens.

If we do not act promptly, there is every reason to believe that those burdens will be even greater in the 1970's than they were in the 1960's. Educated by the last two credit crunches and by constant advertisements about interest rates, even the small saver will shift his funds to places offering higher yields. As market rates rise above passbook ceilings and the saver shifts his funds to obtain the higher interest rates, the result may be that little loan money is available from financial institutions.

In keeping with that analysis, I will propose to the Congress legislation designed to strengthen and revitalize our financial institutions. These proposals may be divided into seven major areas:

(1) Interest ceilings on time and savings deposits should be removed over a 5½ year period.

(2) Expanded deposit services for consumers by federally chartered thrift institutions and banks should be allowed.

(3) Investment and lending alternatives for federally chartered thrift institutions and banks should be expanded.

(4) Federal charters for stock savings and loan institutions and mutual savings banks should be permitted.

(5) Credit unions should be provided with greater access to funds.

(6) FHA and VA interest ceilings should be removed.

(7) The tax structure of banks and thrift institutions should be modified.

These recommendations would achieve the basic reforms our financial system requires. They represent the best suggestions from many different sources—from the Presidential Commission and from business, Government, consumer and academic communities.

The first five of these recommendations are designed to provide increased competition among banks and thrift institutions. Such competition would help to eliminate the inequities now imposed upon the small saver and borrower. My recommendations, and the increased competition that would follow, should reduce the cost of the entire package of financial services for the consumer. Furthermore, the saver would be assured a fair return on his money. In addition, thrift institutions would be strengthened, so they would no longer need the Government support required in the past.

Recommendations 6 and 7, along with the other recommendations, are designed to promote adequate funds for consumer needs, including housing finance. It is clear that interest ceilings on FHA and VA mortgage loans have failed to keep costs down, as evidenced in part by the widespread use of discount "points." At the same time, these ceilings have restricted the flow of private funds into mortgage markets. I will urge that individual states follow our lead and remove similar barriers to housing finance wherever such barriers exist.

The final recommendation would substantially broaden the base of housing finance. Although the final details have yet to be worked out, active consideration is being given to the creation of an income tax credit tied to investments in housing mortgages. Such a credit would be available to all lenders and could vary in direct proportion to the percentage of invested funds held in the form of such mortgages.

These recommendations are not the only steps being taken to strengthen the housing finance market. In my State of the Union Message on Community Development of March 8, 1973, I pledged that this Administration would undertake a comprehensive evaluation of our housing policies and programs and would recommend new policies to eliminate waste and better serve the needy. An interagency task force, under the leadership of Secretary Lynn, is now completing that task, and my recommendations will be presented to the Congress in the near future.

My recommendations on restructuring financial institutions represent a coordinated approach to this challenge, and I urge that they be considered as a package. For example, removing interest ceilings will not make a positive contribution unless banks and thrift institutions can expand their deposit and lending services. Flexibility and efficiency will be enhanced by placing competing institutions on a roughly equal footing with regard to three essential considerations: deposit powers, lending powers, and tax burdens. Finally, the tax recommendation and the removal of FHA and VA interest ceilings will help insure more adequate funds for housing. The need for reform of our financial institutions is pressing. I urge the Congress to give these proposals its prompt and favorable consideration.

RICHARD NIXON.

THE WHITE HOUSE, *August 3, 1973.*

REPORT ON ADMINISTRATION OF THE RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the second annual report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et seq). This report has been prepared in accordance with section 211 of the act, and covers the period January 1, 1972 through December 31, 1972.

RICHARD NIXON.

THE WHITE HOUSE, *August 3, 1973.*

REPORT ON ADMINISTRATION OF YOUTH CONSERVATION CORPS PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs. The message is as follows:

To the Congress of the United States:

The enclosed report by the Secretaries of Agriculture and Interior, describing the administration of the Youth Conservation Corps program during the summer of 1972, is submitted in compliance with P.L. 91–378.

The Federal Youth Conservation Corps program will continue during the summers of 1973 and 1974 under current authorizing legislation. I look forward to a thorough evaluation of the results of that program as a basis for recommending a future course of action.

RICHARD NIXON.

THE WHITE HOUSE, *August 3, 1973.*

REPORT ON FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. BIDEN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

In accordance with section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, Public Law 91–173, the Secretary of the Interior annually prepares a report to the Congress on progress made in administering the law.

It is my pleasure to transmit to you the report for calendar year 1972 and to commend it to the attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *August 3, 1973.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXTENSION OF LAWS RELATING TO PAYMENT OF INTEREST ON TIME AND SAVINGS DEPOSITS—CONFERENCE REPORT

Mr. McINTYRE. Mr. President, I submit a report of the committee of conference on H.R. 6370, and ask for its immediate consideration.

Mr. GRIFFIN. Mr. President, reserving the right to object, I wonder whether I could inquire of the Senator from New Hampshire as to who is the ranking Member on our side in connection with this matter.

Mr. McINTYRE. The Senator from Texas (Mr. TOWER), I believe. He was a conferee.

Mr. GRIFFIN. Was the conference agreed to by all Senators on both sides?

Mr. McINTYRE. Absolutely. Yes.

Mr. GRIFFIN. I thank the Senator.

The PRESIDING OFFICER (Mr. BIDEN). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6370) to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which an interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 31, 1973, at pp. 26914–26917.

Mr. McINTYRE. Mr. President, the House has recently completed favorable action on the conference report, and I hope that the Senate can do likewise.

Mr. President, the conferees have been working on this bill now for several months, and I can report to the Senate that on almost every point in the bill we were able to uphold the Senate position.

Mr. President, this legislation is of extreme importance, and it is critical that final action be taken before the upcoming recess. The bill while referred to as flexible interest rate legislation dealt with several other matters of extreme importance.

The House-passed bill extended until September 30, 1975, the authority of various Federal regulatory agencies to establish flexible maximum interest rate ceilings that may be paid by most financial institutions. This legislation which is commonly referred to as "Regulation Q" initially expired on May 31 of this year. The conferees were unable at that time to resolve the differences between the bill as passed by both Houses, and on June 28 extended this authority for a 60-day period expiring on August 1, so, at the present time, Federal agencies do not have needed authority to establish maximum allowable interest rate ceilings on savings deposits.

The section of the Senate bill dealing with this authority extended it until June 1, 1974. The conferees accepted a compromise date of December 31, 1974.

The House-passed bill prohibited financial institutions from allowing the owner of a deposit or account on which interest or dividends is paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties. This section of the bill deals with so-called NOW accounts. The Senate position differed from the House in that it did not prohibit such withdrawals with respect to depository institutions in the two States presently having such accounts; namely, Massachusetts and New Hampshire. The conferees accepted a compromise which prohibits such withdrawals in depository institutions in 48 States but did allow such accounts to continue in the States which had previously allowed such services to be offered. The compromise, however, deleted credit unions from the definition of "depository institution." This means that in the States of Massachusetts and New Hampshire that commercial banks, mutual savings banks, savings and loan associations, and other similar financial institutions will be able to offer NOW account services to their customers.

In conjunction with the issue of NOW accounts, the House bill extended the authority of the FDIC over interest rates paid by noninsured banks except where the total deposits of those noninsured financial institutions in a State are less than 20 percent of the total deposits. The House-passed language in effect dealt with only one State which is Massachusetts. For several years because of the unique banking situation with the State of Massachusetts, it has been exempted from Federal interest rate controls. The Senate amendment extended the authority of the FDIC only over interest rates paid on NOW accounts. The Senate conferees, however, accepted the House provision providing complete Federal control over interest rates under the jurisdiction of the FDIC.

The House bill also extended similar authority to the Federal Home Loan Bank Board in the same manner as the authority was extended to the FDIC. This provision dealt with State-chartered cooperative banks located in the State of Massachusetts. The Senate-passed bill contained no comparable provision and the House conferees receded to the Senate position.

The Senate bill also had a section which would permit national banks and certain savings and loan associations to invest in and lend to State housing corporations. The House bill was somewhat different from the Senate bill on several technical points, and the House conferees again receded to the Senate provision.

Another point of difficulty during the conference was a provision in the Senate-passed bill directing the Federal Savings and Loan Insurance Corporation not to approve until the end of December 1973 conversions from mutual to stock form by S. & L.'s insured by the corporation. The House bill contained no comparable provision. The House conferees accepted the Senate provision with an amendment extending the conversion moratorium until June 30, 1974. Under the provision adopted by the conferees, the FSLIC is directed not to grant approval to applications for conversion from mutual to stock form until June 30, 1974, providing, however, for the exception that study applications filed with the corporation before Senate passage of the bill on May 22, 1973, may be considered on the merits after December 31, 1973. This provision, however, does not mean that the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation should not begin processing those applications in anticipation of approval or disapproval as soon after December 31, 1973, as possible. The statutory language states that such applications may be approved after December 31, 1973, and both the Board and the Corporation are expected to process those applications during the moratorium period so that actual approval or disapproval can take place once the moratorium applicable to their situation has been lifted.

The Senate-passed bill amended the National Housing Act to establish a new procedure for payment by insured S. & L.'s of premiums into the reserve fund of the FSLIC. In the early 1960's, the FSLIC reserve fund needed additional cash inflows and Congress established a secondary reserve. Basically, the amendment would eliminate the prepayment of additional premiums and restructure the regular insurance premium payment system to eliminate fluctuations in the reserve fund and provide a more orderly payment system. The House had no comparable provision, and the conferees accepted the Senate provision.

The Senate-passed bill directed the Advisory Commission on Intergovernmental Relations to make a study with respect to the application by the individual States of "doing business" taxes on out-of-State commercial banks and S. & L.'s and submit its recommendations and the study to Congress not later than December 31, 1974. The Senate provision contained a list of specific types of taxes which States and political subdivisions may impose. The House had no comparable provision. The Senate provision was adopted with a modification which eliminated the list of permissible State taxes and stated simply in lieu thereof that States could not impose "doing business" taxes on out-of-State institutions and altered the effective date to January 1, 1976, so as it would not affect a State or political subdivision in the middle of a taxable year or period.

Mr. President, as I pointed out earlier, we have been meeting in conference on this legislation since the latter part of May of this year. The Senate conferees have returned a bill to the Senate in which almost every Senate-passed provision is included in the bill agreed upon by the conferees. Not only has the Senate's position been upheld, but there is also the urgency of passing this conference report before the August recess in that one of the major sections of this bill provides for the extension of interest rate control authority.

This legislation expired on July 31, and it is imperative that it be extended immediately.

Mr. President, in closing, I would like to make a few brief comments on the section of the conference report dealing with NOW accounts.

During the conference, several different compromises between the two bills

were considered. Almost all of these compromise positions would have in some way limited the use of NOW accounts in New Hampshire and Massachusetts.

One such position was that the New Hampshire and Massachusetts exemption should be tied to some data certain for expiration. This was a crucial point and controversial in the conference, and the House conferees after considerable consideration receded to the Senate position that there would be no cutoff date.

Also during the consideration of the NOW account issue, several proposals were considered, such as limiting NOW accounts only to mutual savings banks and restricting their usage. The Senate conferees in support of the Senate-passed bill refused to accept any such restrictions and the provision in the bill passed by the Senate specifically enumerated that all depository institutions in the two States exempted from the prohibition would be able to offer this NOW account service.

Because of the unique position that credit unions have in the financial community, however, through certain tax provisions and the specialized services that they render, they were not included by the conferees as authorized for offering NOW accounts in New Hampshire and Massachusetts.

The intent of the conferees in allowing the two States presently offering NOW accounts to continue doing so is to provide an experiment for this type of service to see whether it should be extended on a national basis.

Legislation that will be submitted by the President to Congress in September takes the position that NOW accounts should be extended nationally to all financial institutions other than credit unions.

The conferees in allowing NOW accounts to continue in New Hampshire and Massachusetts and by specifically not limiting them to particular financial institutions obviously desire that the experiment have as broad a base as possible in order to determine what effect such accounts will have on competition and also their acceptability by the customer.

The bill agreed upon by the conferees provides the Federal Deposit Insurance Corporation with specific interest rate authority over all mutual savings banks. The language does not place any further specific restrictions on NOW accounts. However, the Senate Banking Committee's committee report clearly indicated that the Federal regulatory agencies should closely monitor such accounts to assure that competitive inequities do not develop and to move swiftly to take corrective action if warranted.

Also, in order to be able to make this experiment with NOW accounts meaningful, it is clear through the definitions contained in the bill as to what financial institutions may offer such accounts that the Congress intends that the Federal regulatory agencies adopt a flexible approach in the States of Massachusetts and New Hampshire in allowing various competing financial institutions the opportunity to offer NOW account services to their customers. Only by taking this approach can we be able to effectively determine the usefulness of the NOW account.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated August 2, 1973, from the Chairman of the Board of Governors of the Federal Reserve System, Arthur F. Burns.

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

CHAIRMAN OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM.
Washington, D.C., August 2, 1973.

Hon. THOMAS J. MCINTYRE,
Chairman, Subcommittee on Financial Institutions, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in response to your inquiry regarding problems that have arisen in connection with the suspension of ceilings on interest rates that banks and other thrift institutions may pay on consumer-type certificates of $1,000 or more, with maturities of 4 years or over.

In suspending ceilings on these certificates, the three regulatory agencies undertook a limited experiment aimed at rewarding savers and reducing reliance on rate ceilings. As you and other Congressional leaders have recognized, rate ceilings are not an unmixed blessing. They tend to discriminate against the small saver; they may have delayed other steps that should be taken to moderate fluctuations in availability of credit for housing; and if they are maintained too far below market rates of interest, ceilings may bring about the very problem they are designed to avoid—outflows of funds from the thrift institutions.

I want to make sure that this experiment does not explode into a rate war in which commercial banks, which can afford to pay more for funds, might use the no-ceiling consumer certificates to drain money from other thrift institutions. I intend to monitor developments closely, and the means to do that have already been established. But it would be most unwise, in my judgment, to reimpose ceilings on these certificates at this time, because it would mean abandoning the experiment before we have the facts needed to evaluate it.

The Board and the Federal Deposit Insurance Corporation have already acted to limit the amount of these certificates banks may issue. The limit—5 percent of the issuing bank's total time and savings deposits—was imposed July 26.

The Board and the FDIC have also issued for comment proposed changes in their regulations applying the new interest rate penalties for early withdrawal to existing deposit contracts that are modified to raise the interest rate or change the maturity.

Finally, the Board and the FDIC have proposed another amendment to their regulations requiring banks to give clear and conspicuous notice in their advertising of time certificates to the penalties that will be imposed for early withdrawals. The proposal would also require banks to provide time deposit customers with a statement explaining how the penalty provisions work, including arithmetical examples.

I believe that these actions evidence a readiness on the part of the supervisory agencies to meet problems as they arise. We have also established survey procedures to monitor developments, so that if additional actions prove to be needed, we will have the facts and can act promptly.

Sincerely yours,

ARTHUR F. BURNS.

Mr. BROOKE. Mr. President, I wish to endorse wholeheartedly the remarks of the junior Senator from New Hampshire with respect to this legislation. As chairman of the Financial Institutions Subcommittee, he has worked long and hard on this legislation since mid-March. The continuation of NOW accounts for the consumers of Massachusetts and New Hampshire is in no small measure due to his effort and leadership.

I want to take this opportunity to amplify a very important point with respect to the uninhibited continuation of NOW accounts. Even though the conferees, in adopting the language contained in Section 2(a) of the bill, have agreed to ban NOW accounts for the time being in States other than Massachusetts and New Hampshire, they will be permitted for all types of financial institutions on a free and unrestricted basis in the two States that already have them. In reaching such an accommodation the conferees are aware of legislation that the administration will soon submit, which will offer sweeping reforms in the present structure of this Nation's banking institutions. This legislation could mandate that NOW accounts be extended across the country. Thus it was decided that NOW accounts should not spread into States where they are not presently offered until the Hunt Commission legislative recommendations have been fully considered by the Congress. Concomitantly, the conferees agreed that in the States of Massachusetts and New Hampshire a full-blown experiment should continue and even be expanded to allow all types of financial institutions to offer these accounts. Accordingly, with this legislation, the Congress is sanctioning an open-ended trial of this bold new savings experiment. A test that is a fair measure of the benefits of these accounts. It would be my hope that enough experience can be obtained in these two States to enable the Congress to make an informed judgment as to the propriety of extending this novel service into other States.

Therefore, Mr. President, in order to insure the complete development of the NOW account experiment intended by the conferees, I wish to point out that while section 3 of the bill does extend Federal rate control authority over uninsured mutual savings banks in Massachusetts thereby assuring uniform Federal regulatory authority over these accounts, it is not the intention that these agencies should take steps to prematurely limit them in these States. This authority is created to provide a safeguard against damaging disintermediation caused directly by these accounts. A possibility that seems greatly diminished by the fact that the conferees have contemplated that these accounts should not be limited simply to mutual savings banks in these two States. Time and again, the conferees on H.R. 6370 debated the merits of the many proposals before it to require either the establishment of a definite expiration date for the NOW account experiment in our two States or qualify these accounts in some other manner. Each time such a limita-

tion was voted down. And accordingly, none is mentioned at any point in the conference report. The intent of the conferees with respect to the imposition of restrictions on NOW accounts in these States is clear—there should be none. In my judgment, it would be highly desirable for NOW accounts to be offered on a fully competitive basis by all banking institutions with no particular restrictions for the coming several months. Only if this experiment is permitted to continue on a free and fully competitive basis will be evidence the Congress hopes to obtain be available.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the conference report.

The conference report was agreed to.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXTENSION OF THE MUTUAL AND SELF-HELP HOUSING PROGRAM UNDER TITLE V OF THE HOUSING ACT OF 1949

Mr. WILLIAMS. Mr. President, I send to the desk a joint resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. BIDEN). The joint resolution will be stated.

The legislative clerk read the joint resolution, as follows:

S.J. RES. 149

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 523(f) of the Housing Act of 1949 is amended by striking out "June 30, 1973" and inserting in lieu thereof "October 1, 1973".

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution which was read the first time by title and the second time at length.

Mr. WILLIAMS. Mr. President, this resolution is necessary to continue authority for the Farmers Home Administration to approve grants and loans to carry out the mutual and self-help housing program under section 523 of the Housing Act of 1949. This authority is contained in the conference report on House Joint Resolution 512, which is being held at the desk until after the recess. By an oversight, it was not included in the Senate Resolution 144 which was approved by Congress earlier this week.

This is one of our most attractive programs to help provide housing for our rural families. The Federal Government makes grants and loans to help families join together on a self-help basis to build their own homes. It is not a large program; and, in fact, the maximum authority is $5 million over a 5-year period.

I am told that there are some applications now pending which would be held up without this authority, and I am sure that the Congress does not intend this. Therefore, I am proposing this special resolution to continue the authority for the Farmers Home Administration to approve these pending applications up to October 1, 1973. At that time it is understood that Congress will have acted on House Joint Resolution 512 to continue the program for another year.

Mr. GRIFFIN. Mr. President, I indicate for the RECORD that this matter has been cleared with the ranking minority member of the committee, the Senator from Texas (Mr. TOWER), and the other minority members of the Committee on Banking, Housing and Urban Affairs. This is satisfactory with them. In fact, it corrects what I understand was an oversight, in that it was not included in earlier legislation.

Mr. WILLIAMS. That is my understanding, also.

The PRESIDING OFFICER. If there be no amendment to the proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 149) was ordered to be engrossed for a third reading, was read the third time, and passed.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. 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 YEAS AND NAYS ON TWO MEASURES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order at any time, with one show of seconds, if necessary, the yeas and nays on final passage of the Treasury-Post Office appropriation bill and the convention which is scheduled for a vote on Wednesday, September 5, 1973.

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

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the Post Office-Treasury appropriation bill and the treaty, both of which will come up on a one-two basis on Wednesday, September 5.

The yeas and nays were ordered.

SENATOR RANDOLPH RECEIVES ASSURANCE FROM ACTING SECRETARY FRANK CARLUCCI, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, THAT THE NATIONAL ADVISORY COMMITTEE ON EDUCATION OF THE DEAF AND THE NATIONAL ADVISORY COMMITTEE ON HANDICAPPED CHILDREN WILL BE CONTINUED AS ONE STATUTORY COMMITTEE—WITHDRAWAL OF A RESOLUTON

Mr. RANDOLPH. Mr. President, on May 17, 1973, the U.S. Commissioner of Education recommended that the National Advisory Committee on Education of the Deaf—NACED—and the National Advisory Committee on Handicapped Children—NACHC—be abolished. In order to continue these committees, action must be taken by either the Senate or the House within a 90-day period, and this time limit will expire on August 17, during the recess. Therefore, on Wednesday I submitted a resolution to the Senate which would continue these two statutory advisory committees which the Congress has mandated and which are necessary to the welfare of handicapped citizens.

Yesterday morning, in response to the submission of the resolution, I was contacted by Mr. Frank Carlucci, Under Secretary of the Department of Health, Education, and Welfare. The result of that conversation is that Mr. Carlucci has written a letter to me making a commitment that both the National Advisory Committee on Education of the Deaf and the National Advisory Committee on Handicapped Children will continue to function, but will be combined into one committee for administrative purposes. I ask unanimous consent that this letter be printed in the RECORD at this point.

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

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 2, 1973.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: I have noted your concerns regarding the National Advisory Committee on Education of the Deaf and the National Advisory Committee on Handicapped Children as expressed in the resolution considered by the Senate last night. It is my idea, as I know it is yours, that we work together on this matter. Therefore, I believe it appropriate that the following information regarding this issue be presented.

With regard to Office of Education advisory committees, Section 448(b) of the General Education Provisions Act (P.L. 91-230) states that:

"If the Commissioner determines that a statutory advisory council is not needed or that the functions of two or more statutory advisory councils should be combined, he shall include in the report a recommendation that such advisory council be abolished or that such functions be combined. Unless there is an objection to such action by either

the Senate or the House of Representatives within ninety days after the submission of such report, the Commissioner is authorized to abolish such advisory council or combine the functions of two or more advisory councils as recommended in such report."

As a result of a continuing study of need for and accomplishments of OE advisory groups it was determined that many of the functions of the National Advisory Committee on Education of the Deaf and of the National Advisory Committee on Handicapped Children were similar and therefore should be combined. Because the official name of neither committee was representative of the combined functions of the two groups (one indicates concern only with the Deaf, the other excludes adult populations) it was decided to create a new advisory body, the National Advisory Committee on the Handicapped. This body will retain all of the functions performed by the predecessor groups.

As indicated in the Commissioner's May 17 report, the Office of Education proposes to activate the new advisory body at the earliest possible date. Formal establishment of this committee will be initiated as soon as it is clear that Congress concurs with the recommendation. If there is no objection, I feel that the new committee can be activated by mid-September. It is our intention that persons now serving on the two committees will be asked to serve as members of the new advisory group.

I do consider the functions of both committees to be important and believe these functions should be continued. A consolidation of the functions of the National Advisory Committee on Handicapped Children and the National Advisory Committee on Education of the Deaf into the function of a single advisory group will insure more effective and meaningful input to education policy formulation as it relates to handicapped youth and adults. Therefore, I believe it to be in the best interest of handicapped persons that the Congress accept the recommendation as presented in the Commissioner's Annual Report.

Sincerely,

FRANK CARLUCCI,
Acting Secretary.

Mr. RANDOLPH. Mr. President, in his fiscal year 1972 annual report, the then Commissioner-designate of the Office of Education, John R. Ottina, stated—

That to alleviate the duplication which now exists and to insure the provision of adequate advice and counsel to OE with respect to these program areas, the functions of these two bodies (NACED and NACHC) should be consolidated. The Commissioner proposes to establish, under authority of section 442 of the General Education Provisions Act and in accordance with provisions of the Federal Advisory Committee Act, a National Advisory Committee on the Handicapped. . . .

I do not feel that it is necessary to abolish the two committees in order to combine them administratively. If the functions as stated in the statutes which created the two committees are continued, however, I will not object to this recommendation.

I am pleased that we have further communication from Commissioner Ottina which amends section III of his annual report and revises the original recommendation which would have abolished the two committees rather than combine them. I ask unanimous consent that the letter from Commissioner Ottina to the Honorable HARRISON A. WILLIAMS, JR., chairman of the Senate Committee on Labor and Public Welfare, be printed in the RECORD at this point.

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

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., August 3, 1973.

Hon. HARRISON A. WILLIAMS, Jr.
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter constitutes an amendment to Section III, Advisory Committees and Councils of the Office of Education, of the *Commissioner's Annual Report* submitted to Congress on May 17, 1973. Section III included a recommendation to terminate the National Advisory Committee on Education of the Deaf (NACED) and the National Advisory Committee on Handicapped Children (NACHC) and to create in their place a single committee to advise on the education of the handicapped.

The *Annual Report* cited section 442 of the General Education Provisions Act (P.L. 91–230) as the authority under which the new National Advisory Committee on the Handicapped would be created. I have determined that this is not the proper way in which to create the new Committee. Instead, I propose to create it pursuant to Section 448(b) of the GEPA which states that:

"If the Commissioner determines that a statutory advisory council is not needed or that the functions of two or more statutory advisory councils should be combined, he shall include in the report a recommendation that such advisory council be abolished or that such functions be combined. Unless there is an objection to such action by either the Senate or the House of Representatives within ninety days after the submission of such report, the Commissioner is authorized to abolish such advisory council or combine the functions of two or more advisory councils as recommended in such report."

The new National Advisory Committee on the Handicapped would be a statutory advisory council which could be abolished only in accordance with the provisions of section 448(b) of GEPA or through other legislative action. (Under the Act, of course, the NACH could be abolished only by an appropriate recommendation in a subsequent Annual Report to which neither House of Congress objected within 90 days.)

As stated in *the Annual Report* the new committee will have all of the functions now carried out by the NACED or NACHC.

I would like to take this opportunity to reaffirm the Department's commitment to activate the new committee as soon as we are free, consistent with section 448(b) of GEPA, to consolidate the NACED and the NACHC. As Under Secretary Carlucci stated in his letter yesterday to Senator Randolph (attached), we expect to have the National Advisory Committee on the Handicapped established by mid-September. It is our intention to appoint persons presently serving on the existing committees to membership on the new advisory body.

If you need any further information on this subject, I will be happy to provide it.

Sincerely,

JOHN OTTINA,
Acting Commissioner of Education.

Mr. RANDOLPH. Mr. President, I believe my colleagues in the Senate would be most interested in the functions of and membership in these two important committees. I ask unanimous consent that the functions and membership of NACED and NACHC, and that section of the 1972 fiscal year annual report of the Commissioner of Education dealing with the advisory committees be inserted in the RECORD at this point.

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

NATIONAL ADVISORY COMMITTEE ON HANDICAPPED CHILDREN

FUNCTIONS

The Committee advises the Secretary of Health, Education, and Welfare and the Commissioner of Education. The Committee reviews the administration and operation of the programs authorized by the Education of the Handicapped Act and other provisions of law administered by the Commissioner with respect to handicapped children, including their effect in improving the educational attainment of such children, and makes recommendations for the improvement of such administration and operation with respect to such children. Such recommendations take into consideration experience gained under these and other Federal programs for handicapped children and, to the extent appropriate, experience gained under other public and private programs for handicapped children. The Advisory Committee from time to time makes such recommendations as it deems appropriate to the Commissioner and makes an annual report of its findings and recommendations to the Commissioner not later than March 31 of each year.

Meetings in 1972: May 31–June 2; August 3–5; and November 13–15.

Members as of December 31, 1972:

Frances P. Connor, Chairman, Department of Special Education, Teachers College, Columbia University, New York, N.Y. 10027.

Robert M. N. Crosby, M.D. (Chairman), 1010 Saint Paul Street, Baltimore, Md. 21202.

Maxine L. Haywood, Teacher, 3106 Ben Wilson, No. 515, Victoria, Tex. 77901.

Esther H. Levens, Housewife, 8601 Delmar Lane, Prairie Village, Kans. 66207.

Peggy Johnstone, Coordinator, Jefferson County Community Center, Arvada, Colo. 80002.

John R. West, Student, Temple University School of Law, 1715 North Broad Street, Philadelphia, Pa. 19122.

Catherine P. Breen, Corporate Training Director, Montgomery Ward and Company, 619 West Chicago Avenue, Chicago, Ill. 60607.

Ruth P. Morris, Optometrist, 3539 Glendale Avenue, Toledo, Ohio 43614.

Sister Mary Serena Sheehy, General Officer, Mother House, Sisters of Charity, 4200 South Fourth Street, Leavenworth, Kans. 66048.

Daniel Ringelheim, Deputy Assistant Commissioner, Special Education and Pupil Personnel Services, State Department of Education, 225 West State Street, Trenton, N.J. 08625.

Louise Okie, Housewife, 2 Valley Forge, Darien, Conn. 06820.

Phyllis F. Harper, Teacher, Illinois School for the Deaf, 125 Webster Street, Jacksonville, Ill. 62650.

Earl E. Walker, M.D., President, Hospital Staff, Doctor's Hospital, Harrisburg, Ill. 62946.

R. Elwood Pace, Special Education Programs, State Department of Education, 136 East South Temple No. 1050, Salt Lake City, Utah 84111.

NATIONAL ADVISORY COMMITTEE ON EDUCATION OF THE DEAF

FUNCTION

The Committee advises the Secretary of Health, Education, and Welfare and the Commissioner of Education with respect to the education of the deaf. The Committee performs the following functions:

1. Makes recommendations to the Commissioner and the Secretary for the collection of data to facilitate evaluation and problem identification.

2. Identifies emerging needs for the education of the deaf and suggests innovations to meet such needs or otherwise improve education for the deaf.

3. Suggests promising areas for inquiry to give direction to Federal research in the area of education for the deaf.

4. Makes such administrative and legislative proposals as may be appropriate.

Barbara Sachs, Doctoral Student, New York University, 800 Turkey Run Road, McLean, Va. 22101.

Winifred H. Northcott, Project Director, Pre-School Hearing Impaired, Minnesota Department of Education, 550 Cedar Street, St. Paul, Minn. 55101.

Victor H. Galloway, Director of Professional Services, Model Secondary School for the Deaf, Gallaudet College, Washington, D.C. 2002.

Laurene Simms, Student, University of California, Northridge, Calif. 91324.

Meetings in 1972: January 28–31; June 22–25; and September 29–October 2.

Members as of December 31, 1972:

Nanette Fabray MacDougall (Chairman), Actress, 14360 Sunset Boulevard, Pacific Palisades, Calif. 90272.

Professor Harriet G. Kopp, Speech and Hearing Clinic, San Diego State College, San Diego, Calif. 92115.

Leo E. Connor, Executive Director, Lexington School for the Deaf, 26–26 75th Street, Jackson Heights, N.Y. 11370.

Wesley C. Meierhenry, Adult and Continuing Education, 105 University High, University of Nebraska, Lincoln, Nebr. 68508.

John Melcher, Director, Division of Handicapped Services, Wisconsin State Department of Public Instruction, Madison, Wis. 53702.

Howard Walker, Dean, Division of Continuing Education, University of Kansas, Lawrence, Kans. 66044.

Terri R. Velarde, Teacher, Hillside School for the Deaf, 4500 Clifton, El Paso, Tex. 79903.

Michael E. Boyd, Graduate Student, University of Illinois, Circle Campus, Chicago, Ill. 60680.

RECOMMENDATIONS FOR 1973

As stated in the Commissioner's 1971 Annual Report to Congress on Advisory Committees, the Office of Education continually assesses the functions, activities, and effectiveness of its advisory committees.

Critical examination of the advisory committee structure during 1972 has revealed a need for several modifications. To achieve the required changes, in accordance with the provisions of section 448(b) of the General Education Provisions Act, the Office of Education recommends that:

1. THE NATIONAL ADVISORY COMMITTEE ON EDUCATION OF THE DEAF AND THE NATIONAL ADVISORY COMMITTEE ON HANDICAPPED CHILDREN BE ABOLISHED (ORIGINAL RECOMMENDATION)

Rationale

Section 604(a) of Public Law 91–230, the Elementary and Secondary Education Amendments of 1969, vests with the Commissioner the responsibility to establish a National Advisory Committee on Handicapped Children. The Committee is to review the administration and operation of, and make recommendations concerning, programs authorized by the Education of the Handicapped Act (title VI of Public Law 91–230, as amended) and other provisions of law administered by the Commissioner with respect to handicapped children, including their effect in improving the educational attainment of such children. Such recommendations shall take into consideration experience gained under these and other Federal programs for handicapped children and, to the extent appropriate, experience gained under other public and private programs for handicapped children.

The National Advisory Committee on Education of the Deaf was created by section 5 of Public Law 89–258 to advise the Secretary concerning the performance of existing programs and the need to organize new or modify ongoing programs of education for the deaf.

The Office of Education has evaluated the continuing need for maintaining two handicapped-related advisory groups and has concluded, in accordance with Public Law 92–463, that to alleviate the duplication which now exists and to insure the provisions of adequate advice and counsel to OE with respect to these program areas, the functions of these two bodies should be consolidated. The Commissioner proposes to establish, under authority of section 442 of the General Education Provisions Act and in accordance with provisions of the Federal Advisory Committee Act, a National Advisory Committee on the Handicapped, to include the functions now carried out by the National Advisory Committee on Handicapped Children and the National Advisory Committee on Education of the Deaf. It is proposed that this action will be initiated upon acceptance of this recommendation by the Congress.

Charter for proposed National Advisory Committee on the Handicapped

Purpose

The Commissioner of Education is responsible for administering the Education of the Handicapped Act (20 U.S.C. 1401 *et seq.*). It is the policy of the United States, as set forth in this act, to provide assistance to State and local education agencies, institutions of higher education, and other public and private organizations, which contribute to the advancement of the education of handicapped.

Effective discharge of this responsibility requires the advice of a public advisory committee.

Authority

(20 U.S.C. 1233a) section 442 of the General Education Provisions Act. This Committee shall be governed by the provisions of the Federal Advisory Committee Act (Public Law 92–463) and of part D of the General Education Provisions Act (Public Law 91–230) which set forth standards for the formation and use of advisory committees.

Functions

The Committee shall be advisory to the Secretary of Health, Education, and Welfare and the Commissioner of Education. The Committee shall review the administration and operation of the programs authorized by the Education of the Handicapped Act and other provisions of law administered by the Commissioner with respect to handicapped, including their effect in improving the educational attainment of such people. The Committee shall also review the administration and operation of special institutions (National Technical Institute for the Deaf, Gallaudet College, Kendall Demonstration Elementary School, Model Secondary School for the Deaf, American Printing House for the Blind, and the National Center on Media and Materials for the Handicapped) and make recommendations for the improvement of such administration and operation with respect to such people. Such recommendations shall take into consideration experience gained under this and other Federal programs for the handicapped and, to the extent appropriate, experience gained under other public and private programs for the handicapped. The Advisory Committee shall from time to time make such recommendations as it may deem appropriate to the Commissioner and shall make an annual report of its findings and recommendations to the Commissioner not later than March 31 of each year.

Structure

The Committee shall consist of 15 members, including a chairman, appointed by the Commissioner with the approval of the Secretary. Members shall include persons who are active in education, training, research, or technological programs for the handicapped and at least three handicapped adults, i.e., deaf, blind, crippled, or other health impaired.

One member shall be appointed as chairman. Members shall be invited to serve for overlapping terms of not more than 3 years. Such terms shall be contingent upon the renewal of the Committee by appropriate action prior to its expiration.

Management and staff services shall be provided by the Associate Commissioner for Education for the Handicapped. The Associate Commissioner or his designee shall serve as the Office of Education delegate to the Committee.

Meetings

The Committee shall meet at the call of the chairman, upon approval of the Commissioner or his designee, who shall approve the agenda for the meetings and be in attendance when the meetings are held.

Advance public notice of meetings shall be given, and meetings shall be open to the public unless the Secretary determines otherwise. Meetings shall be conducted and records shall be kept in accordance with applicable laws and Department regulations.

The Commissioner may, at the request of the Committee, appoint consultants to assist it in its responsibilities.

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I intend to fulfill the responsibility of reviewing the activities of these committees as stated in section 5(a), Public Law 92–243, the Federal Advisory Committee Act, which states that:

In the exercise of its legislative review function, each standing committee of the Senate and the House of Representatives shall make a continuing review of the activities of each advisory committee under its jurisdiction to determine whether such advisory committee should be abolished or merged with any other advisory committee, whether the responsibilities of such advisory committee should be revised, and whether such advisory committee performs a necessary function not already being performed. Each such standing committee shall take appropriate action to obtain the enactment of legislation necessary to carry out the purpose of this subsection.

Mr. President, this commitment is satisfactory to me and those members of the Committee on Labor and Public Welfare—the Senator from New Jersey (Mr. WILLIAMS), the Senator from California (Mr. CRANSTON), and the Senator from Vermont (Mr. STAFFORD)—who joined in the submission of the resolution, and with other members of our committee.

Mr. President, in view of these commitments, I ask unanimous consent that the resolution I presented last Wednesday be withdrawn.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1636) to amend the International Economic Policy Act of 1972.

The message also announced that the House had passed the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3630) to extend for 3 years the period during which certain dyeing and tanning materials may be imported free of duty.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6676) to continue until July 1, 1976, the existing suspension of duty on manganese ore.

The message further announced that the House had passed a bill (H.R. 8214) to modify the tax treatment of members of the Armed Forces of the United States and civilian employees who are prisoners of war or missing in action, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8214) to modify the tax treatment of members of the Armed Forces of the United States and civilian employees who are prisoners of war or missing in action, and for other purposes, was read twice by its title and referred to the Committee on Finance.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution:

S. 1887. An Act to provide for the appointment of alternates for the governors of the International Monetary Fund and of the International Bank for Reconstruction and Development;

H.R. 8152. An Act to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to improve law enforcement and criminal justice, and for other purposes; and

The PRESIDENT pro tempore subsequently signed the enrolled bill (H.R. 8152) listed above.

FULL OPPORTUNITY AND NATIONAL GOALS AND PRIORITIES ACT

The Senate continued with the consideration of the bill (S. 5) to promote the public welfare.

Mr. JAVITS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 5) to promote the general welfare.

The Senate resumed the consideration of the bill.

Mr. JAVITS. Mr. President, I send to the desk amendments and ask for their immediate consideration. I offer them on behalf of myself and the distinguished Senator from Minnesota (Mr. MONDALE).

The PRESIDING OFFICER. The clerk will state the amendments.

The legislative clerk proceeded to read the amendments.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with and that they may be considered en bloc.

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

The amendments are as follows:

On page 1, strike out line 5.

On page 1, line 7, strike out "Sec. 101." and insert in lieu thereof "Sec. 2.".

On page 2, line 10, strike out "Sec. 102." and insert in lieu thereof "Sec. 3.".

On page 2, line 14, strike out "101" and insert in lieu thereof "2".

On page 2, line 21, strike out "101" and insert in lieu thereof "2".

On page 3, line 1, strike out "101" and insert in lieu thereof "2".

On page 3, line 8, strike out "101" and insert in lieu thereof "2".

On page 3, line 20, strike out "Sec. 103." and insert in lieu thereof "Sec. 4.".

On page 4, line 4, strike out "101" and insert in lieu thereof "2".

On page 5, line 6, strike out "101" and insert in lieu thereof "2".

On page 5, line 9, strike out "101" and insert in lieu thereof "2".

On page 5, line 13, strike out "101" and insert in lieu thereof "2".

On page 5, line 19, strike out "101" and insert in lieu thereof "2".

On page 6, line 2, strike out "101" and insert in lieu thereof "2".

On page 6, line 8, strike out "101" and insert in lieu thereof "2".

On page 8, beginning with line 1, strike out all through page 13.

Mr. JAVITS. Mr. President, the purpose of these amendments, which I submit on behalf of the Senator from Minnesota (Mr. MONDALE) and myself, is to take title II out of the bill. Title II, it will be noted, carries the provisions for an office in the Congress to deal with the issues of priority and national goals—in other words, to give further body and direction to our activities respecting the budget and appropriations. The matter goes back to 1969. When title II was first considered, it was made, in the Committee on Labor and Public Welfare, a part of S. 5, because the general direction which was being pursued was to enable Congress to do its work better.

Senator MONDALE had one idea, which was a Council of Social Advisers, contained in title II and which I supported. I had another idea, which was to operate in the Congress with machinery that provided the same services the Office of Management and Budget gave the President. So we joined forces and included everything in one bill, and it was passed by the Senate. As a matter of fact, it was passed twice, once on September 20, 1970, and again on September 5, 1972. However, it never became law, because it never got anywhere in the other body. It was reported again by the committee on Labor and Public Welfare on June 18, 1973.

The fact that another committee, the Committee on Labor and Public Welfare of which I am a member—indeed, I would be the ranking member but for our self-imposed rule against being the ranking member on two committees—is going into exactly this question and following on the report of the special committee, which was appointed, on management and budget. The Senator from North Carolina (Mr. IRVIN) is implementing that report with S. 1541, a Federal act to control expenditures and establish national priorities.

This proposal which I have—which has now been passed by the Senate twice—in my judgment and in the judgment of the chairman of the committee, the Senator from North Carolina (Mr. ERVIN), properly should be now considered by the Committee on Government Operations. I have consulted with Senator ERVIN, and Senator PERCY, the ranking Republican member, and they are entirely agreeable to the procedure I am proposing today.

I have also consulted with Senator MONDALE, with whom I have worked and who has given me his support, and he is agreeable to the procedure. He has not only agreed, but he has joined me.

So the purpose would be to take title II out of the bill and refer it, for practical purposes, because I shall send to the desk, when this amendment has been adopted, an amendment to the bill before the Government Operations Committee, where, in my judgment, it now properly belongs as an element of the total subject. I feel it is a very important element, one which I hope to carry with the Congressional Budgetary Procedures Act of 1973.

An amendment was adopted, at the behest of the majority leader, dealing with the status of the director and deputy executive director of the office established under title II.

I wish to advise the majority leader that I shall carry over his amendment as a part of the measure. In other words, my measure, which now carries the amendment exactly as the majority leader has supported it, will be contained in the amendment before the committee.

I think it will simplify the whole matter before the Senate. I think it is much more likely that concentration on only one instead of two items will enable the bill to have a better opportunity for pas-

sage on a single-track basis than if title II were left in the bill.

As there is now a perfectly proper place and way in which to consider title II for definitive enactment into law through the Government Operations Committee route, I am taking that route with the consent of the Senator from Minnesota (Mr. MONDALE).

My staff tells me they have consulted with the leadership on this subject and there is no objection to pursuing it this way. So I now seek action on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (putting the question).

The amendment was agreed to.

Mr. TUNNEY. Mr. President, I would like to voice my strong support for S. 5, the "Full Opportunity and National Goals and Priorities Act", which I have joined in cosponsoring. An identical bill was adopted by the Senate last year, but died in the House of Representatives.

The bill firmly establishes that it is the responsibility of the Federal Government to insure that all Americans are given the opportunity to share in the fruits of progress and prosperity. It establishes institutional frameworks and procedural apparatus designed to enhance the effectiveness of both Congress and the Presidency in advancing this broad social goal.

In spite of the great strides we have made over the years toward enriching the lives of the vast majority of Americans, we have become painfully aware that many of our social programs have been ineffective and sometimes disastrous. To a large extent this has been the result of serious deficiencies in planning, executing and evaluating the social policies and programs designed to alleviate pressing social problems. The lifeblood of the policymaking arena is information. Yet we have been terribly ill-equipped for effective gathering, processing and interpreting of information related to the "social health" of our society.

A crucial problem for policymakers is grappling with the enormous complexity of contemporary social problems. Because most social problems are interrelated to some degree, and are embedded in a setting characterized by continuous change, we are usually faced by a high degree of uncertainty. Confronted by the demands of complexity and increasing uncertainty, we drastically need improvements in the information upon which we monitor social needs and measure the success of our programs. This bill offers an important first step toward bridging the information gap and better equipping ourselves for developing effective, long term solutions to the most vital needs of our society.

Title I of S. 5 provides for an annual social report by the President to the Congress, and the establishment of a Council of Social Advisors in the Executive Office of the President. This body would bring to bear a wide array of recently developed social science techniques in order to develop future-oriented, alternative social policies. Such an office—utilizing sophisticated techniques for social monitoring, data collection, and program evaluation—would aid us tremendously in moving toward accurate identification of our society's most pressing needs, and more successful cost-effective means by which those needs can be met. It would provide needed assistance to both Congress and the Executive in the formulation, selection, implementation, and evaluation of public policy.

Mr. President, if we are going to successfully respond to the challenge of complexity in social affairs, we must move immediately toward providing adequate institutional and procedural apparatus for effective policy appraisal. The paucity of our present appraisal capabilities is dramatically illustrated by our inability to sufficiently monitor our social needs and evaluate the success of our programs.

In the face of growing public skepticism regarding the adequacy of many existing social programs, the demand for more efficient planning and evaluation is increasing. The present system of policy development and program evaluation within the executive branch is reflective of the uncoordinated efforts of many governmental units operating in relative isolation. A Council of Social Advisers, concerned with overall, comprehensive, long-range social policy, would provide a mechanism by which a single unit could identify social needs, establish national priorities and measure the success of social programs.

Title II of the bill provides for the establishment of the Office of Goals and Priorities Analysis. As an arm of Congress, it would serve an important coordinating function, examining, comparing and organizing specific budget proposals within the broader context of overall national objectives.

I understand that title II may be removed from the bill in light of the favorable consideration being given the Congressional Budget Control Bill in the Senate Governmental Operations Committee. Many of the functions envisioned for the Office of Goals and Priorities Analysis would be performed by the House and Senate Committees on the Budget and the Congressional Office of the Budget as provided by the Budget bill. At any rate, the original and innovative provisions contained in title II reflect a fundamental step toward providing Congress with the means to establish effective budgetary controls.

At present, Congress does not have the resources and technology at its disposal for developing integrated, comprehensive budget alternatives, as does the Executive. Consequently, Congressional revision of the President's budget proposal is often a patchwork, piecemeal process resulting in a myopic view of our national goals and priorities. I find it profoundly disturbing that Congress, where crucial national decisions are made, has neither the tools nor the manpower necessary for a comprehensive overview of the budget. The growing disparity of resources available to the President and to the Congress underscores the urgent need to restore some balance between the executive and legislative branches.

If we are going to halt the steady erosion of congressional power, and if Congress is to regain effective control over the federal pursestrings, then we must provide the technology, manpower and information necessary for effective, long-range policy development.

I am committed to legislation which is directed at improving the quality of our life. Accordingly, I strongly urge the Senate to take favorable action on this bill which is specifically aimed at improving the prospects of all Americans for a life of "decency and dignity."

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INQUIRY INTO THE NEW YORK STOCK EXCHANGE

Mr. HARRY F. BYRD, JR. Mr. President, the Financial Markets Subcommittee of the Committee on Finance held 3 days of hearings during the last week of July. One of the witnesses was James J. Needham, chairman of the board of the New York Stock Exchange.

Mr. Needham appeared before the subcommittee on Thursday, July 26, 1973. The subcommittee chairman is the distinguished Senator from Texas (Mr. BENTSEN).

Mr. President, I ask unanimous consent that a colloquy I had with Mr. Needham be printed at this point in the RECORD.

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

Senator BENTSEN. Senator Byrd?

Senator BYRD. Thank you, Mr. Chairman.

Mr. Needham, on page 25, you list five points that you specifically urge the Congress to adopt. Of those five, which one would you consider the most important to accomplish what you are seeking?

Mr. NEEDHAM. I would say No. 4, Senator Byrd. We think that the capital gains tax is a disincentive to invest in equity securities.

Senator BYRD. That tax was increased in 1969 or as a result of the 1969 Tax Reform Act. Have you found that that has had a depressing effect on the market?

Mr. NEEDHAM. It was about 1969 that the Securities Market started to come apart, Senator, but I will let our Economist answer the question.

Mr. FREUND. I don't think the Economists have an answer to that. There is a multiplicity of forces here, but I do think that capital gains played a role.

Senator BYRD. Do you feel it had a major impact?

Mr. FREUND. We have no measure, no way to measure that directly, and there isn't anything I could document statistically on this but I do think that capital gains taxes have had a significant impact, particularly when you consider the reduction in taxation of ordinary income on wages and salaries.

Mr. NEEDHAM. Excuse me, Senator, but, Dr. Freund, didn't the Exchange make a study on this subject some years ago?

Senator BENTSEN. If you would speak up, please?

Mr. NEEDHAM. Pardon me?

Senator BENTSEN. If you would speak up.

Mr. NEEDHAM. I am sorry. I am usually well heard.

Dr. Freund, didn't the Exchange make a study on that problem?

Dr. FREUND. We did, but that preceded 1969.

Mr. NEEDHAM. Are we involved in a similar study now?

Dr. FREUND. Yes, we have under way now a survey of investors' attitudes to determine the effects of capital gains taxation on their incentives to invest. We hope to have those results, I might add, within a matter of weeks.

Senator BYRD. Well, it would be helpful I would think, Mr. Chairman, if those results could be submitted to the Committee.

Mr. NEEDHAM. We will be delighted to furnish them to the committee.

Senator BENTSEN. We would be pleased to keep our Minutes open and have them submit it.

Mr. NEEDHAM. Thank you.

Senator BYRD. Mr. Needham, you recommend reducing the capital gains tax on securities, depending on the number of years the securities have been held. Would you comment on that?

Mr. NEEDHAM. I could, Senator, but I would rather Dr. Freund did it, because this is a matter of economic analysis and I believe he has some backups for you on it.

Dr. FREUND. The details of the proposals were submitted to the House Ways and Means Committee. I find I don't have them right in front of me but, as I recall, they provided for a maximum of 50 percent rate on holdings, liquidated after six months, with a reduction to a 20 percent rate at the end of 30 years.

Mr. NEEDHAM. Reaching your question directly, I think one of the efforts that most American businesses try to make is to accomplish what the social views of an era are and, also, what seems to be the intent of Congress and I think it is safe to say that rather than going that route, we would rather go the other route, which is to go back to where we were in 1968 before the enactment of the 1969 Legislation. That would be a more direct way. I think all we are doing here, frankly, is trying to accommodate what we think the Congress wants to try to do to overcome this theory that is being proposed that there is no distinction between ordinary income and capital gains.

Senator BYRD. Is what you are saying then, you would leave the capital gains structure alone, except go back to the 25 percent?

Mr. NEEDHAM. Really, that is cutting it right through, Senator, and that is the best way to do it.

Senator BYRD. And leave it at six months, also?

Mr. NEEDHAM. And leave it at six months. Frankly, from the government's point of view, I heard many people, including my former Associate at the Commission, Mr. Hurlon, who served on the House Ways and Means Committee for many years, say that a three months holding period, which has been advanced, I believe, by Mr. Reagan from Merrill Lynch, that with that revenues to the government would be more substantial. But we recognize that is even more of a problem, so I think with a six months period 25 percent, I think everybody would be very happy.

Senator BYRD. Well, now, you favor the positive approach of using tax incentives to attract individuals back into the market. Has your organization made any studies of the revenue impact of the tax incentives you propose?

Mr. NEEDHAM. Yes, we have included those in the record.

Mr. WEST. Senator, about ten or twelve years ago, we commissioned a study by the Harris Organization on this subject. Of course, economic conditions and market conditions have changed drastically since that time as has the Tax Code in 1969, which you refer to. Some months ago, we commissioned a re-do of that study, covering somewhat the same ground that was covered in the earlier one, that is, as far as cutting the tax rate in half, but also going beyond that to the sliding scale which has become part of our tax recommendations. The interviewing phase of that study is now complete and the data is being analyzed and we hope within the next few weeks we will be able to submit the results of that study to the Committee.

Mr. NEEDHAM. We have offered that for the record and, Senator Byrd, we have already included in the record our testimony before the House Ways and Means Committee, which includes the impact data that you are looking for and your Staff now has it.

Mr. WEST. I might add, Senator, that the study very specifically covers the study of revenue impact from the various tax alternatives that are proposed for the individual investor.

Senator BYRD. I am inclined to favor your proposal on capital gains, but I think that the Committee and the Congress as a whole, will certainly have to take into consideration what the revenue impact is and, if it is a major impact, that is going to make it somewhat a difficult thing.

Mr. NEEDHAM. Yes, we are playing cat and mouse in the security industry. I wonder what the impact is of the special tax considerations, which I believe are appropriate, that have granted to the oil industry? I wonder what the tax impact is of granting deductions to employers for contributions to profit-sharing and pension plans? And I could go on down the list. But I realize that we would be inconsistent if we were to say to you that we wouldn't care what the cost was because the thrust of our testimony, when we appeared before other Members of the Congress is that we advocate always a balanced budget for the United States government.

Senator BYRD. I want to hear that more clearly. Would you speak up?

Mr. NEEDHAM. I am glad someone is listening to me in government.

We believe very strongly that the government must bear a very heavy burden of proof whenever the budget is not balanced and the budget has not been balanced for enough years since the depression to make a good track record for the Federal government as a leader in responsible financial responsibility.

Senator BYRD. I think you are so right.

Mr. NEEDHAM. Senator, I wish I lived in the State of Virginia.

Senator BYRD. I wish we had you in Washington.

Mr. NEEDHAM. I think I got out at about the right time, Senator.

Senator BYRD. I was somewhat encouraged by the statements last week and by Secretary Shultz's statement, that, for the first time in several years, the Administration recognizes that the budget must be got under control if inflation is to be got under control. That is a new recognition insofar as any public statements are concerned or private statements, so far as I know. I don't think we are going to get this economy back in shape and I don't think, personally, we are going to get inflation under control until we do what you have suggested there: and that is, return to the concept of a balanced budget.

Secretary Shultz used the phrase "old time religion" and I like that expression. I think it is "old time religion." It has been considered out of fashion and out of date, but maybe what has happened to the dollar all over the world and the lack of confidence of the investing public and the lack of confidence of the public as a whole in my judgment may change that opinion in Washington and may cause us to get back to where that is not so old-fashioned and so out of date, but an essential element in restoring confidence.

I notice in your statement on page 26, you certainly do not mean to minimize the overwhelming importance of bringing domestic inflation under control and restoring stability to the dollar internationally, from your statements. I think that is so very, very sound, and I think it is not generally realized that during the five-year period from fiscal '70 through fiscal '74 that the total accumulated Federal funds deficit will be $119 billion. Another way of saying that is that during that five-year period, 25 percent of the total national debt of this Nation will have been incurred during that one five-year period. That is just smashing. I have a feeling that the average citizen, while he doesn't know the figures, that he senses something is drastically wrong here in Washington. That was 25 percent of the national debt incurred in a five-year period from 1970 through 1974, and the other 75 percent was built up over a period of 150 years—or whatever the figure might be. We fought the War between the States, the Spanish-American War, World War I, World War II, the Korean War, and most of the Vietnam War during that period that the 75 percent was built up. So that I think that the Number 1 domestic problem facing our country, as I see it, is to get the Government's financial house into order and it is way out of order now.

And I am impressed that your statement recognizes that. And I would say, again, I am so pleased to hear you use that word "balanced budget." You don't hear it very often around this Congress, I will tell you.

Mr. NEEDHAM. Senator, if I may cap off this fiscal discussion by saying, if the Congress wants to really get disturbed about something else—not that you don't have enough on your minds, but you might look at the debt that is being incurred by Federal agencies, created by the Federal government, that is, outside the appropriations process, which is something else, and which is completely contrary to the American way of running a government.

Senator BYRD. You are quite right and I am glad that you brought that out and I hope that the business community will become exercised about the irresponsibility of the Federal government in its spending policies. Unless the business community takes an interest in it, I don't know how we are going to solve it.

Mr. NEEDHAM. I have been in business for 20-some years, 27 years, most of it as a practicing CPA, and I have been exercised quite a bit about it. In fact, before that, I was brought up on some fundamentals in this business and all I can cay is the result of my exercising in this has been shadow-boxing.

Senator BYRD. What?

Mr. NEEDHAM. Shadow-boxing. In other words, I am doing this exercise but I am not hitting anyone.

Senator BYRD. Well, I think the fact that you are speaking out on it is very helpful.

Mr. NEEDHAM. I don't want to prolong my discussion here, but I would say that if I had with me today the Members of our International Capital Markets Committee—and these are experts—you might be quite impressed by their thoughts. Dr. Freund, you are much better at recalling names than I am. Why don't you read their names into the record?

Dr. FREUND. The Chairman of the Committee is John E. Leslie and the other Members are: Harry B. Anderson of Merrill Lynch; George W. Ball of Lehman Brothers, Inc., and formerly Secretary of State; I. W. Burnham, II; Henry H. Fowler of Goldman, Sachs & Co., and formerly Secretary of the Treasury; Andre Meyer, Lazard Freres & Co., Leo Model, Model, Roland & Co., Inc.; Frank A. Petito, Morgan Stanley & Co., Inc.; Robert V. Roosa, formerly Undersecretary of the Treasury, and now a partner in the firm of Brown Brothers, Harriman & Co.; Nathaniel Samuels, Kuhn,

Loeb & Co., also formerly of the State Department.

Mr. NEEDHAM. And if they were all here, Senator Byrd, they would say two things to this Subcommittee: The first one, balance the budget, and, secondly, get a hold on monetary policy. That is what they would say.

Senator BYRD. Well, that is certainly an outstanding group and one with great knowledge and it is encouraging to me to know that that group, which you have just named, with such outstanding individuals, feel that the Number 1 problem—I believe that is the way you expressed it—is to get a handle on government spending and to balance the budget.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until September 5, 1973, the Vice President, the President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions on any day after the date of August 24, 1973.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

S. 2282, RENAMING THE NEW HOPE DAM AND LAKE THE B. EVERETT JORDAN DAM AND LAKE

Mr. RANDOLPH. Mr. President, from the Committee on Public Works, earlier today, I reported favorably S. 2282, without amendment, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

Be it enacted, etc., That the New Hope Dam and Lake on the Haw River, North Carolina, a part of the project of the Cape Fear River Basin, North Carolina, authorized by the Act approved December 30, 1963 (Public Law 88-253), shall hereafter be known as the B. Everett Jordan Dam and Lake, and any law, regulation, document, or record of the United States in which such New Hope Dam and Lake are designated or referred to shall be held to refer to such dam and lake under and by the name of "B. Everett Jordan Dam and Lake."

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. RANDOLPH. Mr. President, this legislation is sponsored by the distinguished senior Senator from North Carolina (Mr. ERVIN) and the distinguished junior Senator from North Carolina (Mr. HELMS). The two Senators today ask us to join in remembering the excellent service of their former colleague and friend.

As for myself, there is a special pleasure that comes from seeing a true and valued friend accorded deserved recognition for outstanding public service.

Having the opportunity to join in that tribute makes it an even more rewarding experience.

It is in that context that I bring to the Senate for consideration and action today this bill proposing that the New Hope Dam and Lake in North Carolina be renamed in honor of former Senator B. Everett Jordan.

If there was any single cause to which Everett Jordan was dedicated above all others and in which he was most effective during his Senate years, it was in the field of water resources development, both for his own State and for the country as a whole.

I recall that a floral association, wishing to honor him on his 10th anniversary in the Senate, settled on a dam designed from flowers as being the most fitting symbol of the occasion.

They were right.

He had a very real interest in the development of water resource programs for the country. So in S. 2282, this renaming of a lake and dam in North Carolina from New Hope Dam and Lake to the designation of the B. Everett Jordan Dam and Lake, I think, is appropriate, and indicates the high esteem and the deep affection in which our former Member is held here.

I wish to reemphasize the activity of Senator Jordan, during the years he served here, in working for water resources development. He worked not only for North Carolina, but for the country as a whole. I was, as chairman of the Committee on Public Works, associated with him on these matters, and I know the completeness of his dedication in behalf of the civil works program, including, of course, the efforts, as I have stated, not only for water resource development, but in conservation of our resources as well.

Senator ERVIN and Senator HELMS both know of his activities and achievements in connection with the New Hope project, and so to have the cosponsorship of the Senators from North Carolina on this bill, I think, is most proper and most encouraging, as we consider it not in terms of partisanship, but of a partnership which extends across this line.

Because, among other achievements, Everett Jordan had more than anyone else to do with bringing the New Hope Dam project into being and keeping it alive, it is right today that we give it his name now.

S. 2282 has the unanimous approval of the Senate Public Works Committee and I consider it a privilege to offer it for what I hope will be equally full support of this body.

Mr. HELMS. Mr. President, I wholeheartedly urge the unanimous approval of this measure which recognizes the dedicated service of our friend, Senator B. EVERETT JORDAN, to his State and Nation.

I commend my colleague (Mr. ERVIN) for proposing the renaming of New Hope Dam and Lake to hereafter be called the B. Everett Jordan Dam and Lake. I was delighted to join Senator ERVIN as a cosponsor of the bill. And I desire to associate myself with the distinguished Senator from West Virginia (Mr. RANDOLPH) in his eloquent tribute to Senator Jordan.

The late Senator Dick Russell reserved a very special tribute for very special friends whom he described as "nature's noblemen." I would apply that assessment to Senator Jordan.

This action by the Senate comes at a time when Senator Jordan is a patient at Duke Hospital in Durham, N.C. Reports reaching me indicate that he is doing well. By this action, unanimously by the Senate today, Senator Jordan will be reminded of our affection, admiration, and respect for him. I know I speak for all Senators when I wish him a speedy and complete recovery.

Mr. ERVIN. Mr. President, I wish to take this opportunity to express my gratification at the Senate's unanimous passage today of S. 2282, to redesignate the New Hope Dam and Lake, N.C., as the "B. Everett Jordan Dam and Lake."

I know that those among us who were privileged to serve with Senator Jordan share my delight in the Senate's action to honor a great North Carolinian and a great American, Senator B. Everett Jordan.

Mr. KENNEDY. Mr. President, I wish to join with the distinguished Senator from West Virginia (Mr. RANDOLPH) in urging the Senate to approve S. 2282, renaming the lake formed by the New Hope Dam project in North Carolina for our esteemed friend and former colleague, Senator Everett Jordan.

Senator Jordan's many outstanding accomplishments, including his distinguished service for many years as chairman of the Rules Committee are well known to the Members of the Senate. But there is one major accomplishment of his, which has not been sufficiently recognized and which I should like to call to the attention of the Senate.

Senator Jordan was the Senate author of the Technology Assessment Act of 1972, which I was proud to cosponsor. As chairman of the Rules Committee he conducted the hearings on this bill and led the legislative effort to shape this into the important act which was signed into law on October 13, 1972.

I commend to the Senate, Everett Jordan's farsighted leadership in recognizing the need for and building Senate support for this innovative addition to the congressional branch of our Government. As first chairman of the Technology Assessment Board, I know I can speak for all the other board members as well in lauding Senator Jordan for his key role in bringing this important office into being.

In view of his instrumental role in water resources projects like the New Hope

Dam project, it is altogether fitting that this lake be named for Senator Everett Jordan. I urge the Senate to approve this bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2282) was ordered to be engrossed for a third reading, was read the third time, and passed.

NATIONAL HEART AND LUNG ADVISORY COUNCIL STUDY

Mr. JAVITS. Mr. President, I wish to address a few words to the Senate about a critically important report made by the National Heart and Lung Advisory Council of the National Institutes of Health, recommending a massive crash program on the problem of heart diseases, as a result of a bill which I sponsored with the Senator from Massachusetts (Mr. KENNEDY), which became law as the National Heart, Blood Vessel, Lung, and Blood Act of 1972.

This act followed what was really my debut in important legislation in Congress as one of the fathers of the National Heart Institute. I was then a Member of the House of Representatives, that law having been enacted on June 9, 1947, with the aid in this body of then Senator, now Representative, PEPPER of Florida, which provided for the establishment, for the first time, of the Heart Institute within the National Institutes of Health.

So, Mr. President, as one who has been referred to as the father of the National Heart Institute I was especially gratified when the Congress enacted into law the National Heart, Blood Vessel, Lung, and Blood Act of 1972, which I authored with Senator KENNEDY.

This legislation was enacted because the Congress realized that heart, blood vessel, lung, and blood diseases constitute the most important public health problem confronting the American people today. This statement is supported by all the common indices of public health such as the number of people affected, number of deaths, days of bed disability, hospital days, days lost from work, and economic costs of disease. Collectively, these diseases affect more than 30 million Americans and are the No. 1 cause of death and disability in the Nation. The maintenance of adequate function of the heart, lungs, and blood, which is essential to health and life, has become a pressing national problem when viewed against the massive personal, social, and economic losses which continue to accrue from these diseases. The total economic drain on society due to problems related to these diseases has been estimated at more than $40 billion annually. These statistics give a sobering overview of the magnitude and importance of the problems being addressed by the national heart, blood vessel, lung, and blood program.

The act provided a mandate for attacking these killer diseases and required the Director of the National Heart and Lung Institutes, with the advice of the National Heart and Lung Advisory Council, to develop a program for a national assault on these diseases.

The study of the National Heart and Lung Advisory Council—a comprehensive in-depth analysis to advance the attack and improve the management of the nation's resources in this endeavor—has been completed. Its report comments that:

> The maturation of many research-proven ideas, methods and technologies, viewed in relation to the increasing health problems of heart, blood vessel, lung and blood diseases, convinces the Council that the next few years could bring significant new discoveries and health benefits for the American people. Great strides have been made in prevention, both real and potential, in diagnosis and in medical and surgical treatment of these major diseases. The result has been new hope for patients suffering from them. In fact, death rates from some of these diseases have levelled off or even decreased in the last few years.
>
> The public deserves the fullest application now of the preventive, diagnostic and treatment measures already developed through research. At the same time, the research and clinical momentum generated in the unparalleled period of expansion of scientific medicine in the past two decades must be sustained, for it is through this momentum that important new knowledge will be generated and then translated into health benefits for all.

To achieve these goals, the Council calls for a national program to combat these diseases. This plan will:

Provide a basis for decisions concerning appropriate support for needed efforts in the heart and blood vessel, lung, and blood areas;

Insure proper priority and sequence of implementation;

Provide a basis for determining scientific manpower needs for research to sustain the total program;

Facilitate coordination of the efforts of all Federal agencies in the heart and blood vessel, lung, and blood fields;

Make it possible to delineate Federal responsibilities so that State, local, and private sectors can plan their participation and responsibilities accordingly; and

Enable orderly and systematc review and analysis of progress of the program.

The need for a plan to launch a national program of attack on the problems of heart and blood vessel, lung and blood diseases have evolved from the recognition that isolated approaches are no longer appropriate to the growing magnitude of these public health problems. A major program is required for marshalling the resources of this country to provide better health for its citizens.

The costs of this program will be significant—$2.3 billion over the next 5 years—however, they must be compared to the impact of the heart, blood vessel, lung and blood diseases on the Nation's economy. Each year, health expenditures for these diseases are more than $9 billion, and the value of present and potential earnings lost because of the illness and death they cause amounts to at least an additional $29 billion.

If heart and blood vessel diseases could be eliminated as causes of death, the gain in life expectancy would approach 11 years, more than four times the gain that would be achieved by the elimination of any other cause of death.

I urge the Congress—as it has done in unanimously passing Public Law 92–423—to provide the necessary additional $46 million appropriation above the budget request of $265 million and adequately to fund the national program to combat the number one killer of the American people—heart diseases—in accordance with the expert advice of the Council.

Mr. President, I strongly endorse the findings of the Council. While the cost of the program is significant—$2,300,000,000 over 5 years—it must be compared with health expenditures of $9 billion per year right now for these diseases, and lost present and potential earnings because of illness and death due to heart disease of $29 billion per year. Mr. President, this is the biggest killer in America, and I respectfully submit that to provide the additional $46 million above the budget request of $265 million which the plan would require is certainly not asking very much of Congress, when we realize that if we could conquer these heart diseases, it would extend the lifespan by 11 years—more than four times the gain that could be achieved by the elimination of any other cause of death.

So, Mr. President, I recommend this report to my colleagues, call it to the attention of the Senate, and shall do everything I can to see that it is implemented.

Mr. President, I yield the floor.

FULL OPPORTUNITY AND NATIONAL GOALS AND PRIORITIES ACT

The Senate continued with the consideration of the bill (S. 5) to promote the public welfare.

Mr. TAFT. Mr. President, do I correctly understand that the pending business is S. 5?

The PRESIDING OFFICER. The Senator is correct.

Mr. TAFT. Mr. President, with regard to S. 5, I should like to make a few remarks.

A few minutes ago, as I understand, the senior Senator from New York (Mr. JAVITS) made a motion to refer title II to the Committee on Government Operations as an amendment to S. 1541. I had hoped to be present on the floor at that time to discuss the matter, but unfortunately I was not notified that it was coming up at the particular time it did.

I would not have opposed that motion. Indeed, I do not oppose it now, and I do not see any point in the Senate reconsidering its action.

As I have indicated in the minority views which I filed with Senators DOMINICK and BEALL, I feel that the bill is unwise both as to title I and title II. As to title I, the minority views, as I have indicated, point out that it establishes a Council of Social Advisers in the Executive Office of the President and requires an annual social report by the President to the Congress. We believe that the President is in the best position to determine whether he needs an additional council to assist him in establishing social goals and priorities to recommend to Congress, and feel that the administration is justified in opposing

the creation of this additional bureaucratic layer in the Executive Office. Three years ago, the President, through Executive reorganization, established the Domestic Council to assist him in the coordination and overview of domestic policy.

As a matter of fact, the Honorable Melvin Laird is now, as I understand it, serving as head of that domestic council. I know he is a man in whom Congress has great confidence. The Domestic Council has great potential to provide coordinated planning and policy data to the President, and the recent personnel and organizational changes implemented with regard to the Council should prove to be quite constructive.

The Office of Management and Budget—OMB—is also quite active in policy planning and coordination within the executive branch, and recent organizational changes implemented within OMB should enable executive branch personnel to obtain more reliable social and domestic data.

Over and beyond those considerations in the minority views, I would go on to say that I think, if indeed we should decide that it is wise to act in some way to tell the President how he has got to run his own staff organization, in setting up domestic councils or otherwise, and it seems to me pretty clear, that this does lie in the field of government operations rather than that of the Committee on Labor and Public Welfare.

While labor, public welfare, and education are matters of great priority on the national scene and things that should be reflected upon and considered insofar as setting up staff procedures in the executive branch is concerned, nevertheless they are operations of government, and there are many other operations of government as well. It is inconceivable to me that a domestic council would not have to take into account many other factors as well as those considered by the Committee on Labor and Public Welfare. Senators DOMINICK, BEALL, and I objected to the bill in the committee in that regard as well as to its substance, and have opposed it in that connection.

Mr. President, I have given a great deal of thought to this matter, and in considering the action taken with regard to title II, it seems to me, therefore, appropriate, for the reasons I have stated, to consider taking the same action with regard to title I. Indeed, had the question of committal of title II to the Committee on Government Operations come up under normal circumstances, I would have been, I think, inclined to try to amend that motion or add to it or take other action to make the same kind of result occur with regard to title I.

In that regard, let me address an inquiry to the Chair at this time, as to whether a motion to commit title I to the Committee on Government Operations would be in order.

Mr. JAVITS. Mr. President, would the Senator yield while we are waiting for the Parliamentarian to come into the Chamber?

Mr. TAFT. I yield.

Mr. JAVITS. I would hope very much that the distinguished Senator from Ohio would not make that motion. The distinguished Senator from Minnesota (Mr. MONDALE), who is the principal author of S. 5—he is "the" author now—left the city because of my own and the leadership's assurance that the only thing acted on would be what we agreed to—to wit, that the bill have excised from it Title II. That has been done. I would hope very much that the Senator would await the time when the matter would come up again, as it will when Senator MONDALE is here, so that he may have the opportunity to be heard on that question.

Mr. TAFT. I appreciate the comments of the Senator from New York. I would simply comment with regard to it, that it is well known by the Senator from Minnesota and the Senator from New York that I had written the minority views with the principal opponent of the measure in question, and no such agreement or clearance was made with me with regard to it. In fact, I even indicated to the staff of the Senator that this was a matter on which I wished to be informed on, and on which I wanted to be heard should it come to the floor at this time. So that I do not feel in any way bound by that constraint. As I have indicated previously, under normal circumstances, I would be inclined to make a motion to commit. At the present time, I merely want to renew my inquiry of the Chair as to whether a motion to commit Title I—in fact, the entire bill as it now exists, S. 5—to the Committee on Government Operations would be in order.

The PRESIDING OFFICER (Mr. BIDEN). A motion to recommit the entire bill would be in order.

Mr. TAFT. I thank the Chair.

I would simply say then, in view of the fact that the Senator from Minnesota (Mr. MONDALE) is not in town and I have not had any discussion with him with regard to it, that I will not at this time insist on this motion, assuming that S. 5 will remain the pending business. But when we return from the recess, it is my intention, and I would give notice to the Senate of it now, that the motion to recommit the entire bill to the Committee on Government Operations will be made, and that on that motion, which as I understand it, is a debatable motion—and I would again inquire of the Chair whether that is a correct assumption.

The PRESIDING OFFICER. The motion is debatable.

Mr. TAFT. As to debate on that motion, I would be constrained to refrain from granting a specific allowance until the matter further clears up. I am also constrained, if the motion is defeated, because of the very general nature, in fact the omnivorous nature of title 1 as it currently exists, to refuse to enter into any agreement insofar as the question of the propriety of any particular amendments to the bill might be in order.

With that notice to the Senate, I am now content to have the bill remain the pending business.

RECESS UNTIL 2:45 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 2:45 p.m. today.

The motion was agreed to; and, at 2:04 p.m., the Senate took a recess until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the presiding officer (Mr. ROBERT C. BYRD).

Mr. BEALL. 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 (Mr. MCCLURE). Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE AND FROM THE PRESIDENT DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States during the adjournment of the Senate over to September 5, 1973.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll. The 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 RECOGNITION OF SENATOR SCOTT OF VIRGINIA AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON SEPTEMBER 5, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, September 5, 1973, after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Virginia (Mr. SCOTT) be recognized for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business for not to exceed 15 minutes, with the usual 3-minute limitation on statements therein.

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

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 3:04 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:14 p.m. when called to order by the Presiding Officer (Mr. HARRY F. BYRD, JR.).

RECESS UNTIL 4:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 4:30 p.m. today.

The motion was agreed to; and at 3:15 p.m. the Senate took a recess until 4:30 p.m.; whereupon, the Senate reassembled when called to order by Mr. MCCLURE.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 502) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1410. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for three months the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury; and

H.R. 6370. An act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. METCALF) subsequently signed the enrolled bills.

RECESS UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 5 p.m. today.

The motion was agreed to; and at 4:30 p.m. the Senate took a recess until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MCCLURE).

ORDER FOR CONSIDERATION OF S. 4 ON SEPTEMBER 11, 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent, at the conclusion of morning business on Tuesday, September 11, 1973, that the Senate proceed to the consideration of Calendar No. 119, S. 4, a bill to strengthen and improve the protections and interests of participants and beneficiaries of employee pension and welfare benefit plans.

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

Mr. JAVITS. Mr. President, I wish to express my gratification to the Senator from Montana, the majority leader, and to the minority leadership, for setting down this bill, S. 4, which the distinguished Senator from New Jersey (Mr. WILLIAMS), myself, members of our staffs, and the members of the Committee on Labor and Public Welfare have, I believe, constructed a bill of which the Senate can be proud. It deals with private pensions and welfare funds of the country and will be of inestimable benefit to millions of Americans.

Mr. President, I also wish to say that the Finance Committee has considered those aspects of the bill which concern it, its views, and its jurisdiction, and they, too, together with the distinguished Senator from Wisconsin (Mr. NELSON), chairman of the subcommittee, as well as the distinguished Senator from Louisiana (Mr. LONG), the Chairman of the Finance Committee, have worked long and arduously in the endeavor to place their proper input into the measure.

It is ready for the floor. It is considered to be a bill of the greatest interest to the people of this country, to millions of Americans who will look to it to provide them with a better life and a better opportunity.

The distinguished Senator from Michigan (Mr. GRIFFIN) has taken a great interest, a most constructive interest, in the bill, and has made contributions to it. So have other Members. The distinguished Senator from Texas (Mr. BENTSEN) offered a bill which the Finance Committee considered. It was, again, a great contribution to the whole. He spent $1 million or more, under the direction of the Senator from New Jersey (Mr. WILLIAMS), to get the facts. It is one of the best grounded bills we have ever had in the Senate in terms of its documentation and the proof to back it up. It is the kind of documentation we think of over in the executive department. We rarely realize that we are capable of the same thing.

So, for myself, as this is a longstanding labor for me, and for the Senator from New Jersey (Mr. WILLIAMS), I wish to thank the majority leader and all who participated in giving their consent for the scheduling of this bill at a time certain.

I hope that, having given this notice, Members will really take an interest in it and study it, because I believe that they will find, to use a colloquialism, it is one of the "hottest" bills ever to come before Congress, so far as the people of this country are concerned.

Mr. WILLIAMS. Mr. President, I certainly which to echo the remarks of the Senator from New York in appreciation to the leadership for scheduling the bill at a date certain on September 11, 1973. S. 4 has been on the calendar for some time. Appropriately, it was held while the Finance Committee considered other pension legislation during this period.

There has been the best kind of collaboration between the Committee on Labor and Public Welfare and the Committee on Finance in their understanding of the full need for pension reform.

It was hoped, earlier, that the bill could be taken up immediately upon our return, that is, a few days before September 11, after we had come back from the recess, which would give valuable time and valuable days for all Senators to study this profound and far-reaching legislative matter of pension reform.

Again our appreciation that we now have a date certain and that we can move on with this much needed legislative effort.

THOMAS E. MARTIN, OF SOUTH CAROLINA—NEW PRESIDENT OF AMERICAN LEGION BOYS' NATION

Mr. THURMOND. Mr. President, I was delighted to learn recently that a young man from Roebuck, S.C., Thomas E. Martin, was elected president of the American Legion Boys' Nation. This is the first time that a South Carolinian has attained this distinguished position, and the people of South Carolina are very proud of this fine young man.

Before his election, I had the pleasure of meeting with him during a luncheon I hosted for South Carolina's two representatives to Boys' Nation. I found Thomas Martin and Henry Milne III, of West Columbia, to be young men who are shooting for the stars while keeping their feet on the ground.

The presidency of Boys' Nation is the most recent of many honors bestowed upon Thomas. He has held numerous offices at Spartanburg High School, including vice president of the student body. He was elected governor of South Carolina Boys' State. He was also president of the South Carolina Association of Student Councils, and has been student advisor to the State Superintendent of Education.

Based upon his past record, it appears that Thomas Martin is destined for other great accomplishments. I am confident his future endeavors will bring other honors to the people of South Carolina.

CONFERENCE OF INTERNATIONAL TELECOMMUNICATION UNION—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HASKELL). The Chair, on behalf of the Vice President, appoints the following Senators to attend the Conference of International Telecommunication Union, to be held in Torremolinos, Spain, September 14–October 26, 1973: Senators MAGNUNSON, PASTORE, BAKER, and BEALL.

CAMBODIA—A LETTER FROM THE PRESIDENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a letter bearing today's date, which I have received from the President of the United States relative to the situation in Cambodia, be printed in the RECORD. An identical letter has also been sent to the Speaker of the House.

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

THE WHITE HOUSE,
Washington, August 3, 1973.

Hon. MIKE MANSFIELD,
Majority Leader,
U.S. Senate, Washington, D.C.

DEAR SENATOR MANSFIELD: By legislative action the Congress has required an end to American bombing in Cambodia on August 15th. The wording of the Cambodia rider is unmistakable; its intent is clear. The Congress has expressed its will in the form of law and the Administration will obey that law.

I cannot do so, however, without stating my grave personal reservations concerning the dangerous potential consequences of this measure. I would be remiss in my constitutional responsibilities if I did not warn of the hazards that lie in the path chosen by Congress.

Since entering office in January of 1969, I have worked ceaselessly to secure an honorable peace in Southeast Asia. Thanks to the support of the American people and the gallantry of our fighting men and allies, a cease-fire agreement in Vietnam and a political settlement in Laos have already been achieved. The attainment of a settlement in Cambodia has been the unremitting effort of this Administration, and we have had every confidence of being able to achieve that goal. With the passage of the Congressional act, the incentive to negotiate a settlement in Cambodia has been undermined, and August 15 will accelerate this process.

This abandonment of a friend will have a profound impact in other countries, such as Thailand, which have relied on the constancy and determination of the United States, and I want the Congress to be fully aware of the consequences of its action. For my part, I assure America's allies that this Administration will do everything permitted by Congressional action to achieve a lasting peace in Indochina. In particular, I want the brave and beleaguered Cambodian people to know that the end to the bombing in Cambodia does not signal an abdication of America's determination to work for a lasting peace in Indochina. We will continue to provide all possible support permitted under the law. We will continue to work for a durable peace with all the legal means at our disposal.

I can only hope that the North Vietnamese will not draw the erroneous conclusion from this Congressional action that they are free to launch a military offensive in other areas in Indochina. North Vietnam would be making a very dangerous error if it mistook the cessation of bombing in Cambodia for an invitation to fresh aggression or further violations of the Paris Agreements. The American people would respond to such aggression with appropriate action.

I have sent an identical letter to the Speaker of the House.

Sincerely,

RICHARD NIXON.

ORDER FOR THE PRESIDENT TO BE NOTIFIED OF THE CONFIRMATION OF NOMINATIONS

Mr. MANSFIELD. Mr. President, with respect to the nominations which were confirmed by the Senate today and those which have been confirmed heretofore but as to which this request has not been made, I ask unanimous consent that the President be notified of their confirmation.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 6 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 6 p.m. today.

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

Thereupon, at 5:20 p.m., the Senate took a recess until 6 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD).

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

There being no objection, and at 6:04 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:07 p.m. when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7935) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that Act, to expand the coverage of that Act, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to 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, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

H.R. 3630. An act to extend until September 30, 1975, the suspension of duty on certain dyeing and tanning products and to include logwood among such products;

H.R. 4083. An act to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes;

H.R. 5649. An act to extend until November 1, 1978, the existing exemption of the steamboat *Delta Queen* from certain vessel laws;

H.R. 6676. An act to continue until July 1, 1976, the existing suspension of duty on manganese ore, and for other purposes;

H.R. 6713. An act to amend the District of Columbia Election Act regarding the times for filing certain petitions, regulating the primary election for Delegate from the District of Columbia, and for other purposes;

H.R. 7935. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that Act, and for other purposes;

H.R. 8510. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes;

H.J. Res. 52. Joint Resolution authorizing the President to proclaim August 26, 1973, as "Women's Equality Day"; and

H.J. Res. 466. Joint Resolution authorizing the President to proclaim the second full week in October, 1973, as "National Legal Secretaries' Court Observance Week."

The ACTING PRESIDENT pro tempore (Mr. METCALF) subsequently signed the enrolled bills and joint resolutions, as follows: H.R. 3630, H.R. 4083, H.R. 5649, H.R. 6676, H.R. 6713, H.R. 8510, House Joint Resolution 52, and House Joint Resolution 466.

QUORUM CALL

Mr. TOWER. 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.

EXTENSION AND AMENDMENT OF THE AGRICULTURAL ACT OF 1970

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1888, an Act 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.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD) laid before the Senate the following message:

Resolved, That the House agree to the amendment of the Senate to the amendment of the House to the bill (S. 1888) entitled "An Act 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", with the following amendment:

On page 48, after line 13 of the Senate engrossed amendment, insert:

"(d) The Secretary of Agriculture is directed to implemented policies under this Act which are designed to encourage American farmers to produce to their full capabilities during periods of short supply to assure American consumers with an adequate supply of food and fiber at fair and reasonable prices."

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate.

The motion was agreed to.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The motion was agreed to; and at 6:11 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:40 p.m., when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8658) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1974, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 6 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate; and that the House receded from its disagreement to the amendment of the Senate numbered 21 to the bill, and concurred therein.

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 1974—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on H.R. 8658, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8658) making appropriations for the government of the District of Columbia and other activities chargeable in whole of in part against the revenues of said District for the fiscal year ending June 30, 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 30, 1973, at p. 26635.)

Mr. BAYH. Mr. President, I shall make only a few brief remarks.

The total appropriation of Federal funds allowed in conference on H.R. 8658 for the District of Columbia is $417,717,000, an increase of $101,324,000 over last year, $15,281,000 below the President's budget request, $10 million below the House bill, and the same amount recommended in the Senate bill.

In terms of District of Columbia funds, the conference allowed $954,731,200, an increase of $51,789,400 over last year, $36,492,800 below the President's budget estimates, $9,477,800 below the House bill, and $3,928,300 below the Senate bill.

Mr. President, the conferees again present a balanced budget for the District of Columbia for consideration by the Senate.

Mr. President, this bill is the product of a great deal of work and effort on the part of both houses to reach a compromise.

In my judgment, it is a good bill. The amounts provided for some items are not entirely to my satisfaction; however, in the main, there will be adequate funds to meet the necessary expenses and to conduct most high-priority programs of the District of Columbia. I think that anyone who has studied our bill and compared it with the House measure would see that a great many of the matters that are of significant importance to the Senate are incorporated in this bill.

Mr. President, this was my first experience in chairing a conference on the differences between the House and Senate versions of an appropriations bill. There was the necessary give and take on both sides. However, I must say that this conference was a pleasant experience for me because we were able to resolve our differences with the House conferees in an atmosphere of cordiality and rationality.

I wish to express my thanks to the distinguished Senator from Maryland (Mr. MATHIAS) for his support and assistance during the conference.

Mr. President, as you may recall, the House action on the District of Columbia bill resulted in the deletion of virtually all new and improved programs. The Senate's bill restored a number of those new and improved programs—and still maintained the same Federal payment level as approved by the House. By directing certain economies and adjustments the Senate bill was able to include a number of increases over the House allowance within the framework of a balanced budget.

Mr. President, it was necessary for the Senate to compromise in a number of areas. However, I would like to highlight some of the positive aspects of the programs agreed to in conference.

The largest single increase agreed to in conference is for the public school system. The amount provided in the bill together with $1.5 million in unanticipated impact aid funds received by the school system toward the close of the fiscal year will allow the schools to strengthen the public education system—especially in the junior high schools and in the area of special education.

In the area of public assistance the committee has included funds to allow the District to implement that provision of its welfare reform effort which will provide a cost-of-living increase in public assistance payments next April 1.

This increase will be partially funded as a result of new moneys included in the Senate bill and partially by requiring the District to do a better job of scrutinizing its budget and supervising those who are administering it—including paying closer attention to assure that only those who are eligible for public assistance receive such payments.

The conferees also included $1 million above the amount requested by the District for day care programs. The committee has added these funds in anticipation that an expanded day care program will lead to a reduction in the public assistance caseload as more families are helped to achieve economic independence.

The conferees have also recommended increases which will allow the District to strengthen its efforts to protect children from abuse and neglect and to provide new family shelter facilities.

The conferees provided 50 new positions for increased care and treatment of the mentally retarded at the Forest Haven facility.

Additional funds are also provided in the area of alcoholism treatment and prevention.

In the capital outlay area of the budget the conferees have included all those projects recommended by the House. However, the conferees provided $10 million less than the amount provided in the House bill with the understanding that the city would submit a reprograming proposal to redirect surplus funds previously appropriated for construction at the Lorton Correctional Complex to make up the $10 million reduction.

Mr. President, I ask unanimous consent to place in the RECORD the customary table showing in detail the conference action and all of the comparative figures.

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

(See exhibit 1.)

CONCLUSION

Mr. BAYH. Mr. President, in closing, let me state that I thought the Senate bill was a good one. The conference report before you today provides for a good bill. All of the programs funded in this bill are important to the citizens of the District of Columbia and the many tourists who visit our Nation's Capital every year. These programs are important to

the well-being of the District's citizens. They assist those who are often unable to assist themselves, especially the young and the aged. They will help build much-needed schools and other public facilities. They will help reduce unemployment.

Mr. President, I firmly believe that the funds in this bill will assist the citizens who live in and visit the District to enjoy a more healthy and wholesome environment. I urge my colleagues to support enactment of the conference report.

Mr. President, again, I say that I appreciate the cooperation of the ranking minority member of my subcommittee, the Senator from Maryland (Mr. MATHIS), as well as the other members of the conference committee, the subcommittee, and the full committee.

I think it is appropriate to again point out the spirit of cooperation with which Chairman NATCHER and his colleagues from the House dealt with the matters in disagreement.

Also, as chairman of this subcommittee, I would like to say a special word of tribute to our 2 staff members, Terry Sauvain, of the professional staff and Robert Clark of the minority staff. Both worked tirelessly to fill in the details which is most laborious but which is oftentimes necessary for this effort to be consummated.

Mr. YOUNG. Mr. President, I support the conference report on the District of Columbia appropriations for fiscal year 1974.

I am pleased to note that the conferees have brought in a bill slightly under the budget request and that in doing this they have reordered only a few of the District of Columbia priorities. In particular, they have continued strong congressional support in the public safety category.

In the past few years we have built up our police force in this city out of necessity and I believe they have done a good job in recruiting additional police officers, training them and getting them out into the city to combat crime and protect our citizens here.

I will not go into the details of the bill as this has already been covered, but I know from my own experience, having served on the District of Columbia Appropriations Subcommittee, that it is a tough job to bring in a balanced budget and still take care of all the needs in our Capital City.

I commend the members of the District of Columbia Subcommittee for bringing in a good bill.

Mr. BAYH. Mr. President, I move the adoption of the conference report. The motion was agreed to.

EXHIBIT 1

TABLE I.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1974, H.R. 8658—FEDERAL FUNDS

[Amounts in thousands of dollars]

Agency and item	1973 appropriation by allotment and activity[1]	1974 budget estimate	House allowance	Senate allowance	Conference agreement	Conference agreement compared with— Appropriation, 1973	Budget estimate, 1974	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FEDERAL PAYMENT									
General Fund	$181,500	$190,000	$187,450	$187,450	$187,450	+$5,950	−$2,550		
Water Fund	2,550	2,555	2,555	2,555	2,555	+5			
Sanitary Sewage Works Fund	1,524	1,528	1,528	1,528	1,528	+4			
Total, Federal payments	185,574	194,083	191,533	191,533	191,533	+5,959	−2,550		
FEDERAL LOANS									
General Fund	90,968	190,700	187,969	177,969	177,969	+87,001	−12,731	−$10,000	
Highway Fund	16,706	11,900	11,900	11,900	11,900	−4,806			
Water Fund	2,933	7,067	7,067	7,067	7,067	+4,134			
Sanitary Sewage Works Fund	13,960	25,000	25,000	25,000	25,000	+11,040			
Metropolitan Area Sanitary Sewage Works Fund	6,252	4,248	4,248	4,248	4,248	−2,004			
Total, Federal loans	130,819	238,915	236,184	226,184	226,184	+95,365	−12,731	−10,000	
Total, Federal funds	316,393	432,998	427,717	417,717	417,717	+101,324	−15,281	−10,000	

TABLE II.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1974, H.R. 8658—OPERATING EXPENSES AND CAPITAL OUTLAY

[Amounts in thousands of dollars]

Agency and item	1973 appropriation by allotment and activity[1]		1974 budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation, 1973	Budget estimate, 1974	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
OPERATING EXPENSES														
General Operating Expenses														
Office of the Commissioner	20	$578.7	20	$472.2	20	$472.2	20	$472.2	20	$472.2	−$106.5			
City Council	36	537.9	44	665.9	36	541.9	44	665.9	36	562.1	+24.2	−$103.8	+$20.2	−$103.8
Executive Office:														
Office of the Secretariat	30	630.2	30	631.3	30	631.3	30	631.3	30	631.3	+1.1			
Office of Public Affairs	12	238.6	12	232.6	12	232.6	12	232.6	12	232.6	−6.0			
Office of Budget and Financial Management	161	2,560.7	179	3,148.4	179	2,724.0	179	3,148.4	179	2,724.1	+163.4	−424.3	+.1	−424.3
Office of Planning and Management	75	1,074.8	90	1,239.4	73	1,094.4	84	1,189.4	74	1,104.4	+29.6	−135.0	+10.0	−85.0
Office of Personnel	43	932.4	59	1,166.0	59	1,166.0	59	1,166.0	59	1,166.0	+233.6			
Employees' Disability, Unemployment and Workmen's Compensation Funds		4,941.3		5,494.2		5,494.2		5,494.2		5,494.2	+552.9			
Office of Municipal Audit and Inspection		[2] 13.2	39	667.2	33	560.5	36	610.5	36	610.5	+597.3	−56.7	+50.0	
Office of Civil Defense	8	157.6	8	152.7	8	152.7	8	152.7	8	152.7	−4.9			
Office of Human Rights		[3] 10.6	39	565.3	35	526.9	39	565.3	37	546.1	+535.5	−19.2	+19.2	−19.2
Office of Consumer Affairs			14	186.7			14	186.7	14	186.7	+186.7		+186.7	
Management Improvement Account				100.0								−100.0		
Total, Executive Office	329	10,559.4	470	13,583.8	429	12,582.6	461	13,377.1	449	12,848.6	+2,289.2	−735.2	+266.0	−528.5

Footnotes at end of table.

Agency and item	1973 appropriation by allotment and activity[1]		1974 budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation, 1973	Budget estimate, 1974	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
Department of Finance and Revenue	545	$8,574.6	533	$8,173.2	533	$8,173.2	533	$8,173.2	533	$8,173.2	−$401.4			
Office of the Corporation Counsel	185	3,202.6	199	3,226.9	185	3,073.8	190	3,107.7	185	3,073.8	−128.8	−$153.1		−$33.9
Department of General Services	637	15,153.9	661	16,036.7	661	16,036.7	657	15,936.6	657	15,936.6	+782.7	−100.1	−$100.1	
Department of Economic Development	518	7,628.2	558	8,635.0	539	7,491.5	556	8,403.0	544	8,233.9	+605.7	−401.1	+742.4	−169.1
Public Library	569	7,165.3	565	6,800.9	565	6,750.9	565	6,850.9	565	6,775.9	−389.4	−25.0	+25.0	−75.0
Other Independent Agencies and Offices:														
Assistant to the Commissioner Youth Opportunity Services	28	2,005.8	28	1,954.1	28	1,954.1	28	1,954.1	28	1,954.1	−51.7			
Assistant to the Commissioner for Housing Programs	12	268.7	27	458.8	27	458.8	27	458.8	27	458.8	+190.1			
Alcoholic Beverage Control Board	21	327.5									−327.5			
Board of Parole	25	359.9	25	412.3	25	412.3	25	412.3	25	412.3	+52.4			
Department of Insurance	24	453.2	24	458.3	24	458.3	24	458.3	24	458.3	+5.1			
Minimum Wage and Industrial Safety Board	39	590.3	42	678.7	39	643.2	42	678.7	42	678.7	+88.4		+35.5	
Recorder of Deeds	71	718.8	72	713.0	71	705.3	72	713.0	71	705.3	−13.5	−7.7		−7.7
Public Service Commission	27	476.0	29	482.8	27	466.8	29	482.8	28	475.8	−.2	−7.0	+9.0	−7.0
Zoning Office	21	345.1	23	362.8	23	362.8	23	362.8	23	362.8	+17.7			
Board of Appeals and Review	4	37.5	4	70.2	4	70.2	4	70.2	4	70.2	+32.7			
Human Relations Commission	34	512.2									−512.2			
Board of Elections	7	447.4	7	521.3	7	521.3	7	521.3	7	521.3	+73.9			
Office of the Surveyor	40	397.8	40	395.8	40	395.8	40	395.8	40	395.8	−2.0			
Commission on the Status of Women	2	31.6	2	43.7	2	43.7	2	43.7	2	43.7	+12.1			
Commission on Judicial Disabilities and Tenure		46.8	1	52.5	1	46.5	1	46.5	1	46.5	−.3	−6.0		
Board of Labor Relations	2	109.6	2	91.9	2	91.9	2	91.9	2	91.9	−17.7			
Bicentennial Activities			4	350.0		100.0		250.0		150.0	+150.0	−200.0	+50.0	−100.0
Total, Other Independent Agencies and Offices	357	7,128.2	330	7,046.2	320	6,731.0	326	6,940.2	324	6,825.5	−302.7	−220.7	+94.5	−114.7
Contributions to Metropolitan Area Agencies:														
Metropolitan Washington Council of Governments		180.2		176.0		176.0		176.0		176.0	−4.2			
Washington Metropolitan Area Transit Commission		118.7		85.9		85.9		85.9		85.9	−32.8			
Total, Contributions to Metropolitan Area Agencies		298.9		261.9		261.9		261.9		261.9	−37.0			
Miscellaneous Contributions:														
Redevelopment Land Agency		6.0		6.0		6.0		6.0		6.0				
D.C. Apprenticeship Council		5.0		5.0		5.0		5.0		5.0				
School Transit Subsidy		3,738.3		4,112.3		4,112.3		4,112.3		4,112.3	+374.0			
Washington Convention and Visitors Bureau		252.0		252.0		252.0		252.0		252.0				
Total, Miscellaneous Contributions		4,001.3		4,375.3		4,375.3		4,375.3		4,375.3	+374.0			
Total, General Operating Expenses	3,196	64,829.0	3,380	69,278.0	3,288	66,491.0	3,352	68,564.0	3,313	67,539.0	+2,710.0	−1,739.0	+1,048.0	−1,025.0
Public Safety:														
Metropolitan Police	6,035	108,090.6	6,034	110,771.6	6,034	110,669.0	6,034	110,339.0	6,034	110,339.0	+2,248.4	−432.6	−330.0	
Fire Department	1,512	35,297.0	1,544	36,340.1	1,537	36,184.5	1,544	36,184.5	1,544	36,184.5	+887.5	−155.6		
Courts:														
Appeals	42	1,335.6	53	1,350.0	53	1,347.5	53	1,347.5	53	1,347.5	+11.9	−2.5		
Superior	828	15,693.2	1,113	18,641.3	1,042	17,237.6	1,042	17,237.6	1,042	17,237.6	+1,544.4	−1,403.7		
D.C. Court System	52	2,918.3	71	1,558.4	68	1,445.5	68	1,445.5	68	1,445.5	−1,472.8	−112.9		
U.S. Courts—Department of Justice		6,821.7		10,125.0		10,125.0		6,821.7		7,821.7	+1,000.0	−2,303.3	−2,303.3	+1,000.0
Public Defender Service	109	1,764.8	124	1,883.3	109	1,712.7	124	1,883.3	109	1,712.7	−52.1	−170.6		−170.6
Bail Agency	49	597.8	59	674.8	49	613.4	59	674.8	54	643.7	+45.9	−31.1	+30.3	−31.1
Total Courts	1,080	29,131.4	1,420	34,232.8	1,321	32,481.7	1,346	29,410.4	1,326	30,208.7	+1,077.3	−4,024.1	−2,273.0	+798.3
Department of Corrections	1,699	27,441.4	2,328	31,827.0	2,328	31,346.3	[2] 2,092	29,346.3	[2] 2,092	29,346.3	+1,904.9	−2,480.7	−2,000.0	
National Guard	20	268.6	20	278.5	20	278.5	20	278.5	20	278.5	+9.9			
Total, Public Safety	10,346	200,229.0	11,346	213,450.0	11,240	210,960.0	11,036	205,558.7	11,016	206,357.0	+6,128.0	−7,093.0	−4,603.0	+798.3
Education:														
Public Schools	10,303	154,682.4	10,564	168,322.1	10,417	164,668.8	10,519	166,885.8	10,480	165,896.3	+11,213.9	−2,425.8	+1,227.5	−989.5
Board of Higher Education			6	80.0	6	80.0	6	80.0	6	80.0	+80.0			
D.C. Teachers College	194	3,391.4	200	3,297.8	200	3,297.8	200	3,297.8	200	3,297.8	−93.6			
Federal City College	967	20,723.4	974	19,804.1	961	19,542.8	974	19,804.1	974	19,600.1	−1,123.3	−204.0	+57.3	−204.0
Washington Technical Institute	410	9,102.8	440	9,332.0	418	8,977.6	440	9,332.0	429	9,154.8	+52.0	−177.2	+177.2	−177.2
Total, Education	11,874	187,900.0	12,184	200,836.0	12,002	196,567.0	12,139	199,399.7	12,089	198,029.0	+10,129.0	−2,807.0	+1,462.0	−1,370.7
Recreation: Recreation Department	760	14,079.0	779	14,300.0	779	14,300.0	779	14,300.0	779	14,300.0	+221.0			
Human Resources:														
Old Organization:														
Office of the Director, Human Resources	1,048	13,540.2									−13,540.2			
Vocational Rehabilitation Administration	221	1,221.4									−1,221.4			
Community Health Service Administration	762	13,121.4									−13,121.4			
Social Services Administration	2,815	96,018.7									−96,018.7			

Footnotes at end of table.

TABLE II.—DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL 1974, H.R. 8658—OPERATING EXPENSES AND CAPITAL OUTLAY—Continued

[Amounts in thousands of dollars]

Agency and item	1973 appropriation by allotment and activity[1]		1974 budget estimate		House allowance		Senate allowance		Conference agreement		Conference agreement compared with—			
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Appropriation, 1973	Budget estimate, 1974	House bill	Senate bill
(1)	(2)		(3)		(4)		(5)		(6)		(7)	(8)	(9)	(10)
Veterans' Affairs Administration	12	$167.5									−$167.5			
Narcotics Treatment Administration	261	4,535.2									−4,535.2			
Hospitals and Medical Care Administration	2,568	50,022.5									−50,022.5			
Mental Health Administration	1,285	37,296.8									−37,296.8			
Chief Medical Examiner	25	411.3									−411.3			
New Organizations:														
Executive Direction and Support			1,112	$13,065.6	1,112	$13,065.6	1,112	$13,065.6	1,112	$13,065.6	+13,065.6			
Payments Assistance			736	80,224.2	736	77,208.3	736	78,716.2	736	77,958.3	+77,958.3	−$2,265.9	+$750.0	−$757.9
Social Rehabilitation			1,898	31,801.0	1,867	31,416.3	1,898	33,301.0	1,883	32,358.3	+32,358.3	+557.3	+942.0	−942.7
Mental Health			1,420	39,262.1	1,284	38,562.1	1,420	39,262.1	1,352	38,912.1	+38,912.1	−350.0	+350.0	−350.0
Community Health and Hospitals			4,048	51,317.9	4,048	51,317.9	4,048	51,317.9	4,048	51,317.9	+51,317.9			
Narcotics Treatment			314	4,916.2	304	4,830.8	304	4,830.8	304	4,830.8	+4,830.8	−85.4		
Total, Human Resources	8,997	216,335.0	9,528	220,587.0	9,351	216,401.0	9,518	220,493.6	9,435	218,443.0	+2,108.0	−2,144.0	+2,042.0	−2,050.6
Highways and Traffic:														
Department of Highways and Traffic	1,541	18,399.8	1,549	19,508.5	1,549	19,498.2	1,549	19,498.2	1,549	19,498.2	+1,098.4	−10.3		
Motor Vehicles	245	3,705.2	269	3,576.5	248	3,775.8	269	3,962.0	269	3,962.0	+256.8	−14.5	+186.2	
Total, Highways and Traffic	1,786	22,105.0	1,818	23,485.0	1,797	23,274.0	1,818	23,460.2	1,818	23,460.2	+1,355.2	−24.8	+186.2	
Environmental Services:														
Department of Environmental Services	3,120	39,774.7	3,177	40,442.3	3,116	39,162.3	3,128	39,995.7	3,122	39,579.3	−195.4	−863.0	+417.0	−416.4
Washington Aqueduct	325	5,528.1	325	5,430.7	325	5,430.7	325	5,430.7	325	5,430.7	−97.4			
Total, Environmental Services	3,445	45,302.8	3,502	45,873.0	3,441	44,593.0	3,453	45,426.4	3,447	45,010.0	−292.8	−863.0	+417.0	−416.4
Annualization of Pay Increases				13,782.0		13,782.0		13,782.0		13,782.0	+13,782.0			
Settlement of Claims and Suits		158.0									−158.0			
Additional Municipal Services, Inaugural Ceremonies		879.0									−879.0			
Repayment of Loans and Interest		28,144.0		39,633.0		39,633.0		39,633.0		39,633.0	+11,489.0			
Grand Total, Operating Expenses	40,404	779,960.8	42,537	841,224.0	41,898	826,001.0	[4] 42,095	830,617.6	[4] 41,897	826,553.2	+46,592.4	−14,670.8	+552.2	−4,064.4
CAPITAL OUTLAY														
Capital Outlay		122,981.0		150,000.0		138,178.0		128,041.9		128,178.0	+5,197.0	−21,822.0	−10,000.0	+136.1
Grand total, District of Columbia	40,404	902,941.8	42,537	991,224.0	41,898	964,179.0	42,095	958,659.5	41,897	954,731.2	+51,789.4	−36,492.8	−9,447.8	−3,928.3

[1] Includes approved supplemental.
[2] Original appropriation of $549,000 under Department of Finance and Revenue.
[3] Original appropriation of $512,200 under other independent agencies and offices.
[4] Includes 234 permanent positions approved on a temporary basis.

The PRESIDING OFFICER. The clerk will report in the amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum of $6,821,700 named in said amendment, insert: $7,821,700

Mr. BAYH. Mr. President, I move that the Senate concur in House amendment to the Senate amendment numbered 6.

The motion was agreed to.

NATIONAL NEXT DOOR NEIGHBOR DAY

Mr. TOWER. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S.J. Res. 25.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 25) to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "National Next Door Neighbor Day" which were in line 5, strike out "of each year" and insert: "1973,". And amend the title so as to read: "Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September, 1973, as 'National Next Door Neighbor Day'."

Mr. TOWER. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

QUORUM CALL

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

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The PRESIDING OFFICER. Without objection, the Senate stands in recess, subject to the call of the Chair.

At 6:49 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 7:18 p.m., when called to order by the Presiding Officer (Mr. TOWER).

Mr. MANSFIELD. Mr. President, may I say that I am delighted to see the chair graced by the distinguished Senator from Texas. He looks very well up there. I hope to see him up there more often.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8760) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 8, 12, 14, 29, 30, and 32 to the bill and concurred therein; and that the House re-

ceded from its disagreement to the amendments of the Senate numbered 7, 21, 28, 33, and 44 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also further announced that the Speaker had affixed his signature to the enrolled bill (S. 502) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. METCALF) subsequently signed the enrolled bill.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION BILL, 1974—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 8760, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. TOWER). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8760) making appropriations for the Department of Transportation and Related Agencies for the fiscal year ending June 30, 1974, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 31, 1973 at p. 27057.)

Mr. ROBERT C. BYRD. Mr. President, when the Senate concluded consideration on July 28 of H.R. 8760, the Department of Transportation and related agencies appropriation bill for 1974, the bill was a net $215,220,000 over the House and contained 44 amendments.

The conferees' recommendations total $2,898,446,006 in new budget authority. This represents a reduction of $227,005,089 under 1973 appropriations, $112,286,000 under the budget requests, and $70,005,000 under the Senate version of the bill. The $145,215,000 increase over the House version of the bill is due, in major part, to the Senate's inclusion in the bill of $118 million for items upon which the House deferred action since authorizing legislation had not passed. Of this amount, a net $93 million is for Amtrak and $25 million for the Coast Guard's Reserve training program.

In addition to new budget authority, the bill contains $5,046,400,000 in appropriations to liquidate contract authorizations—funds required to meet commitments made under authorizations contained in substantive bills. This would include the payments from the highway trust fund for the Federal-aid highway programs, funds from the airport and airway trust fund for airport grants-in-aid, funds for highway traffic safety programs, as well as amounts necessary to meet commitments made under the urban mass transportation fund.

The grand total of the bill, as recommended by the conferees, is $7,945,018,000.

At this point, I shall highlight the conferees' recommendations on salient items among the amendments.

In the Office of the Secretary of Transportation, the conferees agreed to earmark $275,000 of the $1 million proposed by the Senate for a study of the safety of natural gas pipeline distribution systems. In addition, $1,175,000 for grants-in-aid for natural gas pipeline safety was appropriated.

For the Coast Guard's training program, $25,000,000, the full budget request and Senate allowance, is recommended.

The conferees reiterated the positions taken in both the Senate and House committee reports regarding the importance of the Coast Guard's search and rescue operations.

The conferees recommend that $7 million of the $13.3 million Senate amendment for the FAA's airport security program be appropriated. In addition, the conference report states that—

If the Department of Transportation can demonstrate that adequate funds are not available for the airport security program, a supplemental request for this purpose will be considered.

Also included in the appropriation for the FAA is $2,690,000 for the AEROSAT program. The Committee of Conference directs the DOT to make a formal presentation to the House and Senate Appropriations Committees prior to agreeing to any satellite program with foreign governments which would entail Federal support.

For railroad safety, the conferees agreed to an appropriation of $8,900,000 instead of the $7 million as proposed by the House and $9,400,000 as proposed by the Senate. Of this amount, $1,400,000 is earmarked for additional safety inspectors. Also, the House will offer a motion to recede and concur in the amendment of the Senate to appropriate $1,500,000 for grants-in-aid for railroad safety.

The committee of conference has also agreed to $102,100,000 for grants to the National Railroad Passenger Corporation—Amtrak—and the rescission of $9,100,000 of funds previously appropriated for Amtrak.

The conferees agreed to an obligation limitation of $300,000,000 for grants-in-aid for airport development. This compares to $280 million proposed by the House and $310 million by the Senate.

For the urban mass transportation, commitments were limited to $985,550,000 instead of $980 million as proposed by the House and $1 billion as proposed by the Senate.

Regarding aviation administrative user charges, the conferees agreed to language "which will prevent the implementation of a program of aviation administrative user charges which are in excess of the levels in effect on January 1, 1973, or which did not exist as of January 1, 1973, until such program is reviewed and approved by the appropriate committees of Congress."

Mr. President, I move adoption of the conference report.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "1976".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

"Railroad-Highway Crossings Demonstration Projects

"For necessary expenses of railroad-highway crossings demonstration projects, to remain available until expended: $6,000,000, of which $1,700,000 is for projects at Elko, Nevada, and $600,000 is for projects at Wheeling, West Virginia, and $700,000 is for projects at Lincoln, Nebraska; and $4,000,000 of these amounts shall be derived from the Highway Trust Fund: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation by the Ninety-third Congress."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert: "$8,900,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

"Grants to the National Railroad Passenger Corporation.

"To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation $102,100,000 to remain available until expended, of which $48,100,000 shall be available only upon the enactment into law of authorizing legislation by the Ninety-third Congress: Provided, That not to exceed $500,000 is to be expended only in connection with the construction of station and related facilities to serve the Metroliner at New Carrollton, Maryland."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 44 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "which are in excess of the levels in effect on January 1, 1973, or which did not exist as of January 1, 1973, until such program is reviewed and approved by the appropriate committees of the Congress."

Mr. EAGLETON. I was very disappointed that the conferees earmarked only $3.2 million for continuation of Amtrak service between New York and Kansas City and Chicago and Florida.

Amtrak officials testified during the hearing that it would require at least $10 million to continue operating these two routes through fiscal year 1974. I would like to ask the floor manager whether it was the intent of the conferees that these two routes be discontinued after the $3.2 million is expended, which would be sometime in December this year or January of next year?

Mr. ROBERT C. BYRD. No, I do not think that was the intent of the conferees at all. The reason for limiting the funds for those two routes to $3.2 million was, frankly, to keep the budget within what the conferees considered to be reasonable bounds. It is hoped that through cost savings and improved revenues that the $3.2 million will be sufficient to operate these two routes through fiscal year 1974. Certainly, the conferees did not intend by their action that the two routes be discontinued.

Mr. EAGLETON. Well, as the Senator knows, the Amtrak Corporation has filed an application with the Interstate Commerce Commission to discontinue these routes and the ICC will be conducting a public hearing between now and December 2. My staff has talked to Mr. Lewis of Amtrak and he has indicated that with only $3.2 million in the budget this year, Amtrak would feel compelled to continue its case before ICC. It could become a major factor in the case that the $3.2 million is not sufficient to continue the lines beyond December whether or not there may be other reasons for doing so. But again, I take it that it was not the intent of the conferees that their action in providing only $3.2 million become a factor in the decision of ICC as to whether or not these routes will be abandoned.

Mr. ROBERT C. BYRD. That is correct. We certainly did not intend that interpretation to be placed on the action of the conference.

Mr. EAGLETON. Could the floor manager tell me whether one factor in the conferees' decision to limit overall increases in the Amtrak budget to $9.1 million—above the $93 million requested in the President's budget—was the fact that the authorization bill for Amtrak had not yet cleared the House?

Mr. ROBERT C. BYRD. That point was never specifically raised although I am sure it was in the back of the minds of some of the House conferees.

Mr. EAGLETON. Of course, the Senate has acted on a new authorization bill for Amtrak providing $185 million and the House Interstate and Foreign Commerce Committee has reported out a bill which is expected to be acted on today, if it is not already acted on, providing for $107 million with part of those funds earmarked for continuation of the New York to Kansas City and Chicago to Florida routes. Should the $3.2 million provided by this budget prove to be inadequate for continued operation of the two routes in question, for the rest of the fiscal year, can I assume the Appropriations Subcommittee would be prepared to consider a supplemental appropriation request from Amtrak or from some Senator like myself, should that be necessary.

Mr. ROBERT C. BYRD. Certainly, the Appropriations Subcommittee would consider such a request whether it be made by Amtrak or by a member of the Senate. Of course, I cannot speak for the House, but I think the action of the House Interstate and Foreign Commerce Committee makes it clear that the sentiment of the House is in favor of keeping all routes on the basic Amtrak system at least for another year. So I think in answer to the Senator's question, yes, as chairman of the Senate Transportation Appropriations Subcommittee, I would be perfectly willing to consider a supplemental appropriation request if the $3.2 million provided in this budget proves not to be adequate.

Mr. EAGLETON. I thank the floor manager for that. Again, I cannot say that I am wholly happy with the budget item in this bill but I take encouragement from the colloquy I have had here with the chairman of the Senate Transportation Appropriation Subcommittee and I would assume that this colloquy would offset any other interpretation which might be put upon the conferees' action.

Mr. YOUNG. Mr. President, I support the conference report on the Department of Transportation appropriations and I want to commend Senator STEVENS for the excellent work he did on this appropriations bill as acting chairman.

Members of the subcommittee have spelled out what is in this bill so I will just say that they are to be congratulated for bringing in a bill that is under last year's appropriations and is under the budget estimates. This reflects a lot of hard work on the part of all members of the subcommittee because in some line items we are over the budget estimate where the Senate and the House feel the highest priorities are, while we still managed to hold down the total.

Of particular interest to me and certain other Senators is some language that is contained in the "Joint Explanatory Statement of the Committee of Conference" concerning flight service stations. The Federal Aviation Administration has a long-range plan to fully automate many flight service stations and I do not necessarily oppose all of these plans. However, they had planned to start now to close down up to 30 flight service stations per year while automation would not come in until 1977, and I believe this would do a serious harm to the safe use of our airways and airports. The Senate report on this bill carried similar language to that in the conference report which reads as follows:

> The Committee of Conference directs that the FAA not decommission any existing Flight Service Stations during fiscal year 1974 until such time as automated systems are in place and satisfactorily operational.

I am pleased that the conferees saw fit to include this language and I believe this will mean safer flying, particularly for general aviation during the coming year.

Mr. MATHIAS. Mr. President, as a member of the conference committee and of the Senate Appropriations Transportation Subcommittee, I am pleased to state that I believe the conference report represents a serious and responsible compromise between the two Houses on a number of transportation-related matters of great importance to the Nation.

In particular, I believe that the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), chairman of the Transportation Subcommittee, is to be highly commended for shepherding this crucial bill through conference and so ably representing the viewpoint of this body in the various matters of disagreement with the House.

One of these issues—funding for a joint Metro-Metroliner station in New Carrollton, Md.—is of great interest both to the people of my own State and potentially throughout the Nation, as a model for an effective, coordinated system of suburban surface transportation.

As my colleagues will recall, Mr. President, the Senate had approved a full $7.1 million appropriation for the construction of the Metroliner portion of this joint station, as part of the section providing grants to Amtrak. In connection with this appropriation, the committee report stated as follows:

> The Committee recommends an additional $7.1 million above the Budget request for Amtrak, specifically earmarked in the bill for construction of the Metroliner portion of a joint Metro-Metroliner station in New Carrollton, Maryland. Such a joint station, to be located at or near the Beltway, will make it possible for all modes of surface transportation (cars, buses, trains, subways) to be coordinated in a central suburban location for easy transfer among these various modes. . . .

The committee heard testimony from both Amtrak and FRA warmly endorsing the proposal to construct the joint station, and FRA has already made a $360,000 design grant for it. DOT, however, did not formally request funds for construction of the Metroliner's portion for the current fiscal year. Nevertheless, since plans for the construction of the Metro portion are already underway and funded through WMATA, the committee believes that an appropriation for the Metroliner portion should be provided at this time in order to avoid critical delays in the solicitation of bids and the higher costs that would accompany a staggered construction schedule for the two sections of the proposed station.

The House conferees, however, observing that they were relatively unfamiliar with the details of this proposal and that it was not included in the Department of Transportation's budget request for this fiscal year, declined to approve the full $7.1 million as proposed by the Senate at this time. But they did accept at least what might be called a down payment for this project, in the form of a $500,000 appropriation which may be used in the current fiscal year to cover start-up costs. I am sure my colleagues realize, however, that until an appropriation is available for the entire cost of construction, it will be difficult for Amtrak to solicit responsible bids and to proceed in an orderly way towards construction.

Therefore, while of course I regret that the conference committee did not approve the full $7.1 million we proposed, I believe the funds that are appropriated in the bill represent an important victory, in the form of a commitment from Congress that every effort will be made to review the details of this proposed joint station and to provide an appropriate level of funding at the earliest possible time.

It has been noted that Rome was not built in a day, Mr. President—an observation which I must confess I find incontestible. And I fully recognize that the New Carrollton station will not be funded or built in a day either. But every day of delay in providing this funding increases the ultimate cost and decreases the chances of completing construction of the Metroliner portion of the station in time for the opening of Metro service to the area.

Therefore, I strongly urge the Department of Transportation to return to the Congress with a formal request for construction of the New Carrollton station in its fall supplemental budget for the current fiscal year, and I offer my own personal assurances that as long as I am a member of this body, I will spare no effort to see this project through to completion.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 21, 28, 33, and 44.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the budget estimates, the House and Senate allowances, and the amounts agreed to in conference for each item in the bill.

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

SUMMARY OF H.R. 8760

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1973 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1974

[Note: All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1973	Budget estimates of new (obligational) authority, fiscal year 1974	Version of bill: House	Version of bill: Senate	Version of bill: Conferees recommendation
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I					
DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	$23,970,000	$24,500,000	$24,300,000	$25,200,000	$24,475,000
Transportation, planning, research, and development:					
By appropriation	31,500,000	28,675,000	24,500,000	25,500,000	25,000,000
By transfer	(7,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Transportation research activities overseas (special foreign currency program)		500,000			
Grants-in-aid for natural gas pipeline safety	875,000	875,000	875,000	1,500,000	1,175,000
Consolidation of departmental headquarters	800,000	850,000	800,000	800,000	800,000
Total, Office of the Secretary	57,145,000	55,400,000	50,475,000	53,000,000	51,450,000
Coast Guard					
Operating expenses	548,900,000	546,370,000	544,400,000	547,900,000	545,400,000
Applied to debt reduction (deduct)	−164,905	−171,994	−171,994	−171,994	−171,994
Acquisition, construction, and improvements	131,550,000	74,500,000	74,500,000	77,250,000	75,500,000
Alteration of bridges	12,500,000	7,000,000	4,000,000	4,000,000	4,000,000
Retired pay	76,789,000	81,000,000	81,000,000	81,000,000	81,000,000
Reserve training	31,735,000	25,000,000	[2] Defer	25,000,000	25,000,000
Research, development, test, and evaluation	17,500,000	17,000,000	14,000,000	14,000,000	14,000,000
State boating safety assistance	4,500,000	4,500,000	3,500,000	4,500,000	3,500,000
Total, Coast Guard	823,309,095	755,198,006	721,228,006	753,478,006	748,228,006
Federal Aviation Administration					
Operations	1,150,538,000	1,211,250,000	1,193,500,000	1,206,800,000	1,200,500,000
By transfer	[1] (21,523,000)				
Engineering and development	[3] 22,700,000	13,750,000	11,500,000	13,750,000	11,500,000
Facilities and equipment (airport and airway trust fund)	302,650,000	250,000,000	250,000,000	250,000,000	250,000,000
Research, engineering, and development (airport and airway trust fund)	66,000,000	70,000,000	55,000,000	66,500,000	62,095,000
Grants-in-aid for airports (airport and airway trust fund):					
Airport planning grants	15,000,000	3,000,000			
Liquidation of contract authorization	(100,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)
Obligation limitation	(280,000,000)	(280,000,000)	(280,000,000)	(310,000,000)	(300,000,000)
Federal payment to the airport and airway trust fund	[1] (73,397,000)				
Operation and maintenance, National Capital Airports	12,265,000	14,800,000	14,400,000	14,400,000	14,400,000
Construction, National Capital Airports	2,600,000	3,400,000	3,000,000	3,000,000	3,000,000
Total, Federal Aviation Administration	1,571,753,000	1,566,200,000	1,527,400,000	1,554,450,000	1,541,495,000
Federal Highway Administration					
Salaries and expenses (appropriation)	13,325,000	15,200,000	14,300,000	12,800,000	12,800,000
(By transfer)	(98,498,428)	[4] (106,000,000)	[4] (101,900,000)	(101,900,000)	(101,900,000)
Highway beautification:					
Administrative expenses	965,000	1,020,000	1,000,000	1,020,000	1,020,000
Liquidation of contract authorization	(12,000,000)	(35,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Obligation limitation	(40,000,000)	(55,000,000)	(45,000,000)	(55,000,000)	(50,000,000)
Highway-related safety grants (liquidation of contract authorization)	(12,000,000)	(10,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Obligation limitation	[5] (95,000,000)	[5] (90,000,000)	[5] (80,000,000)	(85,000,000)	(80,000,000)
Rail crossings-demonstration projects	2,000,000	18,000,000	10,000,000	18,000,000	14,000,000
Railroad-highway crossings demonstration projects				15,000,000	6,000,000
Territorial highways (liquidation of contract authorization)	(2,000,000)	(2,600,000)	(2,600,000)	(2,500,000)	(2,500,000)
Obligation limitation	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Darien Gap Highway	15,000,000	30,000,000	15,000,000	5,000,000	5,000,000
Federal aid highways (liquidation of contract authorization) (trust fund)	(4,891,990,000)	(4,320,000,000)	(4,315,900,000)	(4,315,900,000)	(4,315,900,000)
Right-of-way revolving fund (liquidation of contract authorization) (trust fund)	(35,000,000)	(16,000,000)	(4,000,000)		
Forest highways (liquidation of contract authorization)	(23,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
Obligation limitation	(20,000,000)	(16,000,000)	(18,000,000)	(18,000,000)	(18,000,000)
Public lands highways (liquidation of contract authorization)	(16,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Obligation limitation	(12,000,000)	(5,000,000)	(5,000,000)	(12,000,000)	(10,000,000)
Total, Federal Highway Administration	31,290,000	64,220,000	40,300,000	51,820,000	38,820,000

SUMMARY OF H.R. 8760

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1973 AND THE BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1974—Continued

[Note: All amounts are in the form of appropriations unless otherwise indicated]

Agency and item	New budget (obligational) authority, fiscal year 1973	Budget estimates of new (obligational) authority, fiscal year 1974	Version of bill: House	Version of bill: Senate	Version of bill: Conferees/ recommendation
(1)	(2)	(3)	(4)	(5)	(6)
National Highway Traffic Safety Administration					
Traffic and Highway Safety	$77,185,000	[6] $56,882,000	$44,632,000	$49,757,000	$44,757,000
By transfer			(9,000,000)	(9,000,000)	(9,000,000)
State and community highway safety (liquidation of contract authorization)	(70,000,000)	(100,557,000)	(100,000,000	(100,000,000)	(100,000,000)
Obligation limitation	[5] (95,000,000)	[5] (90,200,000)	[5] (80,000,000)	[5] (85,000,000)	(80,000,000)
Total, National Highway Traffic Safety Administration	77,185,000	56,882,000	44,632,000	49,757,000	44,757,000
Federal Railroad Administration					
Office of the Administrator, salaries and expenses	2,835,000	3,200,000	2,900,000	2,900,000	2,900,000
By transfer	[1] (56,000)				
Railroad research	10,350,000	13,000,000	10,500,000	10,350,000	10,350,000
Railroad safety	7,000,000	8,000,000	7,000,000	9,400,000	8,900,000
Grants-in-aid for railroad safety				1,500,000	1,500,000
High-speed ground transportation research and development	52,500,000	27,100,000	17,100,000	23,600,000	20,100,000
Grants to national railroad passenger corporation	9,100,000	93,000,000	[2] defer	115,500,000	102,100,000
Recision of unobligated balance				(−9,100,000)	−9,100,000
Emergency rail facilities restoration fund	[1] 34,748,000				
Total, Federal Railroad Administration	116,533,000	144,300,000	37,500,000	163,250,000	136,750,000
Urban Mass Transportation Administration					
Administrative expenses	6,542,000	7,000,000	5,200,000	5,000,000	5,000,000
Research, development, and demonstrations and university research and training	96,250,000	63,000,000	29,600,000	40,800,000	35,050,000
Earmarking language for:					
Research, development, and demonstrations	(93,250,000)	(60,000,000)	(27,100,000)	(37,800,000)	(32,300,000)
University research and training	(2,500,000)	(2,500,000)	(2,000,000)	(2,500,000)	(2,250,000)
Managerial training	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Liquidation of contract authorization	(232,000,000)	(380,000,000)	(380,000,000)	(380,000,000)	(380,000,000)
Obligation limitation	(1,000,000,000)	(1,000,000,000)	(980,000,000)	(1,000,000,000)	(985,550,000)
Total, Urban Mass Transportation Administration	102,792,000	70,000,000	34,800,000	45,800,000	40,050,000
Saint Lawrence Seaway Development Corporation					
Limitation on administrative expenses	(797,000)	(840,000)	(820,000)	(820,000)	(820,000)
Total title I, Department of Transportation	2,780,007,095	2,712,200,006	2,456,335,006	2,671,555,006	2,601,550,006
TITLE II					
RELATED AGENCIES					
National Transportation Safety Board					
Salaries and expenses	7,785,000	8,000,000	7,975,000	7,975,000	7,975,000
Civil Aeronautics Board					
Salaries and expenses	14,373,000	14,767,000	14,767,000	14,767,000	14,767,000
Payments to air carriers	80,800,000	66,431,000	66,431,000	66,431,000	66,431,000
Total, Civil Aeronautics Board	95,173,000	81,198,000	81,198,000	81,198,000	81,198,000
Interstate Commerce Commission					
Salaries and expenses	[1] 33,720,000	35,000,000	34,750,000	34,750,000	34,750,000
Payments on loan guarantees	[7] 12,000,000				
Total, Interstate Commerce Commission	45,720,000	35,000,000	34,750,000	34,750,000	34,750,000
The Panama Canal—Canal Zone Government					
Operating expenses	[1] 55,950,000	59,361,000	59,000,000	59,000,000	59,000,000
Capital outlay	4,500,000	4,500,000	3,500,000	3,500,000	3,500,000
Limitation on general and administrative expenses	(20,556,000)	(21,037,000)	(21,037,000)	(21,037,000)	(21,037,000)
Total, the Panama Canal	60,450,000	63,861,000	62,500,000	62,500,000	62,500,000
Washington Metropolitan Area Transit Authority					
Federal contribution	[8] 131,181,000	[9] 97,745,000	[9] 97,745,000	[9] 97,745,000	97,745,000
Interest subsidy	[1] 4,855,000	12,728,000	12,728,000	12,728,000	12,728,000
Total, WMATA	136,066,000	110,473,000	110,473,000	110,473,000	110,473,000
Commission on Highway Beautification					
Salaries and expenses	[1] 250,000				
Total, title II, related agencies	345,444,000	298,532,000	296,896,000	296,896,000	296,896,000
SUMMARY RECAPITULATION					
Total, titles I and II, new budget (obligational) authority	3,125,451,095	3,010,732,006	2,753,231,006	2,968,451,006	2,898,446,006
Consisting of:					
Appropriations:					
Fiscal 1973	(2,994,270,095)				
Fiscal 1974	(131,181,000)	(2,920,372,006)	(2,662,871,006)	(2,878,091,006)	(2,808,086,006)
Fiscal 1975		(90,360,000)	(90,360,000)	(90,360,000)	(90,360,000)
Memoranda:					
Appropriations to liquidate contract authorization	(5,393,990,000)	(5,075,157,000)	(5,050,500,000)	(5,046,400,000)	(5,046,400,000)
Appropriation for debt reduction	(164,905)	(174,994)	(174,994)	(171,994)	(171,994)
Recision of unobligated balance				(−9,100,000)	
Grand total	(8,519,606,000)	(8,086,061,000)	(7,803,903,000)	(8,005,923,000)	(7,945,018,000)

[1] Includes funds provided in 2d supplemental appropriation, Public Law 93-50.
[2] Amount not considered due to lack of legislative authorization; excluded from totals.
[3] Includes $3,500,000 for passenger screening systems.
[4] Excludes administrative costs of highway-related safety grants program.
[5] Includes obligations for "Highway related safety grants" and State and community highway safety.
[6] Excludes $35,063,000 which is not authorized.
[7] Plus interest to the date of payment.
[8] Advance appropriation for fiscal year 1974.
[9] Includes $90,360,000 advance appropriation for fiscal year 1975.

THE MINIMUM WAGE LAW

Mr. MANSFIELD. Mr. President, I have received a telegram from Mr. Joseph Beirne, president of the Communications Workers of America, expressing the hope that the Senate would complete action on the minimum wage law prior to the August recess and urging that such enactment be forwarded to the President for signature "if in your judgment" the President would sign that measure into law during the recess.

I have no assurance from the White House that if the minimum wage law were forwarded to the President he would sign it into law. On the contrary, I have received significant indications and signals from the Republican leadership in the Senate that the possibility is great that the President will not sign the bill.

I have also received signals and indications, very strong ones, from the White House to that effect, although not from the President of the United States.

It is for these reasons and because of these indications and lack of assurances that the minimum wage bill will not be forwarded to the President until later in the recess so that in the event the President chooses to veto the bill—which I sincerely hope he will not—he will be given the opportunity to state clearly his reasons for such a veto in the veto message and the Congress and the country will then be permitted a clear choice of action. The so-called "pocket veto" which otherwise would be available does not afford that choice.

Mr. President, I ask unanimous consent to have printed in the RECORD the telegram that I received from Mr. Beirne.

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

TELEGRAM

AUGUST 1, 1973.

MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.:

If, in your judgment, consideration of the conference report on minimum wage by the Senate before the congressional recess will result in immediate passage of the legislation and the President's signing it into public law then I urge you to bring the legislation to the floor for current action. The 550,000 men and women whom CWA represent in collective bargaining, seek enactment of a minimum wage law this year that would permit every working American to earn a salary that allows him the opportunity to provide for himself and his family in the face of spiraling prices, interest rates, and rents.

JOSEPH A. BEIRNE,
President,
Communications Workers of America.

AUTHORITY FOR CERTAIN ACTION TO BE TAKEN DURING THE ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Vice President, the President pro tempore, or the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions during the adjournment of the Senate with the exception of H.R. 7935, the minimum wage bill; and that with respect to H.R. 7935, the Vice President, the President pro tempore or the Acting President pro tempore be authorized to sign H.R. 7935 on or after August 25, 1973.

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

SENATE LEGISLATIVE ACTIVITY

Mr. MANSFIELD. Mr. President, as we near adjournment prior to the August recess, I would like to say a few words about our progress so far in the 93d Congress.

In January, the Democratic conference set as one of its goals the passage of legislation which came close to enactment into law during the 92d Congress, but which fell short because of pocket vetoes, disagreement in Senate-House conference, or failure to pass one of the two legislative bodies. It was felt that such legislation which had already been worked on extensively in committee and on the floor should be given priority. Of the 12 items in the first category of priority legislation—those measures pocket vetoed last year after adjournment of Congress sine die—four have now become public law. These measures are the Airport and Airway Development Act, the Older Americans Comprehensive Services Act, the National Cemeteries Act, and the Public Works and Economic Development Act. Four other bills in this category have also passed the Senate. One of these four, vocational rehabilitation, was passed for the third time in the face of White House resistance and is presently in conference. Only four bills subjected to pocket veto last year have not yet passed the Senate this year. The only major item in this category is the Labor-HEW appropriations bill which should reach the Senate floor in mid-September and be acted on quickly.

Of measures of major consequence which died in Senate-House conference in 1972, all four have been repassed by the Senate. I refer to the war power, antiaircraft hijacking, Federal aid highway, and minimum wage bills. The Federal-aid highway bill and the minimum wage bill have today been cleared for the President.

Of six bills which passed only the Senate in 1972, four have passed the Senate this year.

I submit a list of the priority legislation to which I have referred. It will be noted that of the 22 Senate-passed measures of the 92d Congress which were not enacted, 16, or more than 72 percent, have already been repassed by the Senate in 1973.

I also insert for the RECORD a status report on the measures of interest to the administration, as supplied to the Senate by the minority leader last week. It will be noted from this list that the Senate has already passed over 45 percent of these bills.

Other Senate-passed legislation of special mention, which are not on either of the two lists, include legislation for a social security benefit increase, the Alaska pipeline, a new farm program, and termination on August 15—of U.S. combat activity in Vietnam, Laos, and Cambodia.

When this list is added to the repassed measures and those of interest to the administration, the total output of legislation for 7 months of work represents an unusual achievement. It is a constructive record which derives from the hard work and cooperation of all members, Democrats and Republicans alike. My special thanks go to the distinguished minority leader, Mr. SCOTT, who is a great Republican and still greater Senator. I would also note the special and outstanding contributions of the very able and distinguished majority whip, Mr. ROBERT C. BYRD, and his counterpart on the Republican side, Mr. GRIFFIN. They have spent many hours—in dedicated labor on the floor and have facilitated greatly the flow of work. Additional thanks go to committee chairmen who have done an outstanding job and to all Members of the Senate who have performed with diligence and in mutual accommodation.

I also ask unanimous consent that a more detailed report on Senate legislative activity which was prepared by the Senate Democratic Policy Committee be inserted at this point in the RECORD.

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

LEGISLATION LEFT OVER FROM 92D CONGRESS—CURRENT 1973 STATUS

POCKET VETOED IN 1972: (12)

1. *Airport and Airway Development Act—Public Law 93-44.
2. *National Cemeteries—Public Law 93-43.
3. *Older Americans Act—Public Law 93-29.
4. *Public Works and Economic Development—Public Law 93-46.
5. †National Institute on Aging—S. 775 passed Senate 7/9/73.
6. †Veterans Medical Care—S. 59—Sent to President on July 23.
7. †Vocational Rehabilitation—S. 7 was vetoed. H.R. 8070 in conference.
8. †River and Harbors, Flood Control—S. 606 passed Senate 2/1/73.
9. Labor-HEW Appropriations—H.R. 8877—Subcommittee mark-up on September 11.
10. Environmental Data Centers—S. 1865—Hearings held.
11. Mining and Minerals Policy Amendments—S. 263 is pending in committee.
12. Deputy U.S. Marshals Pay—S. 1123—pending in committee.

DIED IN SENATE-HOUSE CONFERENCE IN 1972: (4)

1. †Anti-Aircraft Hijacking—S. 39 passed Senate 2/22/73.
2. †Highway Bill—S. 502—Cleared for President on August 3.
3. †Minimum Wage—H.R. 7935—cleared for President on Aug. 3.
4. †War Powers Act—H.J. Res. 542—In Conference.

PASSED SENATE ONLY IN 1972: (6)

1. †Fair Credit Billing—S. 2101—passed Senate 7/23/73.
2. †Land Use Policy—S. 268—passed Senate 6/2/73.
3. †Health Maintenance Organizations—S. 14—passed Senate 5/15/73.
4. †Victims of Crime—S. 800—passed Senate 4/3/73.
5. Consumer Product Warranties—S. 356 on Senate Calendar.

*Have become public law in 1973.
†Have passed the Senate in 1973.

6. Comprehensive Housing—S. 2182—Hearings in progress with mark-up in September (Administration proposals not due til mid September).

PASSED HOUSE ONLY IN 1972: (2)

1. Strip Mining Controls—S. 425—Executive mark-up in progress.

2. Consumer Protection Agency—S. 707—Held hearings; more scheduled in field.

REPORTED TO SENATE FLOOR IN 1972: (2)

1. No fault Insurance—S. 354—Ordered reported.

2. Pension Reform—S. 4 on Senate Calendar.

SENATE ACTION ON LEGISLATION OF INTEREST TO THE ADMINISTRATION

*1. Manpower Training—S. 1559 P/S July 24.

†*2. LEAA—H.R. 8152 Cleared for President August 2.

3. Better Communities—S. 1743 hearings in progress.

4. Better Schools—S. 1319 (S. 1539) hearings in progress.

5. Bicentennial Reorganization—H.R. 7446 P/H; Senate hearings complete.

*6. Election Reform Commission—S.J. Res. 110 P/S July 30.

7. DENR—S. 2135 hearings in progress.

8. Legal Services Corporation—(amendment to S. 1815) markup in early September.

9. Gas Deregulation—S. 2048 tentative hearings in fall.

*10. Alaska Pipeline—S. 1081 P/S July 17. P/H amended August 2.

11. Deep Water Ports—S. 1751 hearings in progress.

12. Trade Reform—H.R. 6767—House Committee Executive markup in progress.

13. Export Administration—S. 2053 hearings held.

14. Foreign Assistance—S. 2026 ordered reported by September 15.

15. Pensions—S. 4 (S. 1557) on Senate calendar.

16. Heroin Trafficking Act—S. 1300 pending in committee; some provisions in S. 800 which P/S April 3.

17. Capital Punishment—S. 1401 hearings complete. Rept. late September.

18. Criminal Code Reform—S. 1400 hearings in progress.

19. Stockpile Disposal—S. 1849 no hearings planned.

20. Reorganization Authority Extension—S. 2003 no hearings yet.

*21. CIEP Authority—S. 1636 conference report adopted by House August 3.

*22. Unemployment Compensation—provision in Public Debt Public Law 93–53.

*23. Flood Disaster—S. 606 P/S February 1.

*24. Toxic Substances—S. 426 in conference.

*25. Safe Drinking Water—S. 433 P/S June 22.

*26. Vocational Rehabilitation—H.R. 8070 in conference.

*27. Health Maintenance Organization—S. 14 P/S May 15.

*28. Northeast Railroad—S. 2060 P/S July 27.

*29. Federal Aid Highways—S. 502 cleared for President on Aug. 3.

*30. Urban Mass Transit—Contained in conference report on S. 502 which was cleared for President on Aug. 3.

*31. Par Value—H.R. 6912 conference report filed.

32. POW Tax Relief—H.R. 8214—Reported in House July 24.

33. Tax Reform—House has finished hearings.

*34. Farm Bill—S. 1888 cleared for President on Aug. 3.

35. Surface Mining—S. 425 Executive markup in progress.

*Passed Senate

SENATE LEGISLATIVE ACTIVITY

(93d Congress, 1st Session)

(By Senate Democratic Policy Committee), August 3, 1973

Days in Session	117
Hours in Session	667:15
Total Measures Passed	412
Public Laws	82
Treaties	9
Confirmations	37,636
Record Votes	362

Symbols: P/H—Passed House; P/S—Passed Senate; *Vetoed 1973; (VV)—passed by voice vote; numbers in parentheses indicate number of record vote on passage or reconsideration.

AGRICULTURE

Agriculture and Consumer Protection Act

Amends the Agricultural Act of 1970 and extends, in general, the present farm program, with the following and other provisions.

Target prices: Establishes for the 1974 through 1977 crops a new "target price" method of price-support payments for wheat, feed grains (corn, grain sorghums, and, if designated by the Secretary of Agriculture, barley), and cotton on all allotted acres using an established price, which is also the "target price" for the first two years of the program, and results in a target price of $2.05 per bushel for wheat, $1.38 per bushel for corn (with reasonable rates to be set for grain sorghums, and if designated, barley, in relation to the rate for corn), and 38 cents per pound for cotton for the 1974 and 1975 crops, with future target prices to be set by evaluating an established price in subsequent years and increasing or decreasing it to reflect changes in prices paid as shown by an index of production costs (production items, interest, taxes, and farm wage rates) published by the Department of Agriculture; provides under this method of payment, that a producer will receive a payment equal to the difference between the target price and the average price received by farmers the first 5 months of the marketing year or the loan level, with no payment to the producer if market prices are higher than or equal the target price, instead of, as at present, for wheat, payments on the domestic allotment only, and not on the export allotment, of the difference between the average market price for the first 5 months of the marketing year and 100 percent of parity, but not less than 75 percent of parity; for corn, payment of the difference between such average market price and the greater of $1.35 per bushel or 70 percent of parity, with a guarantee of 100 percent of parity on one-half the domestic allotment; for cotton, payment of the difference between such average market price and 35 cents per pound or 65 percent of parity adjusted according to the national base acreage allotment, including a minimum payment of 15 cents per pound whatever the market price;

Other provisions

Changes the present $55,000 per crop limitation on wheat, feed grains, and cotton to $20,000 per farmer applicable to income supplement payments only;

Suspends the wheat marketing certificate collections from processors on July 1, 1973; extends the suspension of wheat marketing quotas through 1977; provides for payments to farmers in the case of a natural disaster or other circumstances beyond a farmer's control that prevent the planting or harvesting of crops; provides for a cost-sharing program to eradicate the boll weevil or other major cotton insect;

Continues the dairy indemnity program; increases the minimum dairy support price on manufactured milk to 80 percent of parity for the balance of this marketing year and for the next marketing year, which ends March 31, 1975;

Continues the wool program; provides forestry incentives for small farmer forest owners; extends and expands the food stamp program;

Provides, regarding the rural environmental conservation program, a permanent requirement for 3, 5, 10 and 25 year contracts, and perpetual easements to carry out the purposes of the rural environmental assistance program (REAP), Great Plains, and water bank programs; provides 50 percent cost-sharing for rural firefighting equipment;

Provides that the Secretary of Agriculture shall establish a disaster reserve of inventories not to exceed 75 million bushels of wheat, feed grains, and soybeans for alleviating distress caused by a natural disaster; provides that 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 subsequent 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 are not available;

And contains other provisions. S. 1888. (181) Public Law 93—Approved 1973.

Census of agriculture

Authorizes and directs the Secretary of Commerce to submit, within 30 days of enactment of this resolution, an estimate of funds needed to carry out the statutory mandate for conducting a census of agriculture in 1974; requires that funds heretofore or hereafter appropriated for planning the 1974 census shall be utilized for such purpose; and directs the Secretary to take the necessary action to insure that the data acquired from the 1974 census be made public through appropriate publication as soon as practicable following the taking of such census. S.J. Res. 95 P/S June 22, 1973. (VV)

Emergency tobacco allotment transfer

Authorizes the Secretary of Agriculture to permit the transfer of tobacco acreage allotments across county lines in 1973 in 12 named counties in Georgia and South Carolina if he finds that one of the counties has suffered an overall loss of 10 percent or more in the number of acres of tobacco planted as a result of a natural disaster and that the lease will not impair the program and provides that the provisions of the act shall apply only to those farms which had suffered a loss of 30 percent or more in the number of acres of tobacco planted, in which case the transfer would have to be to a farm in the same or a nearby county within the State having an allotment for the same kind of tobacco. H.R. 9172. Public Law 93–80, approved August 1, 1973. (VV)

Feed grain set-aside program

Increases the payment rate for option B participants in the feed grain program to assure option B participants the same parity guarantees which option A participants now have. S. 1572. P/S April 18, 1973. (VV)

Forest service personnel level

Requires that the number of permanent, full-time Forest Service employees employed by the Department of Agriculture to carry out the activities of the Forest Service be maintained at not less than 450 above the June 30, 1973 ceiling of 20,404 permanent, full-time personnel. S.J. Res. 134. P/S July 20, 1973. (VV)

Indian River grapefruit promotion

Permits marketing orders for Florida Indian River grapefruit to provide for credit-

ing a handler's direct market promotion expenditures against his assessment for market promotion expenses under the order. S. 1945. P/S June 28, 1973. (VV)

Meat and poultry inspection amendments

Amends the Federal Meat Inspection Act and the Poultry Products Inspection Act to increase (beginning fiscal year 1974) the maximum Federal contribution to the cost of any State meat or poultry inspection system from 50 to 80 percent, and provides that the total cost of any cooperative arrangement for meat or poultry inspection purposes to be contributed under the Talmadge-Aiken Act (Public Law 87–718) shall be equal to the highest percentage contributed to any State under either of these acts. S. 1021. P/S April 2, 1973 (73)

Rabbit meat inspection

Makes rabbit meat inspection mandatory, at Federal cost, by extending the provisions of the Poultry Products Inspection Act to rabbits and rabbit products, and sets the effective date of the provisions of the bill at July 1, 1973. S. 43. P/S February 21, 1973. (VV)

Rice allotment transfer

Permits rice growers who are unable to plant part or all of their farm acreage allotments in 1973 because of flood or other natural disaster to transfer their allotments to other farms in the same or adjoining county. H.R. 6883. Public Law 93–27, approved April 27, 1973. (VV)

Rural electric and telephone loans

Amends the Rural Electrification Act of 1936, as amended, to provide a revised program for rural electric and telephone loans; creates a revolving fund with unlimited borrowing authority, for the making of insured rural electric and telephone loans; provides that such insured loans will bear interest at five percent to two percent, with two percent loans to be available only if the borrower (a) has an average subscriber density of two or fewer per mile; or (b) has an average gross revenue of at least $450 below the average (for electric borrowers) or $300 below the average (for telephone borrowers); or, if the Administrator of the Rural Electrification Administration, in his sole discretion, finds that (c) the borrower has experienced extenuating circumstances or severe hardship; or (d) cannot produce net income before interest of at least 150 percent of its total interest requirements and still meet the objectives of the act; or (e) cannot without an excessive rate increase provide service consistent with the act; authorizes the guarantee of rural electric and telephone loans made by other lenders with interest at rates agreed upon by borrowers and lenders; requires loans made for rural electric and telephone facilities under the Consolidated Farm and Rural Development Act to be refinanced under the Rural Electrification Act of 1936 at the request of the borrower; provides that financial transactions of the Fund in interim notes and insured obligations (section 304), insured loans and advances (section 305(a)), and guaranteed loans (section 306) are not to be included in the totals of the budget of the United States and shall be exempt from any limitation imposed by statute on expenditures and net lending (budget outlays) of the United States; and contains other provisions. S. 394, Public Law 93–32, approved May 11, 1973. (20,118)

Rural environmental assistance—REAP—and water bank programs

Requires the Secretary of Agriculture (1) to make payments under the rural environmental assistance program (REAP) in the full amount appropriated therefor, and (2) to enter into agreements under the water bank program to the full extent permitted by available appropriations therefor. H.R. 2107. P/H February 7, 1973; P/S amended March 1, 1973; In Conference. (26)

Rural water and waste disposal grant program

Requires the Secretary of Agriculture to make grants in the full amounts appropriated for the Farmers Home Administration water and waste disposal grant program which was terminated by the Department of Agriculture effective January 1, 1973. H.R. 3298. Vetoed April 5, 1973. House sustained veto April 10, 1973. (55)

Wheat referendum

Permits the wheat marketing quota referendum with respect to the national marketing quota for the 1974 crop (which, since the Agricultural Act of 1970 extends only to the 1973 crop, otherwise would be required to be held no later than August 1, 1973, for the 1974 crop) to be deferred until the earlier of October 15, 1974, or 30 days after the adjournment of the 1st session of the 93d Congress, thereby permitting Congress a further opportunity to develop new legislation. S. 1938. Public Law 93–68, approved July 10, 1973. (VV)

Woodsy Owl

Authorizes the Secretary of Agriculture to establish and collect use or royalty fees for the manufacture, reproduction, or use of the character and name, "Woodsy Owl," and the associated slogan "Give a Hoot, Don't Pollute," originated by the Forest Service; protects Federal use of the "Woodsy Owl" character by prohibiting the knowing manufacture, reproduction, or use of the Woodsy Owl character, facsimile, name, or slogan, except as authorized under rules and regulations issued by the Secretary of Agriculture; and imposes a fine of $250, or 6 months imprisonment, or both for unauthorized use. S. 1585. P/S June 14, 1973. (VV)

APPROPRIATIONS—1973

Further continuing appropriations, 1973

Extends the existing continuing resolution (Public Law 92–334) from February 28, 1973, to June 30, 1973, at the annual funding level, to provide further continuing appropriations for the activities covered by the Foreign Assistance and Related Programs Appropriation Act, the Departments of Labor and Health, Education, and Welfare, and Related Agencies Appropriation Act, neither of which have yet been enacted, and authorizes $6,224,000 for the American Revolution Bicentennial Commission; requires the President to submit periodic reports on impoundments to Congress; and contains other provisions. H.J. Res. 345. Public Law 93–9, approved March 8, 1973. (VV)

Second supplemental appropriations, 1973

Makes supplemental appropriations for the fiscal year ending June 30, 1973, in the amount of $3,362,845,279 for the following: Agriculture-Environmental and Consumer Protection; Defense; District of Columbia; Foreign Operations; Housing and Urban Development, Space, Science, and Veterans'; Interior and Related Agencies; Labor, and Health, Education and Welfare; Legislative; Public Works; State, Justice, Commerce, and Judiciary; Transportation; Treasury, Postal Service, and General Government; and Claims and Judgments; prohibits the expenditure of funds appropriated in this act to aid or assist in the reconstruction of North Vietnam; provides that no funds may be transferred on or after the effective date of this act under the authority of section 735 of the Department of Defense Appropriations Act, 1973, to support directly or indirectly U.S. combat activities in, over or from off the shores of Cambodia or in or over Laos by U.S. forces; and provides that "none of the funds herein appropriated under this Act or heretofore appropriated under any other Act may be expended to support directly or indirectly combat activities in, over or from off the shores of Cambodia or in or over Laos by U.S. forces;" prohibits the use of any appropriation contained in this or any other act for publicity or propaganda purposes for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress except in presentation to the Congress itself; and contains other provisions. H.R. 7447. Vetoed June 27, 1973. House sustained veto June 27, 1973. (155,218)

Contains identical sums and provisions for the various items of the several departments and agencies as in the vetoed bill; provides that no funds appropriated in this act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam); provides that none of the funds herein appropriated under this act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North and South Vietnam or off the shores of Cambodia, Laos, North and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other act may be expended for such purpose; and contains other provisions. H.R. 9055. Public Law 93–50, approved July 1, 1973. (354)

Urgent supplemental appropriations, 1973

Appropriates $1,368,600,000 for supplemental appropriations for fiscal year 1973 for the Civil Aeronautics Board, the Veterans Administration, the Department of Health, Education, and Welfare, and the General Services Administration, of which $122.1 million is for the basic educational opportunity grant program, $210.3 million for the supplemental educational opportunity grant program, $270.2 million for the college work-study program, and $269.4 for the direct student loan program under the Department of Health, Education, and Welfare, and provides additional funding for fiscal year 1973 to schools in Federally impacted areas. H.J. Res. 496. Public Law 93–25, approved April 26, 1973. (100)

APPROPRIATIONS—1974

Agricultural-environmental and consumer protection, 1974

Appropriates a total of $10,176,926,500 of new obligational authority for fiscal year 1974 of which $5,258,708,500 is for agricultural programs, $412,822,000 for rural development programs, $1,115,246,000 for environmental programs, and $3,390,150,000 for consumer programs. H.R. 8619. P/H June 15, 1973; P/S amended June 28, 1973. (245)

Continuing appropriations, 1974

Makes continuing appropriations to avoid interruption of continuing government functions until: (a) the enactment into law of an appropriation for any project or activity provided for in this joint resolution; or (b) enactment of the applicable appropriation act by both Houses without any provision for such project or activity; or (c) September 30, 1973, whichever first occurs; provides that new obligational authority under the act to carry out the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, as amended, shall not exceed an annual rate of $2.2 billion, and shall not be funded at a rate exceeding one quarter of such annual rate; provides that, notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia; provides that, unless specifically authorized by Congress, none of the funds herein appropriated under this joint resolution or heretofore appropriated under any other act may be expended for the purpose of providing assistance in the reconstruction or rehabilitation of the Democratic Republic of Vietnam (North Vietnam); and contains other provisions, H.J. Res. 636. Public Law 93–52, approved July 1, 1973. (253)

District of Columbia

Appropriates for the District of Columbia a total of $417,717,000 in Federal funds of which $187,450,000 represents the Federal payment to the District, and $955,731,200 in District of Columbia funds for fiscal year 1974. H.R. 8658. (302) Public Law 93–, approved 1973.

Housing and Urban Development, Space, Science, Veterans, and certain other independent agencies, 1974

Appropriates $19,118,373,063 in new budget obligational authority for fiscal year 1974 for the Department of Housing and Urban Development, Space, Science, Veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices. H.R. 8825. P/H June 22, 1973; P/S amended June 30, 1973; House agreed to conference report August 1, 1973. (VV)

Interior and related agencies

Appropriates $2,679,973,700 in new budget obligational authority for fiscal year 1974 for the Department of the Interior and related agencies including the U.S. Forest Service. H.R. 8917. P/H June 27, 1973; P/S amended August 1, 1973; In conference. (350)

Legislative branch

Appropriates a total of $640,558,952 for the legislative branch for fiscal year 1974 including $91,013,353 for the Senate; $145,021,350 for the House of Representatives; $36,143,499 for joint items of both Houses of Congress; $3,980,000 for the Office of Technology Assessment; $63,348,400 for the Architect of the Capitol of which $18 million is included to enable the architect to restore the West Front of the Capitol without change of location or change to the present architectural appearance; $860,200 for the Botanic Garden; $82,371,150 for the Library of Congress; $112,471,000 for the Government Printing Office; $103,850,000 for the General Accounting Office; and $1,500,000 for the Cost-Accounting Standards Board. H.R. 6691. P/H April 18, 1973; P/S amended July 19, 1973; In conference. (300)

Public Works for Water and Power Development and Atomic Energy Commission

Appropriates $4,749,403,000 in new budget obligational authority for fiscal year 1974 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 Commission, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions. H.R. 8947. Public Law 93– , approved 1973. (305)

Transportation and related agencies

Appropriates $2,898,466,006 in new budget obligational authority for fiscal year 1974 for the Department of Transportation including: the Coast Guard; Federal Aviation, Federal Highway, National Highway Traffic Safety, Federal Railroad, and Urban Mass Transportation Administrations; and the St. Lawrence Seaway Development Corporation; and for related agencies: the National Transportation Safety Board, Civil Aeronautics Board, Interstate Commerce Commission, Panama Canal, and $90 million advance appropriations for fiscal year 1975 for the Washington Metropolitan Area Transit Authority. H.R. 8760. Public Law 93– , approved 1973.

CONGRESS

Budget message, economic report, and impounded funds

Extends to January 29, 1973, the time for the President to submit to Congress the budget for fiscal year 1974; extends to January 31, 1973, the time for transmittal of the economic report; extends the time for the Joint Economic Committee to file its report on the President's economic report not later than March 10, 1973; and requires the President to transmit to Congress by February 10, 1973, a report with respect to all funds impounded from October 27, 1972, and before January 29, 1973, and from July 1, 1972, and before October 27, 1972. H.J. Res. 1. Public Law 93–1, approved January 19, 1973. (VV)

Committee meetings—rule XXV

Amends Senate rule XXV to provide that meetings for the transaction of business of each standing committee of the Senate shall be open to the public, except during closed sessions for marking up bills, for voting, or when the committee by majority vote orders a closed session: Provided that any such closed session may be open to the public, if the committee by rule or majority vote so determines. S. Res. 69. Senate adopted March 6, 1973. (28)

Congressional and Supreme Court pages

Provides for replacement of the existing congressional and Supreme Court page corps with an older group of pages (18 to 21 years of age) who would not require the after-hours supervision many feel is necessary for the younger pages; repeals the authority in existing law for the construction of a residential page classroom and dormitory building; and contains other provisions. S. 2067. P/S July 12, 1973. (VV)

Federal Constitutional Convention Procedures Act

Provides the procedural machinery necessary to effectuate that part of article V of the Constitution of the United States which authorizes a convention called by the States to propose specific amendments to the Constitution; clarifies congressional authority with regard to the specific procedures for a constitutional convention called by the States; and contains other provisions. S. 1272. P/S July 9, 1973. (VV)

Federal Impoundment Control Procedures Act

Requires, in Title I of the bill, Impoundment Control Procedures, that the President, when a budget authority is impounded, shall send a special message to the Congress specifying the amount of the budget authority impounded, the reasons therefor, and to the extent practicable, the estimated fiscal, economic, and budgetary effect thereof; provides that, unless Congress acts to ratify the impoundment, or if it acts to disapprove it, by concurrent resolution within 60 days of continuous session after receipt of the message, that the obligation of the budget authority is mandatory and those funds may not be reimpounded; sets in Title II of the bill, a ceiling of $268 billion on expenditures and net lending for fiscal year 1974; provides that the President shall reserve such amounts as may be necessary to keep within the ceiling, and that the reservations shall be made proportionately by functional category, and where practicable, subfunctional category, as set out in the 1974 U.S. Budget in Brief, with the exception that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance grants under Title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries; and contains other provisions. S. 373. P/S May 10, 1973; P/H amended July 25, 1973; In conference. (126, 127)

Joint economic report—extension

Extends from March 10, 1973, to April 1, 1973, the time for the Joint Economic Committee to submit its report on the President's Economic Report. H.J. Res. 299. Public Law 93–7, approved February 16, 1973. (VV)

PRESIDENTAL ELECTION CAMPAIGN OF 1972

Select Committee on Presidential Election Campaign Activities

Establishes a Select Committee on Presidential Campaign Activities, consisting of 7 members of the Senate, to conduct an investigation and study of the extent to which illegal, improper, or unethical activities were engaged in by persons acting either individually or in combination with others in the presidential election campaign of 1972, and to determine whether, in its judgement, there is a necessity to enact new legislation to safeguard the electoral process by which the President of the United States is elected; provides for the appointment, by the President of the Senate, of the 7 member panel to consist of 4 members of the majority party and 3 members of the minority party, upon the recommendation of their respective leaders; empowers the committee to make a complete investigation and study of matters relating to the breaking, entering, and bugging of the Democratic National Committee in the Watergate Building in Washington, D.C., and sets the time for the committee to file a report of its findings at not later than February 28, 1974; authorizes an amount not to exceed $500,000 for committee expenses to be paid from the contingent fund of the Senate; and contains other provisions. S. Res. 60. Senate adopted February 7, 1973. (13)

Amends S. Res. 60 to increase the authorization for expenses of the Select Committee on Presidential Election Campaign Activities through February 7, 1974, from $500,000 to $1 million of which not to exceed $40,000 shall be available for the procurement of the services of individual consultants or organizations thereof. S. Res. 132. Senate adopted June 25, 1973. (VV)

Special prosecutor for Watergate investigation

States as a sense of the Senate that the President should (1) immediately designate an individual of the highest character and integrity outside the Executive Branch to serve as special prosecutor for the government of the United States in any and all criminal investigations, indictments, and actions arising from any illegal activity by any persons, acting individually or in combination with others, in the Presidential election of 1972, or any campaign, canvass, or other activity related to it; (2) grant such special prosecutor all authority necessary and proper to the effective performance of his duties; and (3) submit the name of such designee to the Senate, requesting a resolution of approval thereof. S. Res. 105. Senate adopted May 1, 1973. (VV)

Rules of evidence—congressional consideration

Provides that notwithstanding any other provisions of law, that the proposed Rules of Evidence for United States Courts and Magistrates, the Amendments to the Federal Rules for Civil Procedure, and the Amendments to the Federal Rules for Criminal Procedure which are contained in the orders entered by the Supreme Court on November 20, 1972, and December 18, 1972, and transmitted to Congress by the Chief Justice on February 5, 1973, shall have no force and effect except to the extent, and with such amendments, as they may be expressly approved by Act of Congress. S. 583. Public Law 93–12, approved March 30, 1973. (VV)

Secret government documents

Establishes an ad hoc committee of the Senate to conduct a study and submit to the Senate by June 30, 1973, a report and recommendations on all questions relating to the secrecy, confidentiality, and classification of government documents committed to the Senate or any member thereof. S. Res. 13. Senate adopted January 9, 1973. (VV)

SENATE CONFIRMATION OF NOMINATIONS

Certain Federal offices

Requires that future appointments to fill vacancies in the offices of the head of the new Mining Enforcement and Safety Administration, the Director of the Bureau of Land Management, the National Park Service, and the Bureau of Outdoor Recreation, the Commissioner of Reclamation, and the Governor of American (Eastern) Samoa shall be made by the President by and with the advice and consent of the Senate and provides that such appointees shall serve at the pleasure of the President for a term of not to exceed 4 years subject to reappointment and confirmation. S. 1828. P/S July 25, 1973. (316)

Cost of Living Council

Requires that appointments to the Office of Director of the Cost of Living Council shall be made by the President by and with the advice and consent of the Senate. S. 421. P/S January 23, 1973. (VV)

Executive Office appointees

Requires that appointments by the President to fill the offices of Executive Secretary of the National Security Council and the Executive Director of the Domestic Council, which are made after the effective date of this act, shall be subject to Senate confirmation, and provides that if the International Economic Policy Act of 1972 is extended beyond its present expiration date of June 30, 1973, the Executive Director of the Council on International Economic Policy also shall be appointed by and with the advice and consent of the Senate, and that no individual shall serve in that office after that date unless so appointed. S. 590. P/S May 9, 1973. (122)

Heads of executive departments

Provides that the head of any executive department as defined in 5 U.S.C. 101 (the Departments of State; Treasury; Defense; Justice; Interior; Agriculture; Commerce; Labor; Health, Education, and Welfare; Housing and Urban Development; and Transportation) shall serve for a term of 4 years, subject to Senate confirmation, beginning at noon on January 20 of the year in which the term of the President appointing such department head begins, except that (1) the term of the head of any executive department serving on the date of the enactment of this act shall begin on such date and expire at noon on January 20, 1977, and (2) a person appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall serve only for the unexpired portion of that term, thus requiring that Cabinet officials retained by a President serving a second term must be confirmed by the Senate prior to reappointment; provides that nothing in this act shall be construed to affect the power of the President to remove any department head; and contains other provisions. S. 755. P/S May 2, 1973. (106)

Office of Management and Budget

Abolishes and reestablishes as new offices the offices of Director and Deputy Director of the Office of Management and Budget and provides that the offices shall be filled by the President by and with the advice and consent of the Senate, with the provisions of this act to take effect 30 days after enactment. S. 518. Vetoed May 18, 1973; Senate overrode veto May 22, 1973; House sustained veto May 23, 1973. (6,144)

Amends the Budget and Accounting Act, 1921, to provide a 4 year term of office for the offices of Director and Deputy Director of the Office of Management and Budget beginning on January 20 of the year the President's term begins, except that the terms of the present incumbents shall expire January 20, 1977, and provides that an appointment made when a vacancy occurs before the expiration of the incumbent's term shall be made only for the unexpired portion of the term; requires that appointments by the President to fill the offices of Director and Deputy Director be subject to the advice and consent of the Senate; provides that this requirement is to become applicable to either office if the incumbents are reappointed or immediately after the individual holding the office ceases to hold the office; transfers from the President to the Office of Director, Office of Management and Budget, all of the functions which were vested by law in the Bureau of the Budget, and its Director, and transferred to the President by Reorganization Plan No. 2 of 1970; and contains other provisions. S. 37. P/S June 25, 1973. (210)

Establishes a 4 year term of office for the offices of Director and Deputy Director of the Office of Management and Budget beginning on January 20 of the year the President's term begins, except that the terms of the present incumbents shall expire January 20, 1977, and provides that an appointment made when a vacancy occurs before the expiration of the incumbent's term shall be made only for the unexpired portion of the term; requires that appointments by the President to fill the offices of Director and Deputy Director be subject to the advice and consent of the Senate, and provides that this requirement is to become applicable to either office upon expiration of the term or immediately after the individual holding the office ceases to hold the office; requires that the Executive Director of the Domestic Council and the Executive Secretary of the National Security Council shall be appointed by the President by and with the advice and consent of the Senate, and provides that this requirement shall apply to appointments made to these offices after the date of enactment of this act. S. 2045. P/S June 25, 1973. (211)

War Powers Act

Provides that, in the absence of a declaration of war by Congress, the Armed Forces may be introduced in hostilities, or in situations where imminent involvement in hostilities is indicated by the circumstances, only (1) to respond to attacks or the imminent threat of attacks upon the United States (including its territories and possessions, (2) to repel attacks or forestall the imminent threat of attacks against the Armed Forces of the United States and, (3) to rescue endangered citizens and nationals of the United States located in foreign countries under certain circumstances; provides that use under other than these three specified emergency circumstances must be pursuant to specific statutory authorization and is not to be inferred from any provision of law, including appropriations and treaties unless such authority is explicitly provided; requires the President to report to the Congress promptly on the use of forces in hostilities; provides that the use of the armed forces under the emergency conditions described in the bill shall not be sustained beyond 30 days unless: (1) the President determines and certifies to Congress the need for their continued use to repel an attack or threat of attack on the United States or its Armed Forces located outside the United States, (2) the Congress is physically unable to meet as a result of an armed attack, or (3) the Congress specifically authorizes such action; provides that this act shall take effect on the date of enactment; and contains other provisions. H.J. Res. 512. P/H May 21, 1973; P/S amended July 20, 1973; In conference. (303)

CRIME JUDICIARY

Amendments of 1973 to Federal Laws Relating to Explosives

Amends section 845(a) of title 18 U.S.C. to entirely exempt commercially manufactured black powder, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches, and friction primers intended to be used solely for sporting, recreational or cultural purposes in antique firearms and certain antique devices from regulation under title XI of the Organized Crime Control Act of 1970 (P.L. 91–452) relating to explosives, and amends section 921(c)(4) of title 18 U.S.C. to add language exempting from the term "destructive device" in the Gun Control Act of 1968 (P.L. 90–618) antique devices such as small, muzzle-loading cannon used for recreational an cultural purposes. S. 1083. P/S July 13, 1973. (278)

Antitrust Procedures and Penalties Act

Changes certain specifics in the manner in which consent decrees in civil antitrust cases are formulated by providing that the district court shall make an independent determination as to whether or not the entry of a proposed consent decree is in the public interest as expressed by the antitrust laws by (1) encouraging additional comment by interested parties, (2) requiring that the Department of Justice file a public impact statement, and (3) requiring the defendant to disclose all communications made on behalf of the firm relating to the consent decree other than those made exclusively by counsel of record; increases the fines for criminal violations of the Sherman Act from $50,000 to $100,000 for individuals and $500,000 for corporations; amends the Expediting Act to require that final judgments and interlocutory orders in certain civil antitrust cases if appealed, be heard by the circuit courts of appeals; eliminates the provision that a three-judge court be impaneled in civil actions where the United States is the plaintiff under the Sherman or Clayton Antitrust Acts or certain sections of the Interstate Commerce Act upon the filing by the Attorney General with the district court of a certificate that the cases are of general public importance; provides for direct appeal to the Supreme Court from final judgments of the district court only in cases certified by the district judge upon the application of either party to be of general public importance; and contains other provisions. S. 782. P/S July 18, 1973. (293)

Civil remedies for victims of racketeering activity and theft

Amends title 18 of the United States Code to strengthen civil remedies for victims of racketeering activity and provide a civil action for damages resulting from violations of section 659 title 18 of the United States Code, which relates to crime involving propperty in interstate or foreign commerce. S. 13. P/S March 29, 1973. (VV)

Commission on Bankruptcy Laws

Requires the Commission on Bankruptcy Laws of the United States to submit a comprehensive report of its activities, including its recommendations, to the President, the Chief Justice of the United States, and the Congress prior to July 31, 1973; provides for termination of the Commission 30 days after the submission of its final report; and provides that appropriated funds shall remain available until expended or until the Commission ceases to exist. H.J. Res. 499. Public Law 93–56, approved July 1, 1973. (VV)

Crime Control Act of 1973

Extends the Department of Justice Law Enforcement Administration (LEAA) program for three years and authorizes appropriations therefor of $1 billion for each of fiscal years 1974 and 1975, and $1.25 billion for fiscal year 1976; vests all policy and administrative authority in the Administrator and replaces the two Associate Administrators by a Deputy Administrator for Policy Development and a Deputy for Administrative Management; strengthens Federal supervision over the States' planning process; requires a program for the improvement of juvenile justice as part of the comprehensive State plan; increases the minimum planning allocation to each State from $100,000 to $200,000 to assure the continued flow of adequate funds to cities; requires regional planning boards to include a majority of

local elected officials; places time limits on plan approval in order to expedite funds flow; revises the matching fund requirements to eliminate non-cash matching; reduces the non-Federal matching share from 25 to 10 percent with the new 90 to 10 matching ratio to apply to all grants requiring matching-planning, action, and corrections improvements grants; requires, with a limited transition time for waiver, States to contribute in the aggregate, at least 50 percent of the local share of the costs of both planning and action programs by increasing the State "buy-in" for action grants from 25 to 50 percent, and from 0 to 50 percent for planning grants, and adds "buy-in" provisions regarding corrections grants; retains and strengthens the law enforcement education program; and contains other provisions. H.R. 8152. Public Law 93– , approved 1973. (VV)

Methadone Diversion Control Act of 1973

Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91–513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practitioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. P/S June 8, 1973. (VV)

Public Safety Officers' Benefits Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide a gratuity of $50,000 to the dependents of public safety officers killed in the line of duty where the crime or death occurs on or after October 17, 1972, and authorizes the Law Enforcement Assistance Administration to make an interim payment, not to exceed $3,000, to an entitled dependent when it is determined such person is eligible to receive the gratuity under the provisions of this act. S. 15. P/S March 29, 1973. (VV)

Public Safety Officers' Group Life Insurance Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to establish a means of meeting the financial needs of public safety officers or their surviving dependents through group life, accidental death, and dismemberment insurance (the amount of coverage to be based on individual salary with a minimum coverage of $10,000 and a maximum coverage of $32,000) and to assist State and local governments to provide such insurance. S. 33. P/S March 29, 1973. (VV)

Revision of the jurisdiction of three-judge courts

Amends sections 2281, 2282, 2284, and 2403 of title 28, United States Code, to eliminate the requirement for special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality; provides for the retention of three-judge courts when otherwise required by act of Congress or in any case involving apportionment of congressional districts or the apportionment of any statewide legislative body; clarifies the composition and procedure of three-judge courts in cases where they will continue to be required; and insures the right of States to intervene in cases seeking to enjoin State laws on the ground of unconstitutionality. S. 271. P/S June 14, 1973. (VV)

Runaway Youth Act

Authorizes the Secretary of Health, Education, and Welfare to make grants and to provide technical assistance to localities and nonprofit private agencies for the purpose of developing local facilities to deal primarily with the immediate needs of runaways in a manner which operates outside the law enforcement structure and juvenile justice system which are designed to shelter young people for a short period of time, rather than on a long term basis, and supply such medical care and counseling as needed, and are equipped to provide a program of field counseling for the runaway and his family after the runaway has moved to permanent living facilities; authorizes funds to conduct research on the scope of the runaway problem in this country focusing on but not limited to "the age, sex, socioeconomic background of the runaway children, the places from which and to which children run, and the relationship between running away and other illegal behavior;" authorizes therefor the appropriation of $10 million for each of fiscal years 1974, 1975, and 1976; and contains other provisions. S. 645. P/S June 8, 1973. (VV)

Territorial franchises in the soft drink industry

Amends the Federal Trade Commission Act and the anti-trust laws to clarify the circumstances under which exclusive territorial licenses to manufacture, distribute, and sell trademarked soft drink products shall not be deemed unlawful; provides that if the requirements of this bill are met, relevant territorial provisions in which a trademark owner grants licensees the right to manufacture, distribute, and sell trademarked soft drink products in specifically defined geographic areas are not only lawful but enforceable through judicial proceedings; makes lawful license provisions which have the effect of precluding indirect evasions of the license agreement, thus protecting the exclusive territorial rights of one licensee from direct or indirect sales by the licensor or any of its other licensees into his defined geographic area so long as there is substantial and effective competition within his territory; and contains other provisions. S. 978. P/S June 11, 1973. (VV)

Victims of Crime Act of 1973

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to establish a direct Federal crime compensation program for territorial areas of direct Federal concern to provide a means of meeting the financial needs of the innocent victims of violent crime, intervenors acting to prevent the commission of a crime or assisting in the apprehension of suspected criminals, or their surviving dependents; establishes an independent board to administer the program; defines the acts or omissions considered to be crimes for purposes of the program; sets the amount of $100 as the minimum amount for which a claim may be filed and the amount of $50,000 as the maximum amount of a claim; creates a Criminal Victim Indemnity Fund in the Treasury to consist of moneys from (1) criminal fines paid in the various courts of the United States, (2) additional appropriated funds, and (3) contributed funds; authorizes the appropriation of $5 million for fiscal year 1973 and, until specific appropriations are made, authorizes the use of funds appropriated for the Department of Justice or the Law Enforcement Assistance Administration; authorizes the use, through the established mechanisms of the Law Enforcement Assistance Administration, of LEAA grant funds on the usual 75–25 percent basis to assist substantially comparable State programs. S. 300. P/S March 29, 1973. (VV)

Victims of Crime Act of 1973 (omnibus)

Establishes a Federal crime compensation program for territorial areas of direct Federal concern for innocent victims of violent crime, intervenors, or their surviving dependents, and provides for Federal assistance to substantially comparable State programs; provides group life insurance coverage for public safety officers or their surviving dependents, and assistance to States and local governments to provide such insurance; provides gratuities for dependents of public safety officers killed in the line of duty; strengthens civil remedies for victims of racketeering activity; provides for additional sentences for persons convicted in a United States court of a felony threatening life or property when a firearm is used or carried during the commission of the felony; provides for additional sentencing of persons as a public menance who are convicted of the manufacture, distribution, or dispensing of one-tenth or more of pure heroin or morphine, who are not addicts at the time of the offense; and contains other provisions. S. 800. P/S April 3, 1973. (78)

DEFENSE

Coast Guard authorization, 1974

Authorizes a total appropriation of $109,239,000 for the Coast Guard for fiscal year 1974 for the procurement of vessels and related pollution abatement programs and an additional helicopter and helicopter search and rescue station, and for construction of shore and offshore establishments and bridge alterations; continues the LORAN-A electron navigation system and authorizes the replacement of equipment for the LORAN-C and approves expansion of the LORAN-C West Coast Project; authorizes an end year strength of 37,607 for active duty personnel; and contains other provisions. H.R. 5383. Public Law 93–65, approved July 9, 1973. (VV)

Defense production act amendment

Terminates the borrowing authority mechanism by which all program operations under the Defense Production Act have been financed since the initiation of the original 1950 act and substitutes conventional appropriation methods for any future operations. S. 1980. P/S August 2, 1973. (VV)

Dependents Assistance Act of 1950 amendments

Makes permanent in the law certain provisions of the Dependents Assistance Act of 1950, as amended, which expire July 1, 1973, as follows: (1) continues the current monthly rates for quarters allowances for junior enlisted members, (2) removes the provision in title 37, U.S.C., that junior enlisted members are considered at all times to be without dependents, (3) removes the requirement that junior enlisted members must allot part of their pay before they can receive the higher quarters allowance authorized for members having dependents, (4) provides secretarial authority to grant hardship discharges for certain enlisted members with dependents, (5) establishes procedures for determining dependency of parents, (6) provides that aviation cadets receive the same quarters allowance as an E–4, and (7) provides that monthly quarters allowance to dependents of members shall not, for such period as the Secretary may prescribe, be contingent on a pay status thus permitting payment when an enlisted member is AWOL or incarcerated by a foreign government prior to trial; authorizes a basic allowance for quarters for junior enlisted members in the reserve and guard while on active duty for

training for less than 30 days; repeals section 207 of the Career Compensation Act of 1949 which contains obsolete provisions regarding the reenlistment bonus; eliminates certain other provisions of law which are either obsolete or are covered elsewhere in existing law; extends for two years, to July 1, 1975, the authority to pay special pay to physicians, dentists, veterinarians, and optometrists; permits a member to claim as a dependent an unmarried, acknowledged, illegitimate child; extends for one year, to July 1, 1974, the bonus authority for certain enlistments in the combat arms of the armed forces; extends until December 31, 1973, the date after which members in the rank of colonel or equivalent (0–6), or above, in noncombat assignments are no longer entitled to flight pay; provides that the act shall become effective July 1, 1973; and contains other provisions. H.R. 8537. Public Law 93–64, approved July 9, 1973. (VV)

Disposals from national stockpiles

Authorizes the disposal from the national stockpile of various materials, as follows:

ABACA—approximately 25 million pounds. H.R. 4682. Public Law 93–48, approved June 22, 1973. (VV)

SISAL—approximately 100 million pounds. H.R. 4682. Public Law 93–48, approved June 22, 1973. (VV)

Opium (Morphine content)—approximately 141,600 pounds for immediate disposal. S. 2166. P/S July 28, 1973. (VV)

Promotions of military personnel in a missing status

Amends section 552(a) of title 37, United States Code, to insure that promotions of personnel carried as missing are valid for all purposes, including Federal benefits to survivors, even when the date of death of the missing member is later determined to have occurred prior to the promotion date. S. 1493. Public Law 93–26, approved April 27, 1973. (VV)

Sale of naval vessels stricken from the Naval Register

Amends section 7305 of title 10 United States Code, which permits the sale of naval vessels under strict advertised sealed bid procedures, to provide that no vessel of the Navy may be sold in any manner other than that provided by section 7305, or for less than its appraised value, unless the sale thereof is specifically authorized by law enacted after June 30, 1973, with the exception of a written agreement of sale entered into prior to June 30, 1973, thereby precluding the sale of stricken vessels, including those on loan which may be stricken from the Naval Register prior to loan expiration, to foreign nations under the general category of defense articles under Public Law 90–629, the Foreign Military Sales Act of 1946. S. 1773. P/S May 21, 1973. (VV)

DISTRICT OF COLUMBIA

Authorization for certain programs and activities

Provides legislative authorization for 26 activities, considered necessary for effective operation of the District of Columbia which were previously authorized only in the annual appropriations act; directs the District Government Public Service Commission to conduct a study of the adequacy of service and regulation of the taxicab industry in the District and to report their recommendations to Congress within 9 months; and contains other provisions. H.R. 8250. P/H June 11, 1973; P/S amended August 2, 1973. (VV)

District of Columbia Charter Act

Establishes the District of Columbia as a body politic and corporate in perpetuity by enacting a District of Columbia Charter Act which would restore to the citizens of the District of Columbia some measure of self-government; requires that a referendum be held within four months following enactment to determine whether the registered voters of the District accept this Charter Act; provides in the Charter Act for the election of a mayor and an eleven-member City Council, of which the Chairman and two members shall be elected at large and the other members from each of the eight wards, and transfers to it the functions of the present Mayor-Commissioner and nonelected Council; gives the Council local legislative power in addition to that heretofore delegated by Congress under Reorganization Plan No. 3 of 1967, including additional taxing and borrowing power subject to certain enumerated restrictions and to the overriding power of Congress to repeal, amend, or initiate local legislation and to nullify individual acts of the Council; ensures Congressional supervision over the District by providing that an act of the Council on any subject not presently delegated to the existing Council under Reorganization Plan No. 3, after approval by the Mayor, shall go into effect only if neither House of Congress passes a resolution disapproving such act during the next 30 days of continuous session of Congress which would, in effect, require the Council to pass legislation only when Congress is in session and has 30 days to review it; provides for an annual payment by the Federal Government to the District of Columbia to be computed as a percentage of local tax effort (with the specific restriction that the District may not tax residents of any other State) of 37.5 percent for fiscal year 1974 and 40 percent for fiscal year 1975 and succeeding fiscal years; provides for the supervision of fiscal affairs of the District by the General Accounting Office; authorizes the President to take such action during the transition period between the enactment of the bill and the first meeting of the Council as he deems necessary to enable the Board of Elections to properly perform its functions and authorizes to the District, on a reimbursable basis, $750,000 to pay the expenses of the Board of Elections; and contains other provisions. S. 1435. P/S July 10, 1973. (264)

District of Columbia Insurance Act

Establishes a post-assessment insurance guaranty fund to be known as the District of Columbia Insurance Guaranty Association, obligated, in the event an insurance company becomes insolvent, to pay all covered claims of policyholders; increases the amount of paid-up capital each domestic capital stock and mutual life insurance company is required to have in order to transact business in the District from $200,000 to $1 million, the amount of coverage available under group term life insurance to maximums of $100,000 or 300 percent of compensation and a minimum of $30,000 the amount of paid-up capital stock and surplus required of all stock companies licensed under the Fire and Casualty Act from $300,000 to $600,000, the surplus requirement for domestic mutual companies from $150,000 to $300,000, the amount for foreign mutuals from $200,000 to $400,00, and the amount of a contract with the District government for which a bond is required from $2,000 to $10,000; and contains other provisions. H.R. 4083. Public Law 93– , approved 1973. (VV)

Dulles and Friendship Airports transit lines

Amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to make payments to the Transit Authority in such amounts as may be requisitioned by the Transit Authority to finance the cost of designing and other necessary planning for a rail rapid transit line in the median of the Dulles Airport road to the Dulles International Airport; provides for the Secretary to contract with the Transit Authority for a comprehensive study of the feasibility of extending a rail rapid transit line in the median of the Baltimore-Washington Expressway to the Friendship International Airport; and authorizes therefor an additional appropriation of not to exceed $10 million to carry out the purposes of this act. S. 2047. P/S July 9, 1973. (261)

Election law

Amends the District of Columbia Election Act as follows: changes the filing deadline for nominating petitions from 45 to 60 days before an election; eliminates the 90 day durational residency requirement for voting in the District; authorizes the Board of Elections to use volunteers in connection with voter registration drives and non-partisan voter education efforts; reduces the signature requirements for third party candidates for President from 5 percent to 1 percent of the registered voters; grants the Board of Elections the authority to enact rules and regulations to carry out responsibilities and duties given to it under the Election Act; extends the period of time provided under the Election Act for the Board of Elections to rule on the validity of challenged ballots from 7 to 10 days; provides for polls to open at 7:00 a.m. on election days; provides for the term of newly-elected members to the Board of Education to begin 30 days after the certification of their election; eliminates the run-off election for the Delegate to Congress; and contains other provisions. H.R. 6713. Public Law 93– , approved 1973. (VV)

International center complex

Authorizes an additional appropriation of $2.2 million for improvements to the land (streets, sidewalks, water mains, etc.) which was transferred to the Department of State under the authority of Public Law 90–553, for use as sites for foreign chanceries. S. 1235. Public Law 93–40, approved June 12, 1973. (VV)

John F. Kennedy Center for the Performing Arts

Authorizes an appropriation of $2,400,000 for fiscal year 1974, and $2,500,000 for fiscal year 1975, to the Secretary of the Interior for maintenance, security, information, interpretation, janitorial, and all other nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. S. 1759. Public Law 93–67, approved July 10, 1973. (VV)

National Visitor Center Facilities Act of 1968 Amendments

Amends the National Visitor Center Facilities Act to authorize the appropriation of $8,680,000 for construction necessary to complete the alteration and renovation of Union Station as a National Visitor Center, and to direct that the Secretary of the Interior provide interpretive transportation services in or between the National Visitor Center, the Capitol Grounds, the Mall, the Ellipse, the John F. Kennedy Center for the Performing Arts, East and West Potomac Park, and such other visitor facilities as may be established pursuant to the National Visitor Center Facilities Act. H.R. 5857. Public Law 93–62, approved July 6, 1973. (VV)

Robert F. Kennedy Memorial Stadium

Amends section 8 of the Public Buildings Act of 1959 to authorize the Armory Board to borrow $1.5 million to increase the seating capacity of the Robert F. Kennedy Memorial Stadium by up to 8,000 seats for football games and causes 50 percent of the revenues derived from such seats to be the sole security for any loan that the Armory Board might receive. H.R. 6330. Public Law 93–72, approved July 10, 1973. (VV)

ECONOMY-FINANCE

American Revolution bicentennial coins and private ownership of gold

Authorizes the Treasury to change the design on the reverse side of the dollar, half dollar and quarter dollar coins to commemorate the Bicentennial of the American Revolution between July 4, 1975, and Janu-

ary 1, 1977, and directs that all coins covered by this act will bear the date "1776–1976" in place of the date of coinage; provides that no provision of law in effect on the date of enactment of this act may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold; provides that the joint resolution of June 5, 1933 (31 U.S.C. 463), prohibiting the use of gold as public tender for debts shall remain in full force and effect; provides that the provisions of the act pertaining to gold shall take effect on January 1, 1975, or earlier if the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States monetary position; and contains other provisions. S. 1141. P/S July 11, 1973. (VV)

Ceilings on deposit interest rates

Extends from June 1, 1973, until August 1, 1974, the authority of the Federal Bank Regulatory Agencies to establish flexible ceilings on the rate of interest payable on time and savings deposits by Commercial Banks, Mutual Savings Banks, and Savings and Loan Associations. S.J. Res. 128. Public Law 92–63, approved July 6, 1973. (VV)

Duty suspensions

Caprolactam Monomer in Water Solution

Retroactively extends from December 31, 1972, to December 31, 1973, the temporary suspension of duty on imports of caprolactam monomer in water solution, and contains other provisions. H.R. 6394. Public Law 93–79, approved July 30, 1973. (VV)

Copper

Reinstitutes a suspension of the import duty on certain forms of copper for 1 year, to June 30, 1974, and establishes the "peril point" below which the duty suspension becomes inapplicable at the domestic price of 51 cents per pound. H.R. 2323. Public Law 93–77, approved July 20, 1973. (VV)

Dyeing and Tanning Materials

Reinstates the temporary suspension of duties on imports of certain dyeing and tanning materials including logwood to September 30, 1975, and provides that the duty suspension shall apply to all entries after September 30, 1972, the date on which the previous suspension of duties terminated. H.R. 3630, Public Law 93– , approved 1973. (VV)

Istle Fiber and End of Freeze on Agricultural Products

Continues the existing suspension of duty on certain istle to September 5, 1975; provides that the President shall make appropriate adjustments in the maximum price which may be charged under Executive Order 11723, June 13, 1973, for any agricultural commodity (at any point in the distribution chain) which the Secretary of Agriculture certifies will be reduced to unacceptably low levels of supply as a result of the freeze and that alternative means for increasing the supply are not available. H.R. 2261. P/H June 27, 1973; P/S amended June 30, 1973. (259)

Manganese Ore

Continues for a 3-year period, through June 30, 1976, the existing suspension of duty on certain manganese ore which is principally used for metallurgical purposes in the production of steel. H.R. 6676. Public Law 93– , approved 1973.

Metal Scrap

Continues for an additional 2 years, to July 1, 1975, the temporary suspension of the duties on certain metal waste and scrap principally such scrap as iron and steel, aluminum, magnesium, nickel, and nickel alloys, as provided for by item 911.12 of the Tariff Schedules. H.R. 2324. Public Law 93–78, approved July 30, 1973. (VV)

East-West Trade Policy Resolution

Affirms the Congress' general support for increased commercial and non-commercial relations with the nonmarket economy countries, principally the Union of Soviet Socialist Republics, the People's Republic of China, and Eastern Europe. S.J. Res. 131. P/S June 30, 1973. (VV)

Economic Stabilization Act Amendments of 1973

Extends for 1 year, to April 30, 1974, the Economic Stabilization Act of 1970 which authorized the President to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries; gives the President authority to establish, after public hearings, priorities of use and an allocation system of supplies of petroleum products, including crude oil, in order to meet essential needs in various sections of the country and to prevent anti-competitive effects which could develop from shortages of petroleum products; exempts workers earning less than $3.50 an hour from wage controls; states as the intent of Congress that nothing in this act be construed to authorize or require the President to impound or withhold funds appropriated, authorized, or authorized to be obligated by the Congress; requires business enterprises required to make price reports to the Cost of Living Council (firms with annual sales or revenues of $250 million or more) to make public disclosure of reports, except for proprietary information or trade secrets, which cover periods during which the firm charges a price for a substantial product that is 1.5 percent over the price lawfully in effect for such product on January 10, 1973, or on the date 12 months preceding the end of such period, whichever is later; and contains other provisions. S. 398. Public Law 93–28, approved April 30, 1973. (53)

Federal Financing Bank

Provides for a Federal Financing Bank through which the marketing of Federal and federally assisted borrowing activities can be centralized; provides for advance submission of financing plans to the Secretary of the Treasury and for Treasury approval of the method and source of financing, timing, rates of interest, maturities, and all other financing terms and conditions of certain obligations issued or sold by Federal agencies or guaranteed by Federal agencies in the securities markets; states as the sense of Congress that the United States should take the necessary measures, including appropriate international measures, to enable it to sell gold from its gold stocks to licensed domestic users at desirable times, taking into account international circumstances, to stabilize domestic gold markets and improve our balance of payments; and contains other provisions. S. 925. P/S June 22, 1973. (VV)

Financial institution structure and regulation

Extends until December 31, 1973, the authority of the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to regulate in a flexible manner the interest rates or dividends payable by insured banks on time and savings deposits and by members of the Federal Home Loan Bank system on deposits, shares, or withdrawable accounts; prohibits NOW accounts by which a depositor may remove funds from a savings account through the use of a negotiable order of withdrawal except that such accounts are permitted in the States of Massachusetts and New Hampshire, the only two States in which such accounts are presently being offered; amends the National Housing Act to place, in general, a statutory prohibition until June 30, 1974 on the approval by the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation of conversions from the mutual to stock form by savings and loan associations whose accounts are or could become insured by the corporation; permits Federal savings and loan associations and national banks to invest in State housing corporations incorporated in the State in which the association or bank is located; establishes a new procedure for payment by insured savings and loan associations of premiums into the reserve fund of the Corporation; and contains other provisions. H.R. 6370. Public Law 93– , approved 1973. (VV)

Housing and Urban Development Laws and Authorities Temporary Extension

Extends the authority of the Secretary of Housing and Urban Development to carry out its basic housing and community development programs under the National Housing Act for 1 year, to June 30, 1974, and authorizes therefor an appropriation of $1,943 million; extends the Federal Housing Administration (FHA) insuring programs; provides continued authority for the Urban Renewal, Model Cities, Open Space, Neighborhood Facilities, Rehabilitation Loans, Comprehensive Planning and New Communities programs; extends the flexible interest rate authority of the Secretary, in consultation with the Administrator of the Veterans' Administration, to set interest rate ceilings for FHA mortgage insurance programs and VA guaranteed loans; expands protections for homebuyers by authorizing expenditures for the correction of defects in homes financed under certain FHA programs; assures that Federal housing assistance programs are carried out to the full extent authorized by the Congress; requires the Secretary in processing and approving applications for assistance to give priority to any State or unit of local government which is adversely affected by a reduction in the level of expenditure of employment at any Department of Defense installation; and contains other provisions. H.J. Res. 512. P/H May 21, 1973; P/S amended July 20, 1973. House adopted conference report August 1, 1973. (304)

Provides for a temporary extension through October 1, 1973 of Farmers Home Administration insurance authority and the flexible interest rate authority under the rehabilitation loan authority under the Housing Act of 1964, which expired June 30, 1973, and provides for temporary waiver of certain limitations applicable to GNMA. S.J. Res. 144. Public Law 93– , approved 1973. (VV)

Interest Equalization Tax Extension Act of 1973

Extends the application of the interest equalization tax for 15 months, to June 30, 1974; provides, with certain exceptions, that the interest equalization tax exclusion for stock or debt obligations issued by a less developed country corporation shall not apply to stock or debt obligations issued by a less-developed country shipping corporation after January 29, 1973; provides for an exclusion from the interest equalization tax for: original or new issues of stock or debt obligations; stock acquired by conversion of a debt obligation if no additional consideration is paid and the debt obligation itself qualifies for the exclusion; or for a debt obligation issued to refund or refinance an original or new issue which qualified for the exclusion, to finance direct investment in the United States except for the acquisition and exploitation of natural resources, subject to the foreign issuer or obligor agreeing to meet certain conditions with respect to that investment for a period of ten years; provides that a qualified lending or financing corporation, or a U.S. corporation engaged in a lending or financing business through offices located outside the United States, may use domestic source funds to lend for qualified

export credit transactions or to buy goods made in the United States for leasing or sale outside of the United States; requires the Secretary of the Treasury to study the effect on international monetary stability of the Canadian exemption from the interest equalization tax and make a report to the Congress not later than September 30, 1973; and contains other provisions. H.R. 3577. Public Law 93–17, approved April 10, 1973. (VV)

National Banks Investment in Agricultural Credit Corporations

Permits a National Bank to purchase for its own account a minority stock interest in an agricultural credit corporation providing the amount invested at any one time shall not exceed 20 percent of the bank's unimpaired capital and surplus. S. 1884. P/S June 28, 1973. (VV)

Par value modification

Directs the Secretary of the Treasury to take the necessary steps to establish a new par value of the dollar of $1 equals 0.828949 Special Drawing Right (SDR) or the equivalent in terms of gold of $1 equal 0.023684 of a fine troy ounce of gold, thus devaluating the U.S. dollar by 10 percent and changing the official price of gold from $38 to $42.22 per ounce; requires the President, whenever any funds are impounded by an officer or employee of the United States, to transmit within 10 days to both houses of Congress a special message identifying the amount, date, department or agency affected, period of time, reasons for, and the fiscal, economic and budgetary effect as far as is practicable, regarding the impoundment; requires the cessation of the impoundment within 60 days of continuous session after the message is received by the Congress unless the Congress acts by ratifying the specific impoundment by concurrent resolution, or if the Congress disapproves the impoundment in whole or in part by concurrent resolution, and provides that the effect of failure to ratify or of disapproval shall not only make the obligation of the budget authority mandatory but also preclude the reimpoundment of that specific budget authority; sets a ceiling of $268 billion on expenditures for fiscal year 1974, and provides a mechanism by which the Executive Branch can reduce expenditures by proportional cuts by budget category in order to stay within the ceiling if appropriations exceed it; provides that, after submission of the Budget and upon recommendation of the President, the Congress shall prescribe a ceiling on expenditures every fiscal year; directs the Secretary of the Treasury to prescribe regulations requiring the submission of reports on foreign currency transactions; repeals, effective December 31, 1973, sections 3 and 4 of the Gold Reserve Act of 1934, and provides that no provision of law shall be construed to prohibit any person from purchasing, holding, selling, or dealing in gold; provides that no funds may be obligated or expended to provide assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress, and contains other provisions. H.R. 6912. P/H May 29, 1973; P/S amended May 30, 1973; Conference report filed. (VV)

Public debt limit extension

Continues the present debt limitation level of $465 billion by extending the current temporary debt limit of $65 billion from June 30, 1973, through November 30, 1973; extends unemployment insurance benefits in States whose rate of insured unemployment is at least 4.5 percent without regard to present eligibility requirements regarding the rate in the prior 2 years or whether 13 weeks have expired since the last State extended benefit period, until such time as the State's insured unemployment rate drops below 4 percent; extends for one year the authorization for project grants under the maternal and child health program scheduled to expire June 30, 1973, and provides for a transition in funding to a State-coordinated program; requires the presidential campaign checkoff provisions on the income tax return form to be placed in a nonpartisan form on the front page of the return or by the side of the page where signature is required, and contains other provisions. H.R. 8410. Public Law 93–53, approved July 1, 1973. (242, 258)

Purchase of U.S. Obligations by Federal Reserve Banks

Extends for 1 year, from June 30, 1973, to June 30, 1974, the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. S. 1410, P/S June 27, 1973. (VV)

Railroad Retirement Act Amendments

Simplifies administration of the social security minimum guaranty provision contained in section 3(e) of the Railroad Retirement Act by permitting the Board to disregard postretirement earnings for purposes of all guaranty provision calculations of an employee benefit; liberalizes the eligibility conditions for children's benefits under the act to conform with the liberalizations provided in such benefits under the Social Security Act by Public Law 92–603 whereby a survivor benefit will be paid as follows: after adoption by anyone, instead of only by a close relative; to a child for a disability which began before age 22 instead of age 18; to a student child after age 22 in some cases; to a dependent grandchild who is treated as a child of his grandparent; and extends kidney disease medicare coverage to railroad employees, their spouses, and their dependent children on the same basis as such coverage is now provided for persons insured under the Socialy Security Act. H.R. 7357. Public Law 93–58, approved July 6, 1973. (VV)

Securities laws amendments

Amends the Securities Exchange Act of 1934 to establish a clear, congressional policy that membership on national securities exchanges is not to be denied to financial institutions so long as brokerage commission rates on those exchanges remain fixed; also provides that at such time as commission rates become competitive (when national securities exchanges cease to maintain or enforce fixed rates of commission, or April 30, 1976, whichever is later) all members of national securities exchanges must cease executing exchange transactions for their affiliates and the institutional accounts which they manage, and would thus, upon the elimination of fixed commission rates, prohibit financial institutions and securities firms which manage institutional accounts from using exchange memberships for their own benefit or for the benefit of such account; provides for a two year transition period following the last date upon which a national securities exchange maintains or enforces fixed rates of commission or April 30, 1976, whichever is later, in order to allow exchange members relying upon the income from performing brokerage for managed institutional accounts to phaseout this combination of functions; gives the Securities and Exchange Commission (SEC) the authority to regulate the manner in which members of national securities exchanges may trade from on or off the floor of an exchange for their own account and for the account of their affiliates, which, accordingly, will have the authority to control the trading of financial institutions, as long as it is not inconsistent with the purpose of this proposed legislation, which are exchange members during the period before the elimination of fixed commission rates; amends the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to permit a mutual fund manager or investment adviser to cause a fund or client to pay commissions to a broker in excess of the commissions being charged by other brokers for effecting similar transactions, if that broker provides research services of value to the fund or client and the adviser makes appropriate disclosures concerning such payments, as the SEC may require; amends the Investment Company Act to remove the existing uncertainty as to the legality of the transfer for profit of a controlling interest in a mutual fund management company, and provides that a controlling interest in such a management company may be sold at a profit provided that for three years after the transaction at least 75 percent of the directors of the funds are independent of the new and old investment advisers and that the transaction does not impose an "unfair burden," as defined, on the fund; and contains other provisions. S. 470. P/S June 18, 1973. (193)

Securities Processing Act

Amends the Securities Exchange Act of 1934 as amended by vesting in the Securities and Exchange Commission (SEC) the power and the responsibility to direct the evolution of clearance and settlement methods employed by national securities associations and by broker-dealers engaged in interstate commerce; requires clearing agencies and securities depositories to register with and report to the SEC, and empowers the Commission to review and amend the rules of such entities; directs the Commission to proceed toward elimination, by December 31, 1976, of the negotiable stock certificate as a means of settlement in transactions between brokers and dealers, and to report to the Congress annually through 1976 on its progress with recommendations it might have for further legislation to eliminate the stock certificate; prohibits the imposition of State and local taxes in such a way as to inhibit unreasonably the development of an efficient national clearing and depository system; directs the Commission to consider the practice of registering securities in "street name" to determine whether such registration is consistent with the policies of the Securities and Exchange Act of 1934 and whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of "street name" registration; requires registration and reporting by transfer agents; and contains other provisions. S. 2058. P/S August 1, 1973. (VV)

EDUCATION

Education of the Handicapped Amendments of 1973

Extends the Education of the Handicapped Act (Public Law 91–230) for three years, through fiscal year 1976, and authorizes therefor a total appropriation of $643.7 million; adds four new leadership positions at the Bureau of Education of the Handicapped to assist the associate commissioner in carrying out his duties; continues the advisory committee through July 1, 1976, at an annual authorization of $100,000; makes grant authorizations for preschool and school programs to the States of $65 million for fiscal year 1974, $80 million for fiscal year 1975, and $100 million for fiscal year 1976; requires each State to set forth a plan of the procedures it will use to identify, locate and evaluate every handicapped child in that State, to submit the plan to the Commissioner of Education for approval by December 31, 1974, to consider any amendment to the State plan a required portion of the State plan after June 30, 1975, and to establish policies and procedures to protect the confidentiality of data and information collected by the State; provides that no State shall expend funds for doing the plan required unless that State receives an amount greater than the amount allotted to that State in fiscal year 1973 and raises the minimum each State may receive from $200,000 to $300,000, increases the maximum allowable funds for

administration and planning from $100,000 to $200,000, and provides that unless the aggregate of the amounts allotted to the States in fiscal year 1974 is $45 million or more these provisions shall not apply; authorizes for the three year period a total of $48 million for deaf/blind centers and services, $75 million for early childhood education, $37 million for regional resource centers, $1.5 million for recruitment and information, $135 million for manpower and personnel training, $42 million for research in the education of the handicapped, $55 million for handicapped persons, and $27.5 million for special programs for children with specific learning disabilities; amends the Higher Education Act of 1965, as amended, by allowing an institution to be eligible for funds if 10 percent of its current undergraduate body is composed of GI bill trainees; provides an entitlement of not less than 90 percent of funds obtained in the preceding year to local educational agencies which qualify for a phaseout of impact aid over a 5 year period if: (a) the local educational agencies experience a 10 percent decrease in the number of federally connected children during either of fiscal years 1974 or 1975, or (b) if such a decrease occurs in the 2 year period beginning July 1, 1973, and if these decreases are due to a cessation or decrease of activities announced after April 16, 1973; and contains other provisions. S. 895. P/S June 25, 1973 (VV)

National Commission on the Financing of Postsecondary Education

Extends the authorization of the National Commission on the Financing of Postsecondary Education and changes the date on which it must make its final report from April 30, 1973; provides that if fiscal year 1973 appropriations are $385 million or less for the basic educational opportunity grant program that the basic grants shall be limited to full time freshman students. H.J. Res. 393. Public Law 93–35, approved May 16, 1973. (VV)

GENERAL GOVERNMENT

American Revolution Bicentennial Commission

Authorizes an appropriation of $2,868,000 between February 16, 1973, and June 30, 1973, for expenses of the American Revolution Bicentennial Commission, of which not to exceed $1,200,000 would be for grants-in-aid to the States. H.R. 3694. Public Law 93–11, approved March 15, 1973. (VV)

Arctic winter games authorization

Authorizes an appropriation of $150,000 to the Secretary of Commerce for the purpose of assisting the financing of the Arctic Winter Games to be held in Alaska in 1974 and provides for disbursement of such funds on such terms and under such conditions as the Secretary deems appropriate. S. 907. P/S June 18, 1973. (VV)

Atomic Energy Commission authorizations, 1974

Authorizes a total appropriation of $2,055,000 for the Atomic Energy Commission for fiscal year 1974 of which $1,740,750,000 is for operating expenses and $688,305,000 for plant and capital equipment including construction, acquisition or modification of facilities, land acquisition, and acquisition and fabrication of capital equipment not related to construction, and contains other provisions. S. 1994. Public Law 93–60, approved July 6, 1973. (206)

Commission on highway beautification—extension

Extends to December 31, 1973, the date for the Commission on Highway Beautification to submit to the President and the Congress its final report concerning implementation of the Highway Beautification Act of 1965 and authorizes therefor an additional appropriation of $250,000. S.J. Res. 42. Public Law 93–6, approved February 16, 1973. (VV)

Council on International Economic Policy

Amends title II of the International Economic Policy Act of 1972 to provide that, instead of serving as Chairman, the President shall designate a Chairman of the Council on International Economic Policy (CIEP) from among its statutory members; provides that the Executive Director of CIEP may appoint and fix salaries for members of the CIEP staff without regard to the provisions of title 5, U.S.C., governing appointments in the competitive service except, however, for personnel performing functions now performed by career personnel in the Office of the Special Trade Representative (STR) which will, in the future, be merged with CIEP; provides that effective June 30, 1973, the Executive Director of CIEP shall be appointed by the President subject to confirmation by the Senate; and authorizes therefor the appropriation of $3 million for each of fiscal years 1974 and 1975. S. 1636. P/S June 22, 1973; P/H amended June 28, 1973; House adopted Conference report August 3, 1973. (VV)

Disaster relief

Emergency disaster bill

Authorizes and directs the President to make grants to units of local government and State and local public agencies for predisaster assistance for fire suppression, tree removal, and reforestation work on public and private lands in the counties of Alameda and Contra Costa, California, to reduce the fire threat caused by a freeze in December of 1972 which killed tens of thousands of eucalyptus trees throughout the area; provides for reimbursement to property owners for actual or reasonable costs in carrying out tree removal activities on private property; and directs the President to exercise the authority conferred on him by section 221 of the Disaster Relief Act of 1970 to carry out the provisions of this act in order to avert or lessen the effects of a major disaster. S. 1697. P/S May 21, 1973. (VV)

Emergency Loan Program For Disaster Areas

Amends the Farmers Home Administration emergency loan program under the Consolidated Farm and Rural Development Act, which was curtailed by the Department of Agriculture by action announced on December 27, 1972, to provide a source of funds for farmers and ranchers in areas determined to be disaster areas by either the Secretary of Agriculture or the President; eliminates certain features, including the loan forgiveness feature and low interest rates, which became a part of the emergency loan program as a result of the Disaster Relief Act of 1970, Public Law 91–606, and the "Agnes-Rapid City" Act, Public Law 92–385; requires the Secretary to make, insure or guarantee loans to eligible applicants; sets the maximum interest rate on loans at 5 percent; requires that applicants be unable to obtain credit elsewhere at reasonable rates; makes it mandatory that the Secretary designate areas eligible for emergency loans where the criteria for such designation exists; repeals section 232 of the Disaster Relief Act of 1970, which effective July 1, 1973, requires the Secretary of Agriculture to cancel a part or all of the principal amount of certain loans and charge interest at a rate to be determined by the Secretary of the Treasury; applies the same interest rate to and eliminates the forgiveness feature for Small Business Administration disaster loans made under the Small Business Act in connection with any disaster occurring on or after the date of enactment of this act; and contains other provisions. H.R. 1975. Public Law 93–24, approved April 20, 1973. (66)

Domestic volunteer service act (ACTION)

Provides for the operation of all domestic volunteer service programs by the ACTION Agency, which was established by Reorganization Plan No. 1 of July 1, 1971, in a single piece of enabling legislation; authorizes appropriations for fiscal years 1974 and 1975 for the ACTION Agency's programs: VISTA (Volunteers in Service to America), the Peace Corps, the Foster Grandparent Program, RSVP (Retired Senior Volunteer Program), UYA (University Year for ACTION Program), the Service Corps of Retired Executives and the Active Corps of Executives; authorizes funds, for the first time, for administrative purposes; provides for new voluntary activities to meet a broad range of human and social needs beyond the strict anti-poverty programs including programs to provide alternatives to the incarceration of youthful offenders, to promote educational and job opportunities for returning veterans and to provide community-based peer group counseling and outreach for drug abuses; provides for two new older American programs: "Senior Health Aides" and "Senior Companions" modeled on the Foster Grandparent program; and contains other provisions. S. 1148. P/S July 18, 1973. (VV)

Emergency Petroleum Allocation Act of 1973

Grants to the President temporary authority until March 1, 1975, to deal with a national energy crisis involving extraordinary shortages of crude oil and petroleum products, or dislocations in their national distribution system, which he may delegate to the Secretary of the Interior or other agency head he deems appropriate; provides that the President shall designate an agency to supervise compliance and promulgate regulations under the act; authorizes that agency to require periodic reports from those subject to the act, subpena witnesses and documents, and to request the Attorney General to bring action to enjoin acts and practices in violation of the act; directs the establishment of an Office of Emergency Fuel Allocation within that agency to receive complaints from State and local governmental units concerning lack of gasoline or fuel oil supplies or price increases in violation of this act, which shall be empowered to order that adequate supplies be made available to communities threatened with the disruption of essential public services; directs the President within 30 days of enactment, after public hearings, to have published priority schedules, plans, and regulations for the allocation or distribution of crude oil and any refined petroleum product which is or may be in short supply nationally or in any region of the United States and authorizes temporary allocation in emergency situations pending their promulgation; provides that the President shall allocate or distribute, pursuant to the priority schedules, plans and regulations, any liquid fuel, whether crude or refined, or imported or domestically produced, which is in extraordinary short supply nationally or regionally; provides that the regulations shall include standards and procedures for determining or reviewing prices of allocated fuels; directs the President to use his authority under this act and existing law to assure adequate crude oil supplies to all refineries; establishes an allocation formula concerning sales to independent refiners and to independent dealers by producers or importers of more than 200,000 barrels per day of crude petroleum and/or natural gas liquids with the provision that this allocation program may be replaced or amended by the priority schedules, plans, and regulations issued to implement this act; provides that actions taken pursuant to the Economic Stabilization Act of 1970, as amended, shall continue in effect until modified or rescinded by or pursuant to this act; contains in sections 108–110 entitled the "Fair Marketing of Petroleum Products Act," provisions for the protection of dealers concerning supply and price and for the protection of franchised dealers in regard to cancellation of a franchise; authorizes suit by a retailer or dis-

tributor in the appropriate United States district court, without regard to the amount in controversy, against a distributor or refiner which engages in prohibited conduct; and contains other provisions. S. 1570. P/S June 5, 1973. (162)

Energy Policy Act of 1973

Creates in the Executive Office of the President a three member Council on Energy Policy to be appointed by the President by and with the advice and consent of the Senate which shall serve as the principal adviser to the President on energy policy; be a focal point for the collection, analysis, and interpretation of energy statistics; coordinate the energy activities of the Federal Government and provide leadership for State governments and other persons involved in energy actiivties; prepare a long-range comprehensive plan (the Energy Plan), to be updated annually, for energy development, utilization, and conservation; and, is to review all legislative recommendations and reports sent to Congress and, if it disapproves, send to the President and the Federal agency involved a statement in writing of its position and reasons therefor; directs the Council to prepare and submit to the President and the Congress on or before January 1, 1974, and annually thereafter, an energy report to accompany the Energy Plan including estimates of energy needs for the ensuing ten-year period, discussion of sources of supply for meeting those needs, and an evaluation of trends in price, quality, management, and utilization of energy resources; authorizes the Comptroller General to monitor and evaluate the operations of the Council and report to Congress with respect to Federal energy programs including his recommendations; authorizes appropriations for the purposes of the act of $1 million for fiscal year 1974, $2 million for fiscal year 1975, and $4 million for each subsequent fiscal year; and contains other provisions. S. 70. P/S May 10, 1973. (123)

Exemption of Federal Judiciary from charges for space and services

Relieves the Federal Judiciary and the U.S. Tax Court from all administrative duties in the calculation of charges for service, maintenance, repair, space, quarters or other facilities as required by section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, by requiring the Administrator of the General Services Administration to provide such administrative services. S. 2079. P/S June 28, 1973.

Federal Election Campaign Act Amendments

Repeals the equal time requirement of Section 315 of the Communications Act as it applies to elective Federal office; makes at least 15 minutes of free time available to each of the candidates, whoever he may be; repeals the existing limitation on media and telephone spending with a total limitation on all expenditures by or on behalf of a candidate for Federal elective office; places a ceiling of 10 cents in the primary and 15 cents in the general election, multiplied by the estimate voting age (18 or over) population in the congressional district or the State, respectively; limits the expenditures by a Presidential candidate in any one State to the amount that a candidate for Senator from that State is entitled to spend; provides a floor as follows: permits expenditures of at least $175,000 (without regard to the amount reached by using the multiplication formula) for all Senatorial candidates, Delegates, Resident Commissioners, and candidates for the House of Representatives in States which are entitled to only one Representative and permits expenditures of $90,000 by candidates for the House of Representatives from a State entitled to more than one representative; places a limit of $3,000 on the amount that may be contributed to any candidate in any one year by any one contributor; places a limit of $25,000 in the aggregate on the amount which an individual may contribute to a political committee or on behalf of any candidate; places, except for the central campaign committee or the State campaign of a candidate, the national committee of a political party, or the Democratic or Republican Campaign Committees of the Senate or House of Representatives, a limit of $3,000 on the amount political committees may contribute to candidates for the Congress and for the Presidency; prohibits expenditures of over $1,000 by an independent individual on behalf of a candidate without certification by the candidate that the payment of that charge will not exceed the expenditure limitation for that candidate; creates a Federal Election Commission to administer and enforce the act; contains provisions for assistance to the States for voter registration; and contains other provisions. S. 372. P/S July 30, 1973 (344)

Federal Election Reform Commission

Establishes an independent commission, to be known as the Nonpartisan Commission on Federal Election Reform to conduct an extensive and exhaustive study of the practices engaged in by political parties and individuals in the course of Federal political campaigns; to consider the advisability of changing the term of office of Members of the House of Representatives, or the Senate, or the President of the United States; to make recommendations for such legislation, constitutional amendment, or other reforms as its findings indicate, and in its judgment are desirable to revise and control the practices and procedures of political parties, organizations, and individuals participating in the Federal electoral process; and contains other provisions. S.J. Res. 110. P/S July 30, 1973. (VV)

Federal elections

Sets a time for the holding of primary elections or nominating conventions for choosing candidates for election to the offices of U.S. Senator, Representative, Delegate, or Resident Commissioner by providing that they shall be held at any time during the period beginning on the first Tuesday in August; provides that a political party which nominates its candidate for election to the office of President by holding a national nominating convention shall hold that convention beginning on the third Monday of August of the year in which the President and Vice President are elected; makes election day, the first Tuesday next after the first Monday in November, in 1976, and every second year thereafter a national holiday; provides that the act shall take effect on January 1, 1976; and contains other provisions. S. 343. P/S June 27, 1973. (229)

Flood insurance

Amends the Housing and Urban Development Act of 1968 to increase from $2.5 billion to $4 billion the limitation on the face amount of flood insurance coverage authorized to be outstanding. S.J. Res. 26. Public Law 93–4, approved February 2, 1973. (VV)

Increases the authority for the Federal flood insurance program from $4 billion to $6 million. S.J. Res. 112. Public Law 93–38, approved June 5, 1973. (VV)

Foreign Service Building Act amendments

Authorizes a total of $59,611,000 for fiscal years 1974 and 1975 for the Foreign Buildings program administered by the Department of State of which $13,811,000 is for new construction, acquisition and development, and $45,800,000 is for operations. H.R. 5610. Public Law 93–47, approved June 22, 1973. (VV)

Fuel allocation; Hobby Protection Act

Provides for the establishment of a mandatory petroleum allocation program; amends the Economic Stabilization Act to provide that the President shall, with respect to the price level of beef, permit the passthrough of increases in raw agricultural product costs incurred since June 8, 1973, on the same basis as is permitted for meat and food products other than beef; provides protection for coin, token, and other collectors by requiring the marking of imitation numismatic and political items in order to prevent their being sold or traded as originals; and contains other provisions. S. 1880. P/S August 2, 1973. (357)

Government Printing Office

Provides that certifying officers of the Government Printing Office be responsible for the vouchers they certify for payment to the disbursing officer in the same way as other certifying officers of the Government; and contains other provisions. S. 1794. P/S June 28, 1973. (VV)

Grants the Public Printer the authority to adopt an official Government Printing Office seal which would have judicial recognition, and to designate employees to administer and certify oaths. S. 1795. P/S June 28, 1973. (VV)

Amends the Act of October 30, 1965, 40 U.S.C. 759(e), known as the "Brooks Bill" to restore full authority to the Joint Committee on Printing in the field of printing and binding, and thereby continue the responsibility for the administration of the contract on marginally punched continuous forms in the Government Printing Office under the direction of the Joint Committee on Printing. S. 1802. P/S June 28, 1973. (VV)

Maritime authorization, 1974

Authorizes appropriations for fiscal year 1974 for programs of the Maritime Administration within the Department of Commerce in the amount of $531,315,000, and amends title XI of the Merchant Marine Act, 1936, as amended to increase the loan guarantee authority of the Maritime Administration from $3 billion to $5 billion. H.R. 7670. Public Law 93–70, approved July 10, 1973. (VV)

Mint buildings

Increases from $45 million to $95 million the authorization of appropriations to the Department of the Treasury for the construction of mint facilities, such funds to be appropriated as may be necessary for each fiscal year beginning after June 30, 1963, and ending before July 1, 1983, with the provision that the aggregate of such sums shall not exceed the $95 million authorization. S. 1901. P/S June 27, 1973. (VV)

Motor Vehicle Defect Remedy Act

Amends the National Traffic and Motor Vehicle Safety Act by empowering the Secretary of Transportation to require that the manufacturer of a motor vehicle or an item of motor vehicle equipment (including tires) which contains a safety related defect or a failure to comply with a motor vehicle safety standard to remedy such defect or failure to comply without charge to the consumer; defines the administrative hearing procedure available to such manufacturer; provides for a procedure whereby the Secretary can act immediately to remove an obvious hazard by applying to a District Court for such temporary or permanent relief as may be necessary to protect the public; authorizes therefor an appropriation of not to exceed $46.773 million for fiscal year 1974; and contains other provisions. S. 355. P/S May 17, 1973. (VV)

National Commission on Productivity—Extension

Extends for an additional 2 months, to June 30, 1973, the President's Commission on Productivity. S.J. Res. 93. Public Law 93–34, approved May 14, 1973. (VV)

National Commission on Productivity and Work Quality

Renames the President's National Commission on Productivity as the National Commission on Productivity and Work Quality; sets

the promotion of the productivity of the American economy and improvement of worker morale and work quality as objectives of the Commission and defines its functions; and contains other provisions. S. 1752. P/S May 10, 1973. (VV)

National Foundation on the Arts and Humanities Amendments of 1973

Authorizes appropriations at an increased level of funding for the National Endowment for the Arts and the National Endowment for the Humanities, grants-in-aid to States by the National Endowment for the Arts, and matching funds for gifts to the Endowments, in the total amount of $160 million, $280 million, and $400 million for fiscal years 1974, 1975, and 1976, respectively. S. 795. P/S May 2, 1973; P/H amended June 14, 1973; In conference. (107)

National Historic Preservation Act

Amends the National Historic Preservation Act of 1966; increases authorizations to $15.6 million, $20 million, and $24.4 million for fiscal years 1974, 1975, and 1976 respectively for matching Federal grants to States and the National Trust for Historic Preservation; extends authorizations of $100,000 for each of fiscal years 1974 and 1975 and authorizes $125,000 for fiscal year 1976 for United States participation in the activities of the Rome Centre; and provides that the Advisory Council on Historic Preservation shall continue in existence until December 31, 1985. S. 1201. Public Law 93–54, approved July 1, 1973. (VV)

National Science Foundation Authorization Act of 1974

Authorizes appropriations to the National Science Foundation for fiscal year 1974 in the amount of $632.6 million, and in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, $3 million for fiscal year 1974. H.R. 8510. Public Law 93– , approved 1973. (VV)

Office of Environmental Quality Authorizations

Authorizes (in addition to the standing authorization of $1 million per fiscal year contained in Public Law 91–190) an appropriation of $1.5 million for fiscal year 1974 and $2 million for fiscal year 1975 for the operations of the Office of Environmental Quality and the Council on Environmental Quality. S. 1379. Public Law 93–36, approved May 18, 1973. (VV)

Older Americans Comprehensive Services Amendments of 1973

Extends and amends the Older Americans Act of 1965 to enlarge the scope of the services provided therein; improves the organizational structure at the Federal, State, and local level of the agencies having responsibility for the delivery of such services; creates a Federal Council on the Aging to act as an advocate for the elderly with respect to Federal government policies and programs relating to their particular needs and problems; places the Administration on Aging in the Office of the Secretary of Health, Education, and Welfare and assigned primary responsibility for carrying out the act to the Commissioner on Aging; expands the existing program of formula grants to the States by providing funding for a range of social services in accordance with approved State plans; authorizes funds for direct grants to model projects with priority to projects in the areas of housing, education, and special transportation and other services for the physically and mentally impaired elderly; authorizes grants for multidisciplinary centers of gerontology and for multi-purposes senior centers; authorizes grants for training programs for personnel and for research and development projects in the field of aging; provides for a special study and demonstration projects on transportation problems of older Americans; makes surplus commodities available for nutrition programs; authorizes grants to States for older readers services; establishes an Older American Community Service Employment program; and contains other provisions. *NOTE:* (H.R. 15657 [92d–2d], a measure containing similar provisions, was pocket vetoed by President Nixon on October 30, 1973.) S. 50. Public Law 93–29, approved May 3, 1973. (17)

Peace Corps Act Amendments of 1973

Continues the Peace Corps program on a one year authorization with an authorization of appropriations of $77,001,000 to finance the operation of the Peace Corps during fiscal year 1974, and places the Peace Corps under Federal procurement law. H.R. 5293. Public Law 93–49, approved June 25, 1973. (VV)

Preservation of Historical and Archeological Data

Amends a 1960 law under which the Secretary of the Interior, through the National Park Service, conducts archeological salvage programs at reservoir construction to broaden the scope of activity to include all Federal or federally assisted or authorized construction projects which result in alteration of the terrain; authorizes the Secretary to conduct a survey and salvage program upon notification not only by the instigation agency but also by any other Federal or State agency or responsible private organizations or individuals; authorizes construction agencies to use or transfer up to one percent of funds appropriated for a project to the Secretary for survey and salvage work; provides that the costs incurred in connection with public works projects for archeological work under this act would become non-reimbursible project costs; and contains other provisions. S. 514. P/S May 22, 1973. (VV)

Public Works and Economic Development Act Amendments of 1973

Extends the Economic Development Administration (EDA) programs authorized by the Public Works and Economic Development Act of 1965 to enable disadvantaged local and regional areas to put in place the public facilities essential to economic development, for one fiscal year through June 30, 1974, with a total authorization of $430 million as follows: $200 million for grants under title I for public works and development facilities, of which not less than 25 percent nor more than 35 percent is for newly defined redevelopment areas under section 401(a)(6); $55 million for loan assistance under title II for financing public works and facilities and redevelopment area projects; $35 million for technical assistance under title III for alleviating conditions of excessive underemployment in certain areas; $45 million under title IV for projects in economic development centers and for an increase in grant assistance for projects to redevelopment areas; and $95 million for title V Regional Action Planning Commissions; continues the moratorium on changing the designation of economic development districts for one year; provides for up to 100 percent instead of up to 75 percent funding for administrative expenses of Indian tribes eligible for certain grants-in-aid under title III; and contains other provisions. H.R. 2246. Public Law 93–46, approved June 18, 1973. (117)

Recreation use fees

Amends the Land and Water Conservation Fund Act of 1965 to provide that there will be no charge for the day use or recreational use of certain facilities in recreational areas which most visitors might use. S. 1381. P/S May 16, 1973. (VV)

Amends the Land and Water Conservation Fund Act of 1965 to provide that there will be no charge for the day use or recreational use of certain facilities in recreational areas which most visitors might use; provides that there will be no charge for access to or use of any campground not having certain specified sanitary and convenience facilities; and defines the term "single visit" for purposes of charging admission fees as the length of time a visitor remains within the boundary of a designated fee area from the day he arrives to the day he leaves except that on the same day such admission fee is paid, the visitor may leave and re-enter the same area without payment of an additional fee. H.R. 6717. Public Law 93–81, approved August 1, 1973. (VV)

Renegotiation Act Amendments; Social Security Benefits Increase

Extends to June 30, 1974, the Renegotiation Act of 151, as amended, which authorizes the Government to recapture excessive profits on certain Government contracts and subcontracts; provides a social security cost of living benefit increase of approximately 5.6 percent effective June 1, 1974; increases the monthly income guaranteed under the Federal Supplemental Security Income (SSI) program for aged, blind and disabled persons from $130 to $140 for an individual and from $195 to $210 a month for a couple for months after June 1974; increases the earnings limitation for persons drawing social security from $2,100 to $2,400; raises taxable wages under social security from $12,000 in 1974 to $12,600; contains provisions to assure that aged, blind, and disabled persons now receiving cash assistance or eligible for Medicaid are protected from a reduction in benefits or loss of Medicaid eligibility when the SSI program becomes effective next January 1975; suspends for 4 months the Department of Health, Education, and Welfare's authority to issue new social services regulations scheduled to become effective July 1, 1973, unless new changes are proposed by the Department and approved by the Senate Finance Committee and the House Ways and Means Committee; and contains other provisions. H.R. 7445. Public Law 93–66, approved July 9, 1973. (225)

Service Contract Act extension to Canton Island

Amends section 8(d) of the Service Contract Act of 1965 (which provides labor standards and prevailing wage requirements for employees working under Government service contracts) to extend the jurisdiction of the act to Canton Island in the central Pacific which, in 1939, the United States and the United Kingdom jointly agreed to administer until 1989. H.R. 5157. Public Law 93–57, approved July 6, 1973. (VV)

Small Business Act Amendments

Amend section 4(c)(4) of the Small Business Act to increase the total amount of loans, guarantees, and other obligations or commitments outstanding by the Small Business Administration (SBA); consolidates and expands the present authorities in the Small Business Act provided by the Coal Mine Safety Act of 1969, the Occupational Safety and Health Act of 1970, and the Egg Product Inspection Act of 1970, into a new section authorizing loans to help small business concerns comply with standards imposed under any Federal law in order to provide a uniform approach and single framework for the extension of economic disaster loans to aid small business firms in complying with new Federal environmental, consumer, pollution, and safety standards; provides that Farmers Home Administration (FHA) and Small Business Administration disaster loans made in connection with disasters occurring prior to April 20, 1973, the enactment date of Public Law 93–24 which amended the emergency loan programs, are to be made on the same loan terms; authorizes, notwithstanding the provisions of Public Law 93–24, loan forgiveness on SBA and FHA disaster loans of up to $4,000 with respect to disasters occurring on or after April 20, 1973; continues the SBA's discretionary authority to refinance mort-

gages on substantially damaged homes and to suspend disaster loan payments in hardship cases by canceling the present July 1, 1973, expiration date for that authority; authorizes loans to persons engaged in the business of raising livestock who suffer substantial economic injury as a result of animal disease; authorizes loans to small businesses which suffer substantial economic damage as a result of the closing or reduction in the scope of operation of military bases; and contains other provisions. S. 1672. P/S May 17, 1973; P/H amended July 12, 1973; Conference report filed. (140)

Trust Territory of the Pacific Islands

Authorizes $64 million for fiscal year 1974 for the Trust Territory of the Pacific Islands for civil works and administrative programs; authorizes an additional sum of not to exceed $10 million for fiscal year 1974 to be used if necessary to offset reduction in or termination of Federal grant-in-aid programs or other funds made available to the territory by other Federal agencies; extends the authority of the Federal Comptroller for Guam to the Trust Territory of the Pacific Isands and prescribes his duties and responsibilities; and contains other provisions. S. 1385. P/S May 22, 1973; P/H amended June 19, 1973; Senate concurred in House amendment with an amendment June 21, 1973. (VV)

Truth in Lending Act amendments (fair credit billing)

Amends the Truth in Lending Act to protect consumers against inaccurate and unfair billing practices; prohibits, in title I, The Fair Credit Billing Act, unfair credit billing practices including provisions relating to resolution of billing errors, regulation of credit reports, acknowledgement of billing inquiries, prompt crediting of payments, length of the billing period, use of cash discounts, and prohibition of offsetting a disputed bill from funds on deposit; contains, in title II, largely technical amendments to improve the administration of the Truth in Lending Act and includes a provision limiting a creditor's maximum liability in a class action suit brought under the act to $100,000 or 1 percent of the creditor's net worth, whichever is less; prohibits, in title III, The Equal Credit Opportunity Act, any creditor from discriminating against any person on account of sex or marital status in granting or denying credit, including all credit transactions, whether for consumer, business, or other purposes and includes cash loans, installment sales, mortgage loans and the opening or closing of a revolving charge account; and contains other provisions. S. 2101. P/S July 23, 1973. (311)

Uniform Relocation Assistance and Real Property Acquisition Policies Act amendments

Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to provide, until July 1, 1976, for full Federal funding of the first $25,000 for any single relocation payment for persons displaced by federally assisted programs and projects; expands coverage of the act to persons displaced by eight specified Federal programs, authorizes, through June 30, 1973, the head of a Federal agency to pay a State not in compliance with the act such funds as are necessary, in excess of the first $25,000 of cost, to make all payments and provide all benefits required by the act; and contains other provisions. S. 261. P/S February 2, 1973. (VV)

U.S. Travel Service authorization

Authorizes the appropriation of $22.5 million in each of the fiscal years 1974, 1975, and 1976 for the United States Travel Service which is charged with promoting foreign tourism to the United States. S. 1747. P/S June 13, 1973. (VV)

Voter Registration Act

Establishes a voter registration system for Federal elections through the mail; establishes within the Bureau of the Census a Voter Registration Administration to administer the program with an Administrator and two Associates of different political parties to be appointed for terms of 4 years by the President and confirmed by the Senate; provides that an individual who qualifies to be a voter under State law and registers as provided under this act shall be entitled to vote in Federal elections in that State; requires States to provide for an applicant to register up to 30 days before a Federal election; provides that the Administration shall prepare voter registration forms designed to provide a simple method to register by mail to be distributed by the Postal Service at least every two years, which the applicant shall mail or deliver when completed to the local registration agent who must then notify the applicant of his acceptance or rejection; provides, in regard to prevention of fraudulent registration, that, in addition to appropriate action under State law, a State official shall notify the Administration which shall provide assistance, and that when a State official or the Administration determines that a pattern of fraudulent registration or attempted fraudulent registration exists, either may request the Attorney-General to bring a civil action, in any appropriate United States district court to enjoin fraudulent registration; includes criminal penalties for the falsifying of voter registration forms or voting more than once; provides for payment to the States of the cost, as determined by the Administration, of processing registration forms under this act, and provides financial assistance to States adopting this system for State elections; and contains other provisions. S. 352. P/S May 9, 1973. (121)

Wagner-O'Day Act Amendment, 1973

Amends the Wagner-O'Day Act of 1938, as amended by Public Law 92-28, to increase the authorization of appropriations to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped for fiscal year 1974 from $200,000 to $240,000. S. 1413. Public Law 93-76, approved July 30, 1973. (VV)

Waiver-of-claims authority

Extends the same waiver-of-claims authority as that granted to the Executive Branch for overpayments of pay and certain allowances to all agencies of the Legislative Branch except the House of Representatives. S. 1803. P/S July 24, 1973. (VV)

White House Conference on the Handicapped

Declares that it is the sense of Congress that the President call a White House Conference on the Handicapped within 2 years from the date of enactment of the resolution in order to make recommendations for further research and action in the field of the handicapped, and contains other provisions. S.J. Res. 118. P/S July 18, 1973. (VV)

Wool Products Labeling Act amendments

Amends the Wool Products Labeling Act of 1939 by substituting the term "recycled wool" for the terms "reprocessed wool" and "reused wool" thus combining the terms into one definition for the term "recycled wool." S. 1816. P/S July 20, 1973. (VV)

GOVERNMENT EMPLOYEES

Central Intelligence Agency Retirement Act amendment

Amends section 236 of the Central Intelligence Agency Retirement Act of 1964 for certain employees to (1) increase the quota on retirements from 800 to 2,100 for the period July 1, 1969, to June 30, 1974, and (2) establish a quota of 1,500 for retirements between July 1, 1974, and June 30, 1979. S. 1494. Public Law 93-31, approved May 8, 1973. (VV)

Executive, legislative, and judicial salaries

Provides that the Commission on Executive, Legislative, and Judicial Salaries submit its report to the President every other year instead of every four years and that the President likewise make his salary recommendations to the Congress biennially, by August 31, in the odd numbered years beginning in 1973; provides for such recommended pay increases to become effective on the first day of the first pay period which begins after 30 calendar days of continuous session of Congress unless disapproved by Congress by specific legislation changing the pay rates or by passage of a disapproval resolution by either body; and contains other provisions. S. 1989. P/S July 9, 1973. (VV)

Federal employees retirement

Allows Federal employees, who meet the present requirements for retirement upon involuntary separation of 25 years of service, or 20 years of service at age 50, to retire at their own option during a period when the employing agency is undergoing a major reduction in force. H.R. 6077. Public Law 93- , approved 1973. (VV)

Library of Congress

Provides pay increases for members of the police force of the Library of Congress. S. 1904. P/S June 28, 1973. (VV)

National Guard Technicians' Retirement

Changes, retroactively, from January 1, 1969, the crediting pre-1969 technician service as follows: (1) grants retirement credit for technician service performed before 1969 to all former technicians serving in any position subject to the retirement law on or after January 1, 1969; (2) allows credit for 100 percent of pre-1969 technician service for annuity computation purposes; and (3) permits eligible technicians to pay the full amount rather than 55 percent otherwise owed as a deposit for pre-1969 technician service. S. 871. P/S July 31, 1973. (VV)

Survivor Annuities of Civil Service Retirees

Amends chapter 83, title 5, U.S.C. by eliminating the reduction in annuity that a retiree takes to provide survivor benefits for his spouse during periods of nonmarriage allowing in effect, full annuity to an annuitant during these periods. S. 628. P/S July 31, 1973. (VV)

HEALTH

Child Abuse Prevention and Treatment Act

Provides financial assistance for demonstration programs for the prevention, identification, and treatment of child abuse and neglect through the creation of a National Center of Child Abuse and Neglect within the Office of Child Development in the Department of Health, Education, and Welfare; creates a National Commission on Child Abuse and Neglect to study the effectiveness of existing laws and of programs to prevent, identify, and treat child abuse and neglect, its extent and causes, and the adequacy of Federal, State and local funding for child abuse programs; authorizes an appropriation of $10 million for fiscal year 1974 and $20 million for fiscal years 1975, 1976, 1977, and 1978 respectively; and contains other provisions. S. 1191. P/S July 14, 1973. (282)

Child nutrition programs

Amends section 6 of the National School Lunch Act which authorizes expenditures for commodities to provide a means to enable the Department of Agriculture to meet school lunch and breakfast program needs for this fiscal year; requires the Secretary of Agriculture, for this fiscal year only, to make an estimate as of March 15 of the amount of commodities which the Department will deliver to schools; requires the Secretary (if this estimate is less than 90 percent of the value of the amount the Department originally planned to deliver to schools) to pay the States, no later than April 15, a cash amount equal to the difference between the

initial estimate and the amount to be delivered this fiscal year as determined by the March 15 estimate, and to distribute the money to the States according to their ratio of meals served under the school lunch and breakfast program; directs the Secretary to use section 32 funds and funds from section 416 of the Agricultural Act of 1949 for the purposes of this act and to request, if necessary, a supplemental appropriation; waives the matching requirements for the funds distributed under this bill; and contains other provisions. H.R. 4278. Public Law 93–13, approved March 30, 1973. (VV)

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act Amendments of 1973

Extends for 2 years through fiscal year 1976 the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91–616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the community's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alcohol abuse or alcoholism; deletes the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provisions. S. 1125. P/S June 21, 1973. (VV)

Emergency Medical Services Systems Act

Adds a new title XII to the Public Health Service Act authorizing for public and nonprofit private entities three separate programs of grant and contract assistance (1) for projects which include both feasibility studies and planning for emergency medical services systems; (2) for the establishment and initial operation of such systems, and (3) for expansion and improvement of such systems, and a new program in the present title VII of the act for training programs, especially those that afford clinical experience in systems assisted under the new title XII; requires an applicant for a grant or contract for the establishment and operation or for expansion or improvement of an emergency medical services system (EMS) to demonstrate that the system will meet each of specified component requirements within certain time limitations; provides that applications for grants and contracts for feasibility studies and planning shall include a showing of the need of the area for such a system, the applicant's planning qualifications and willingness to conduct the planning in cooperation with the area-wide health planning agency and with the entity responsible for evaluation or for the provision of such services in the areas of State health planning; provides that applications for grants and contracts for research in an amount in excess of $35,000 must be recommended for approval by an appropriate peer group review panel designated or established by the Secretary; provides that special consideration shall be given to applications for grants and contracts for establishment and initial operation of systems which will coordinate with statewide systems; contains requirements for emergency medical services systems' components including: inclusion of an adequate number of health professions and allied health professions personnel; appropriate training (including clinical training) for its personnel and continuing education programs; a central communications system interconnected within the system and with other appropriate EMS systems; a transportation system; easily accessible facilities capable of providing services on a continuous basis and access to specialized critical medical care units in the system's service or neighboring area, including transportation; the provision by each system of necessary emergency medical services, without prior inquiry as to ability to pay, to all patients requiring such services; the transfer of patients for follow-up care and rehabilitation, including vocational rehabilitation; provision for public education and information programs; provision for periodic, comprehensive, and independent review and evaluation of the system; capability for providing emergency medical services in its service area during mass casualties, natural disasters, or national emergencies; reciprocal arrangements for services with other or similar systems serving neighboring areas; provision of services in an appropriate geographical area; and for "consumers" (persons without professional training or financial interest in the provision of health care) to have adequate opportunity to participate in the making of policy for the system; establishes an interagency Committee on Medical Services to coordinate all Federal programs and activities which relate to emergency medical services and make recommendations to the Secretary respecting the administration of the new title XII; authorizes appropriations therefor for fiscal years 1974–1976 of $45 million, $65 million, and $75 million respectively, for a total of $185 million for those three fiscal years; directs the Secretary to continue the operation of the following Public Health Service hospitals in Seattle, Boston, San Francisco, Galveston, New Orleans, Baltimore, Staten Island, and Norfolk at the level in effect on January 1, 1973, and prohibits the Secretary from closing or transferring control of a hospital or reducing its services or activities only if specifically authorized by law enacted after the date of enactment of this legislation. S. 504. Vetoed August 1, 1973; Senate overrode veto August 2, 1973; House to reconsider September 12, 1973. (134,294,358)

Health Maintenance Organization and Resources Development Act of 1973

Defines in Part A of Title I, Health Maintenance Organizations, the functions and requirements for a health maintenance organization and the comprehensive health services to be provided by a health maintenance organization; authorizes funds for use by the Secretary of Health, Education, and Welfare for the fiscal years 1974–1976 for the following: $45 million for grants for planning and feasibility studies of developing or expanding health maintenance organizations; $70 million for grants for initial development costs; $85 million for construction grants; $85 million for grants for initial cost of operation; $60 million for construction loans; $85 million for loans for initial cost of operation; and $100 million for grants and loans to health maintenance organizations or nonprofit entities intending to become HMO's in rural areas; provides, in Part B, for an annual payment to certified health care providers as an initiative award in an amount equal to the administrative costs allowed by the Commission on Quality Health Care Assurance incurred in complying with the requirements of the Commission, and authorizes for this purpose $150 million; authorizes the Secretary to make annual capitation grants to health maintenance organizations during the first 3 years of operation serving persons who cannot meet the expenses of such organizations' premiums; requires that not less than 7.5 percent of the total amount appropriated for Part A of this title be used for this purpose; prohibits transfer of funds within the act; provides for waiver of open enrollment in specified circumstances; requires recipients of Federal funds under this act to keep records of full disclosure of the amount and disposition of funds; and authorizes the Secretary to contract with health maintenance organizations to provide health services to individuals who are eligible for such services from the Indian Health Service; in Title II, Commission on Quality Health Care Assurance Act of 1973, establishes a Commission on Quality Health Care Assurance in the Department of Health, Education and Welfare, composed of 11 members to be appointed by the President with the advice and consent of the Senate; provides that the Commission, among its duties, is to promulgate standards for qualifications of personnel, composition of medical groups, and other characteristics dealing with the adequacy of facilities and equipment; to gather data describing, in statistical terms, the process of health care in various parts of the country; and to monitor and enforce the meaningful and effective consumer disclosure provisions of the legislation; requires the publication of a description of any health care plan covered by this title within 90 days of establishment stating the fees and prices, scope of services, accessibility and availability of services, and a statement of certification by the Commission; authorizes the Commission to suspend certificates of approval of health care providers in certain circumstances; provides for arbitration in malpractice claims; and authorizes a total of $125 million over a three-year period as follows: $15 million for fiscal year 1974, $40 million for fiscal year 1975, and $70 million for fiscal year 1976 to carry out the provisions of title II; and contains other provisions. S. 14. P/S May 15, 1973. (132)

Health Programs Extension Act of 1973

Extends the 12 expiring health authorities in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, for health research and development; health statistics; public health training; migrant health; comprehensive health planning and services; medical libraries; Hill-Burton facilities construction; allied health training; regional medical programs; family planning; community mental health centers; and developmental disabilities for 1 year to June 30, 1974, at a total authorization level of $1,270.6 million; restricts the authorization for project grants under section 304(e)d of the Public Health Service Act to programs respecting neighborhood health centers, family health centers, lead-based paint poisoning prevention, and rodent control, by prohibiting the funding under this section of programs for which an alternative authority is contained in title I of this act; denies any court, public official, or public authority the right to require individuals or institutions to perform abortions or sterilizations contrary to their religious beliefs or moral convictions because an individual or institution had received assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Develop-

mental Disabilities Act; and extends to June 30, 1974, the provisions of section 601, title VI, the Medical Facilities Construction and Modernization Amendments of 1970 (Hill-Burton amendments) designed to assure availability of appropriated health funds. S. 1136. Public Law 93–45, approved June 18, 1973. (63,163)

Lead-Based Paint Poisoning Amendments of 1973

Amends the Lead-Based Paint Poisoning Act, Public Law 91–695, and authorizes therefor an annual appropriation of $75 million for each of fiscal years 1974–1977; expands the authority of the Secretary of Health, Education, and Welfare to make grants to local and State government units for programs to detect and treat incidents of lead-based paint poisoning to include private, non-profit organizations; increases from 75 percent to 90 percent the Federal share for the cost of such programs; provides that no lead-based paint shall be applied to any toy, furniture, or cooking, drinking or eating utensil manufactured and distributed in interstate commerce after enactment of the act; provides that, effective January 1, 1974, that lead-based paint means any paint containing more than .06 percent lead, or if the Secretary after completing the study authorized by this act determines that a .05 percent level is safe, the .05 percent level shall be used instead; and contains other provisions. S. 607. P/S May 9, 1973. (VV)

Little Cigar Act of 1973

Amends the Federal Cigarette Labeling and Advertising Act (15 USC 1331–1340) as amended by the Public Health Cigarette Smoking Act of 1969 by expanding the prohibition on advertising media to include "little cigars"; defines the term "little cigar" to mean any role of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than cigarettes) and weighing not more than 3 pounds per 1,000 units; and provides that it shall be unlawful to advertise little cigars on any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission. S. 1165. P/S April 10, 1973; Reconsidered and P/S April 30, 1973. (VV)

National Institute of Health Care Delivery Act of 1973

Amends the Public Health Service Act to establish a National Institute of Health Care Delivery as a separate agency within the Department of Health, Education, and Welfare to carry out an accelerated multidisciplinary research and development effort to improve the organization and delivery of health care in the nation; authorizes up to eight regional centers and two National Special Emphasis Centers, a Health Care Technology Center, and a Health Care Management Center; authorizes appropriations, for both the Institute and the Centers, of $115 million, $130 million, and $145 million for fiscal years 1974, 1975, and 1976 respectively; establishes a 21 member National Advisory Council on Health Care Delivery to advise the Institute on the development, priorities, and execution of its programs; and contains other provisions. S. 723. P/S May 15, 1973. (VV)

Research in Aging Act, 1973

Amends title IV of the Public Health Service Act to provide for the establishment by the Secretary of Health, Education, and Welfare (HEW) of a National Institute on Aging (NIA) in the National Institutes of Health (NIH) for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged, as authorized under section 301 of the Public Health Service Act and presently focused in the National Institute of Child Health and Human Development; provides that the Director of NIH shall assign functions to NIA or another institute when the activities overlap; directs the Secretary of HEW to (1) conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging, of all programs conducted or assisted by HEW to meet the needs of the aging in order to obtain data for assessment of the programs by the Institute, (2) carry out public information and education programs to disseminate information developed by the Institute which may aid in dealing with, and understanding, the problems associated with aging, and (3) prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan; and contains other provisions. *NOTE:* (H.R. 14424 [92d–2d], a similar measure, was pocket vetoed by President Nixon on October 30, 1972.) S. 775. P/S July 9, 1973. (VV)

INDIANS

Glen Canyon National Recreation Area concession operations

Directs that the annual franchise fee received by the Secretary of the Interior from the concessioner in connection with the Rainbow Bridge floating concession operation in Glen Canyon National Recreation Area be placed in a separate fund of the Treasury, and authorizes the Secretary to transfer annually such fees from the fund to the Navajo Tribe of Indians, in consideration of the tribe's continued agreement to the use of former Navajo Indian Reservation lands for the purpose of anchoring the Rainbow Bridge floating concession facility. S. 1384. P/S May 23, 1973. (VV)

Indian Claims Commission

Authorizes appropriations not to exceed $1.2 million for the expenses of the Indian Claims Commission for fiscal year 1974, and an additional $900 million for the expense assistance revolving loan fund. S. 721. Public Law 93–37, approved May 24, 1973. (VV)

Indian Financing Act

Provides to Indian organizations and individual Indians capital in the form of loans and grants that is needed to promote their economic development; authorizes a $50 million increase for the Revolving Loan Fund; provides a Loan Guarantee and Insurance Program which could generate as much as $200 million in new private capital; authorizes an Interest Subsidy Program; and provides an Indian Business Development Grant Program. S. 1341. P/S July 28, 1973. (VV)

Indian Judgment Distribution Act of 1973

Provides that if neither House of Congress, within 60 calendar days from the date of submission of a recommended plan by the Secretary of the Interior regarding the distribution of funds awarded to Indian Tribal groups by the Indian Claims Commission and the United States Court of Claims, passes a committee resolution disapproving such plan and thus requires authorizing legislation, the plan will become effective and the distribution of such funds made upon the expiration of the 60 day period or earlier if waived by committee resolutions by both the House and the Senate Committees on Interior and Insular Affairs, thereby relieving the Committees of the necessity of having to legislate on all judgment awards except for the most complicated. S. 1016. P/S May 22, 1973. (VV)

Joint Committee on Navajo-Hopi Administration—Abolishment

Abolishes the Joint Committee on Navajo-Hopi Indian Administration created during the 81st Congress to consider the problems peculiar to the Navajo and Hopi Tribes and oversee the expenditure of funds appropriated for the development of their reservations, construction of facilities, and other needed improvements, work which was principally completed in 1964. S. 267. P/S February 5, 1973. (VV)

Klamath Indian tribal land acquisition

Directs the Secretary of Agriculture to acquire by condemnation the remainder of the Klamath Indian Forest lands, for inclusion in the Winema National Forest, which the Klamath Tribe has directed the United States National Bank of Portland, a private trustee, to sell by the terms of its trust agreement and authorizes for this purpose to be appropriated an amount not to exceed $70 million. H.R. 3867. Public Law 93– , approved 1973. (VV)

Publication of material relating to the constitutional rights of Indians

Amends, for technical reasons, section 701 (c) of title VII of Public Law 90–284 to authorize the appropriation of such sums as may be necessary for the Secretary of the Interior (1) to annually revise and republish the document entitled "Indian Affairs, Laws and Treaties," (2) to revise and republish the treatise entitled "Federal Indian Laws," and (3) to have prepared and printed as a government publication an accurate compilation of the official opinions of the Solicitor of the Department of the Interior relating to Indian affairs. S. 969. P/S June 27, 1973. (VV)

INTERNATIONAL

Atlantic union delegation

Authorizes the creation of a delegation of 18 eminent citizens (6 each to be appointed by the House of Representatives, the Senate, and the President) to meet with similar unofficial delegations "from such North Atlantic Treaty parliamentary democracies as desire to join in the enterprise" in order to explore the possibility of agreement on a "declaration that the goal of their peoples is to transform their present relationship into a more effective unity based on Federal principles," and empowers the convention to invite other parliamentary democracies to participate in the process, which would also explore the possibilities for a timetable and a commission to move toward the goal by stages. S.J. Res. 21. P/S March 26, 1973. (VV)

Environmental modification as a weapon of war

Expresses as a sense of the Senate that the United States Government should seek the agreement of other governments, including all permanent members of the Security Council of the United Nations, to a proposed treaty for the complete cessation of any research experimentation or use of any environmental or geophysical modification activity as a weapon of war, including weather, climate, earthquake, and ocean modification activity. S. Res. 71. Senate adopted July 11, 1973. (266)

Euratom Cooperation Act of 1958 amendment

Amends section 5 of the EURATOM Cooperation Act of 1958, as amended, by increasing the amount, from 215,000 kilograms to 583,000 kilograms, of contained uranium 235 which the United States Atomic Energy Commission is authorized to transfer to the European Atomic Energy Community under the Agreements for Cooperation between the United States and EURATOM. S. 1993. Public Law 93– , approved 1973. (VV)

Foreign Military Sales and Assistance Act, 1974

Authorizes a total of $770 million for the foreign military grant assistance and sales programs and the economic supporting assistance program; authorizes $420 million for military grant aid on a country-by-country basis instead of in a lump sum which is allocated by the Executive Branch; requires military grant assistance recipients to pay 10 percent of the amount of the grant in their own currency to pay official U.S. costs; authorizes $200 million for credit sales to cur-

rent grants recipients on concessional terms from July 1, 1973, to June 30, 1978; requires prior notification to Congress of military sales over $25 million or cumulative sales over $50 million in one year, which may then be made unless either House of Congress adopts a resolution within 30 days of continuous session thereafter disapproving the sale; prohibits the transfer of naval vessels to foreign countries except under the authority of this act; authorizes $25 million for foreign military training purposes; authorizes $125 million for supporting assistance on a country-by-country basis, of which not less than $50 million is to be available to Israel and $65 million to Jordan; prohibits the use of any appropriation for police or related traning programs for foreign countries; emphasizes the authority of the Secretary of State over the military assistance and sales policy by authorizing funds directly to the Secretary rather than to the President; authorizes a program of military assistance for Vietnam and Laos to replace that provided through Department of Defense authorization and appropriation bills; authorizes one-for-one replacement of arms and munitions for South Vietnam and Laos in accordance with the cease-fire agreements; authorizes $150 million in military aid for Cambodia with the provision that of a cease-fire is reached in Cambodia any additional arms or munitions shall be in accordance with the terms of the cease-fire; authorizes the President, in the event of a new offensive by North Vietnam, to provide unlimited military aid to South Vietnam; requires quarterly reports from the President on all U.S. assistance to South Vietnam, Laos, or Cambodia, the nature and extent of the official American presence, and the general status of implementation of the cease-fire agreements; and contains other provisions. S. 1443. P/S June 26, 1973; P/H amended July 26, 1973. (226)

International Monetary Fund and International Bank for Reconstruction and Development

Amends subsection (b) of section 3 of the Bretton Woods Agreements Act to authorize the President, by and with the advice and consent of the Senate to appoint different individuals to serve as alternates for the governor of the International Monetary Fund and of the International Bank for Reconstruction and Development. S. 1887 Public Law 93– , approved 1973.

International Voyage Load Line Act of 1973

Repeals the Foreign Load Lines Act, 1929, as amended, and substitutes this act, which provides the necessary legislation to implement the provisions of the International Convention on Load Lines, 1966, to which the United States is a party and which came into force on July 21, 1968, making it unlawful for a vessel to be so loaded as to submerge the prescribed load line or the point where an appropriate load line should be marked. S. 1352. P/S June 27, 1973. (VV)

People's Republic of China—Diplomatic privileges

Authorizes the President to extend to the Liaison Office of the People's Republic of China in Washington and to the members thereof the same privileges and immunities subject to corresponding conditions and obligations as are enjoyed by diplomatic missions accredited to the United States and by members thereof. S. 1315. Public Law 93–22, approved April 20, 1973. (VV)

Prohibition of intervention in foreign political affairs

Prohibits any citizen or resident of the United States from offering a contribution to any agency or employee of the United States for the purpose of influencing the outcome of an election for public office in a foreign country; makes it unlawful for any officer, employee, or agent of the United States to solicit or accept contributions to candidates or political parties to influence an election for public office in a foreign country; and contains other provisions. S. 2239. P/S July 26, 1973. (VV)

Radio Free Europe and Radio Liberty supplemental authorization, 1973

Authorizes additional fiscal year 1973 appropriations of not to exceed $1.5 million for Radio Free Europe and Radio Liberty to provide for increased costs resulting from the devaluation of the dollar on February 12, 1973. S. 1972. Public Law 93–59, approved July 6, 1973. (VV)

State Department authorization, 1974

Authorizes a total of $613,666,000, including $4.5 million for the U.S. share of expenses of the International Commission on Control and Supervision in Vietnam; prohibits the use of funds for further involvement of U.S. forces in hostilities in Indochina or aid to North Vietnam without specific authorization by Congress; establishes a new Bureau of Oceans and International Environmental and Scientific Affairs in the Department of State to be headed by an Assistant Secretary; requires that military base agreements with foreign countries be submitted to the Senate as treaties and also requires that the Azores base agreement with Portugal be submitted as a treaty; requires that funds be cut off for foreign affairs agencies which do not comply with Congressional Committee or General Accounting Office requests for information; prohibits use of funds appropriated pursuant to the act to be used for attempting to influence the outcome of legislation pending before Congress or the outcome of a political election; requires listing by rank of Foreign Service personnel selected for promotion; provides for the establishment of a Foreign Service grievance procedure consonant with due process; states the sense of Congress that the United States seek agreement on specific mutual reductions in military expenditures; and contains other provisions. H.R. 7645. P/H June 7, 1973; P/S amended June 14, 1973. In conference. (191)

TREATIES

Consular convention with Hungary

Establishes consular relations between the United States and the People's Republic of Hungary which will afford American citizens in Hungary a greater degree of consular protection and guarantee quick and unhindered communication between a citizen and his consul and prompt notification to the consul of any detention or other limitation, and provides for the establishment of consulates and the exchange of consular appointments according each country the facilities, privileges, and immunities afforded under similar bilateral consular conventions in force with a number of other countries, Ex W, 92d–2d. Resolution of Ratification agreed to March 27, 1973. (58)

Consular convention with Poland

Establishes consular relations between the United States and the Polish People's Republic; guarantees early notification of detention of a country's nationals and access thereto; describes consular functions and responsibilities in such fields as the issuance of visas and passports and the performance of notorial services; provides for the inviolability of consular personnel with regard to legal proceedings in the host country; and contains other provisions afforded under similar bilateral consular conventions in force with a number of other countries, Ex U, 92d–2d. Resolution of Ratification agreed to March 27, 1973. (56)

Consular convention with Romania

Replaces the convention currently in existence between the United States and the Socialist Republic of Romania; improves consular services in both countries to include the issuance of passports and visas, performance of notorial services, and representation of the interests of nationals in estate matters; assures that consuls whose nationals are detained or whose personal freedom is limited will be notified promptly and will have the right to visit and communicate with such nationals; and contains other provisions afforded under similar bilateral consular conventions in force with a number of other countries. Ex. V, 92d-2d. Resolution of Ratification agreed to March 27, 1973. (57)

Convention for the safety of life at sea amendments

Provides for improved radio-telephone watch procedures, more modern radiotelephonic devices, more detailed procedures for the operation of radiotelephonic equipment, and new regulations concerning traffic separation schemes. Ex. I, 93d–1st. Resolution of Ratification agreed to August 3, 1973. (362)

Convention on endangered species

Establishes a system by which governments may strictly control the international trade in specimens of species which are, or may be, in danger of becoming extinct as a result of that trade. Ex. H, 93d–1st. Resolution of Ratification agreed to August 3, 1973. (360)

Convention on the prevention of marine pollution

Establishes in each country party to the Convention a national system for regulating the ocean disposal of wastes comparable to the system provided for the United States by Title I of Public Law 92–532, the Marine Protection, Research and Sanctuaries Act of 1972. Ex. C, 93d–1st. Resolution of Ratification agreed to August 3, 1973. (359)

Convention with Japan for the Protection of Birds and Their Environment

Provides for the protection of species of birds which are common to the United States and Japan or which migrate between them and provides that each country will develop programs to preserve and enhance the environment of the birds protected by this agreement. Ex. R, 92d–2d. Resolution of Ratification agreed to March 27, 1973. (60)

Exchange of notes with Ethiopia concerning the administration of justice

Terminates the notes exchanged on September 7, 1951, concerning the administration of justice and constituting an integral part of the Treaty of Amity and Economic Relations Between the United States and Ethiopia. Termination of the notes, which set forth special commitments on the part of the Ethiopian Government regarding the trial of cases involving American citizens, would be in conformity with the U.S. policy of basing international agreements, in general, on the principles of equality and reciprocity. Ex. B, 93d–1st. Resolution of Ratification agreed to March 27, 1973. (59)

International Convention on load lines amendments

Amends the 1966 Load Lines Convention (which established uniform rules concerning the limits to which ships on international voyages may be loaded and brought international load line regulations into accord with modern developments and techniques in ship construction) by correcting a number of errors and ambiguities which have become apparent in such matters as technical terminology, geographic reference points, and cross references. Ex. D, 93d–1st. Resolution of Ratification agreed to August 3, 1973. (361)

United Nations Environment Program Participation Act of 1973

Authorizes and appropriation of $40 million for the total U.S. contribution to the United Nations Environment Fund and limits the fiscal year 1974 contribution to $1"

million. H.R. 6768. P/H May 15, 1973; P/S amended June 8, 1973. (VV)

U.S. Information Agency authorization, 1973

Authorizes $193,249,500 for fiscal year 1974 for the United States Information Agency to carry out international informational activities under the authority of the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 8 of 1953. S. 1317. P/S May 30, 1973. (151)

United States oceans policy

Endorses the ocean policy objectives which were envisioned in the President's Ocean Policy Statement of May 23, 1970, and which are now being pursued by the United States delegation to the United Nations Seabed Committee preparing for the Law of the Sea Conference with regard to: (1) Protecting the freedoms of the high seas, beyond a twelve mile territorial sea, for navigation, communication, and scientific research, and free transit through and over international straits; (2) recognizing certain international community rights; (3) providing for the orderly and just development of mineral resources of the deep seabed as the common heritage of mankind; and (4) for the conservation and protection of living resources with regulation of fisheries, coastal State management of coastal species, and international management of such migratory species as tuna; and commends the United States delegation for its excellent work and encourages its efforts for an early agreement on an ocean treaty embodying these goals. S. Res. 82. Senate adopted July 9, 1973. (VV)

LABOR

Emergency Employment Act amendments

Extends for 2 years, through fiscal year 1975, the Emergency Employment Act of 1971 (public employment program) and authorizes $1.25 billion for fiscal year 1974 and such sums as may be necessary for fiscal year 1975; focuses the legislation to those in greatest need and for whom the government has the clearest responsibility: the disabled and Vietnam-era veterans, the economically disadvantaged, those unemployed for 15 weeks or more, and persons unemployed as a result of the closing of or a reduction in activities at a Defense Department facility; seeks assurance that sponsors will fill at least half of the public service jobs with disabled or Vietnam-era veterans; and contains other provisions. S. 1560. P/S July 31, 1973. (346)

Fair labor standards amendments (minimum wage)

Extends coverage to include under the definitions of employer and employee: the United States and any State or political subdivision of a State or intergovernmental agency, with the exemption of elected officials, their personal staff, appointees on the policy making level, or immediate advisors in State and local governments; includes within coverage, employees whose vocation is domestic service;

Establishes, for employees in activities covered by the Act prior to the 1966 amendments, an hourly minimum of $2.00 during the period ending June 30, 1974, and $2.20 thereafter; establishes, for employees in agriculture, an hourly minimum of $1.60 during the period ending June 30, 1974, $1.80 during the year beginning July 1, 1974, $2.00 an hour the year beginning July 1, 1975, and $2.20 an hour after June 30, 1976; establishes, for employees newly covered by the 1966 amendments and by the 1973 amendments, an hourly minimum of $1.80 during the period ending June 30, 1974, $2.00 during the year beginning July 1, 1974, and $2.20 thereafter;

Provides for presently covered employees in Puerto Rico and the Virgin Islands effective on the effective date of the legislation: (A) increases of 12 cents an hour if their wage order rates are less than $1.40 an hour; and (B) an increase of 15 cents an hour if their wage order rates are $1.40 an hour or higher; provides that newly covered employees (including commonwealth and municipal employees) are to have their wage rates set by special industry committees, and that this wage rate may not be less than 60 percent of the otherwise applicable or $1.00 an hour, whichever is greater; and that all employees (other than commonwealth and municipal employees) will receive, beginning one year after the effective date of this legislation, yearly increases of (A) 12 cents an hour per year if their wage order rates are less than $1.40, and (B) increases of 15 cents an hour per year if their wage order rates are $1.40 an hour or higher; provides that the following employees in Puerto Rico and the Virgin Islands are to have their rates set as if they were employed in the U.S. mainland: hotel, motel, restaurant and food services employees and U.S. employees and employees of the government of the Virgin Islands;

And contains other provisions. H.R. 7935. Public Law 93– , approved 1973. (229)

Job Training and Community Services Act (manpower revenue sharing)

Provides the legislative basis for special revenue sharing for manpower programs so that States and localities assume primary responsibility for carrying out training and employment programs in accordance with locally determined needs; authorizes $1.88 billion, of which $1.55 billion is for job training and $239 million for local community services activities; and contains new provisions relating to prime sponsors, program agents, councils and decategorization as well as other provisions. S. 1559. P/S July 24, 1973. (314)

Labor-Management Relations Act amendments

Amends section 302(c) of the Labor-Management Relations Act of 1947 to add legal service programs for employees, their families, and dependents for counsel or plan of their choice to the specified employer financed fringe benefits which may be established through joint labor-management administration, with the provision that legal services funds may not be used in suits against contributing employers except in workmen's compensation cases, suits against participating labor organizations, or suits against any employer or labor organization where the matter arises under the National Labor-Relations Act or this act or where a labor organization would be prohibited from defraying the costs of legal services by the provisions of the Labor-Managament Reporting and Disclosure Act of 1957. S. 1423. Public Law 93– , approved 1973. (136)

Penn Central rail dispute

Provides for Federal intervention to bring about a temporary halt in the strike of certain employees of the United Transportation Union against the Penn Central Transportation Company arising out of the Penn Central's plan to eliminate approximately 5,700 train crew positions by applying the final paragraph of section 10 of the Railway Labor Act (45 USC 160) and extends the 30-day period provided for in section 10, to 12:01 A.M., May 9, 1973, in order to secure additional time for an agreement to be reached; requires the Secretary of Transportation, not later than 45 days following enactment, to file a report to the Congress providing a full and comprehensive plan for the preservation of essential rail transportation services in the northeast section of the Nation; requires the Secretary of Labor, not later than 30 days following enactment, to submit to Congress a report detailing the progress, if any, of all negotiations, and any recommendations for a proposed solution; and contains other provisions. S.J. Res. 59. Public Law 93–5, approved February 9, 1973. (VV)

Rehabilitation Act of 1972

Amends the Vocational Rehabilitation Act to provide for more services to handicapped individuals; places greater emphasis on research and training of rehabilitation personnel and the development of innovative rehabilitation techniques, equipment, and devices which would make employment more feasible for a handicapped individual; establishes an Office for the Handicapped within the Department of Health, Education, and Welfare; creates a Federal Interagency Committee on Employment of the Handicapped, a National Commission on Transportation and Housing, and an Architectural and Transportation Barriers Compliance Board to continue and expand services to the handicapped and provides for an order of priority to serve those individuals with the most severe handicaps; and contains other provisions. *NOTE:* (A similar measure, H.R. 8395 [92d–2d], was pocket vetoed by President Nixon on October 27, 1972.) S. 7. Vetoed March 27, 1973. Senate sustained veto April 3, 1973. (24, 74)

Rehabilitation Act of 1973

Repeals the existing Vocational Rehabilitation Act, (29 U.S.C. 31–42), ninety days after the date of enactment of this act; provides, in title I, the administrative provisions for vocational rehabilitation services and includes State plan provisions, most of which are unchanged or only slightly changed from present law; includes provisions in the State plan requirements to insure that special emphasis is given to serving those individuals with the most severe handicaps; requires that an individualized written rehabilitation program be drawn up for every handicapped individual served in consultation with that individual; directs the Secretary of Health, Education, and Welfare to undertake a comprehensive study of the feasibility of the methods designed to prepare individuals with the most severe handicaps for entry into vocational rehabilitation programs and a study of the basic vocational rehabilitation State grant allotment formula and report alternative formulas to the Congress by June 30, 1974; bases the allotment formula on amounts appropriated rather than amounts authorized to be appropriated; consolidates, in title II, Research and Training, all research and training authority in existing law, to be administered by the Secretary through the Commissioner of the Rehabilitation Services Administration (RSA), providing a statutory basis for the RSA and the appointment of the Commissioner by the President; emphasizes applied research and the development of technology and devices to aid in solving rehabilitation problems of handicapped individuals and directs the establishment of Rehabilitation Engineering and Research Centers in order to aid in such development; includes a program of international research and exchange of personnel and technical assistance; contains, in title II, all special programs, grants, and related service activities which are not carried out by the State rehabilitation agency, includes a consolidaated special project authority, with special emphasis on projects for spinal cord injured, severely handicapped deaf and older blind individuals, and an earmarking of money under special projects for migratory agricultural workers; combines, in title IV, provisions of existing law, with changes and additions, relating to Secretarial responsibilities for administration and evaluation; directs the Secretary to ensure that maximum coordination and consultation takes place with the Veterans' Administration at the national and local levels with respect to rehabilitation services and related programs for disabled veterans; directs the Secretary to prepare, in consultation with other agencies, handicapped individuals and public and private organizations, a long-range projection for the provision of comprehensive services to handicapped indi-

viduals; includes, in title V, Miscellaneous Provisions, the creation of a Federal Interagency Committee on Handicapped Employees and an Architectural and Transportation Barriers Compliance Board; and contains other provisions. H.R. 8070. P/H June 5, 1973; P/S amended July 18, 1973; In conference. (VV)

MEMORIALS, TRIBUTES, AND MEDALS

B. Everett Jordan Dam and Lake

Changes the name of the New Hope Dam and Lake, North Carolina, to the B. Everett Jordan Dam and Lake. S. 2282. P/S August 3, 1973. (VV)

Cable car medals

Authorizes the Secretary of the Treasury to strike and furnish to the San Francisco Cable Car Centennial Committee not more than 150,000 medals commemorating the 100th anniversary of the invention of the cable car, and contains other provisions. S. 776. P/S March 14, 1973. (VV)

Commemoration of members of the armed services who served in the Vietnam war

States as a sense of the Senate that on Memorial Day, May 28, 1973, special commemoration be accorded the 359,879 dead and wounded members of the Armed Forces whose loss and suffering were occasioned by the war in Vietnam. S. Res. 117. Senate adopted May 21, 1973. (VV)

Eisenhower Memorial

Authorizes the use, for grants to Eisenhower College, Seneca Falls, New York, of $1 of the proceeds of the sale of each of the silver dollar proof coins being offered to the public at $10 each which bear the likeness of the late President of the United States, Dwight David Eisenhower. S. 1264. P/S May 2, 1973. (VV)

John Wesley Powell Federal Building

Names the headquarters building in the Department of Interior's Geological Survey National Center now under construction in Reston, Virginia, as the "John Wesley Powell Federal Building." S. 1618. P/S June 27, 1973. (VV)

Law Day

Pays tribute to the law enforcement officers of the United States on Law Day, May 1, 1973. S.J. Res. 11. P/S March 15, 1973. (VV)

Lyndon B. Johnson

Expresses the profound sorrow and deep regret of the Senate on the announcement of the death of Lyndon B. Johnson, a former President of the United States and a former Representative and Senator from the State of Texas, and designates the Presiding Officer of the Senate to appoint a committee to consist of all the members of the Senate to attend the funeral of the former President. S. Res. 24. Senate adopted January 23, 1973. H. Res. 152. House adopted January 23, 1973. (VV)

Expresses the sense of the Congress that in recognition of the long and distinguished service rendered to the nation and to the world by Lyndon B. Johnson, 36th President of the United States, his remains be permitted to lie in state in the rotunda of the Capitol from January 24 to January 25, 1973. H. Con. Res. 90. House adopted January 23, 1973. Senate adopted January 23, 1973. (VV)

Provides for payment out of the contingent fund of the Senate of all necessary expenses incurred as a result of S. Res. 24, which provides for members of the Senate to attend the funeral of Lyndon B. Johnson. S. Res. 34. Senate adopted January 24, 1973. (VV)

Lyndon B. Johnson Space Center

Designates the manned spacecraft center in Houston, Texas, as the "Lyndon B. Johnson Space Center" in honor of the late President. S.J. Res. 37. Public Law 93–8, approved February 17, 1973 (VV)

Members of the Armed Forces missing in action in Indochina

Pays special tribute to the members of the Armed Forces who are missing in action in Indochina on Memorial Day, May 28, 1973, and contains other provisions. S. Res. 115. Senate adopted May 15, 1973. (VV)

Monument to 1st Infantry Division

Authorizes the erection, in the District of Columbia, of a monument to the dead of the First Infantry Division, United States Forces in Vietnam. S.J. Res. 66 P/S February 19, 1973. (V)

Roberto Walker Clemente medals

Authorizes the Secretary of the Treasury to strike and furnish to the Chamber of Commerce of Greater Pittsburgh, Pittsburgh, Pa., one gold medal and not more than 200,000 duplicate medals to commemorate the outstanding athletic, civic, charitable and humanitarian contributions of Roberto Walker Clemente, and contains other provisions, H.R. 3841. Public Law 93–33, approved May 14, 1973. (VV)

Senator Stennis' birthday

Extends congratulations to Senator John C. Stennis on his birthday. S. Res. 156. Senate adopted August 3, 1973. (VV)

Vietnam war memorial

Provides for the erection in the District of Columbia of a memorial in honor of those who served in the Armed Forces of the United States in the Vietnam war; and contains other provisions. S.J. Res. 45. P/S April 12, 1973. (VV)

NATURAL RESOURCES—ENVIRONMENT

American Falls Dam replacement

Authorizes the Secretary of the Interior to enter into appropriate agreements to permit the water-users to arrange for the financing and construction of a replacement for the existing American Falls Dam, Upper Snake River project, Idaho, which has become unsafe as a result of deteriorating concrete, which would be acquired by the Secretary and operated as a feature of the existing Minidoka Reclamation project. S. 1529. P/S June 19, 1973. (VV)

Arkansas River Basin compact

Grants the consent of the United States to an interstate compact between Arkansas and Oklahoma, signed on behalf of the two States on March 16, 1970, to provide for the equitable apportionment of the waters of the Arkansas River and tributaries between the two States and encourages each State to maintain active programs of anti-pollution controls to further reduce water pollution in the Arkansas River Basin, S. 11. P/S June 28, 1973. (VV)

Clean Air Act extension

Extends for 1 year, to June 30, 1974, the Clean Air Act, as amended; authorizes the appropriation therefor of $475 milion for fiscal year 1974; and contains other provisions. S. 498. P/S January 26, 1973. (VV)

Extends for 1 year to June 30, 1974, the provisions of the Clean Air Act of 1970 and extends, at constant dollar amounts, the authorization of appropriations in the act, which would otherwise expire June 30, 1973, in the total amount of $475 million. H.R. 5445. Public Law 93–15, approved April 9, 1973. (VV)

Endangered Species Act

Provides for conservation, protection and propagation of endangered species of fish and wildlife by Federal action and by encouraging the establishment of State endangered species conservation programs; authorizes jointly, the Secretaries of Interior and Commerce to list within their respective jurisdictions species which are either (1) endangered or (2) likely to become endangered within the foreseeable future; directs the Secretary to use his existing authority, funds under this act and funds under the Land and Water Conservation Fund Act of 1956 for land acquisition necessary for the purpose of conserving, protecting, restoring of propagating any endangered species; provides for the management of endangered and threatened species by the States under State plans that are approved by the Secretary; provides for financial aid to State wildlife management agencies which enter into cooperative or management agreements with the Secretary; imposes criminal and civil penalties for violations of the act; exempts Alaskan Native Indians and under certain conditions, any nonnative resident of an Alaskan Native village from the provisions of the bill regarding the taking of any endangered or threatened species if the action is for the purpose of consumption or use in a native community; and contains other provisions. S. 1983. P/S July 24, 1973. (313)

Flood Control Act of 1973

Authorizes development of flood control, multi-purpose and related projects and provides for studies and surveys to determine whether other plans should be developed. *NOTE:* (S. 4018 [92d–2d], a similar measure, was pocket vetoed by President Nixon on October 27, 1972.) S. 606. P/S February 1, 1973. (5)

Interstate Environment Compact Act of 1973

Provides the congressional consent required for any two or more States to enter into interstate compacts in the field of air pollution as set forth in section 102(c) of the Clean Air Act, as amended, and in the field of water pollution by section 103(b) of the Federal Water Pollution Control Act, as amended, and gives advance consent to interstate agreements called for by the Solid Waste Disposal Act, as amended; permits signatories to enter into supplementary agreements not inconsistent with applicable Federal law with each other, with other interstate agencies, and with the Federal Government and its agencies for the purposes of controlling interstate environmental pollution problems in the fields of land use, coastal zone management, energy production and transmission and related activities; provides that supplementary agreements are to become binding upon the signatory upon execution of the agreement by the chief executive and signatory legislative action to approve or condition the agreement, and provides that the Congress may by act of law expressly disapprove or condition the agreement with 90 days of congressional session following receipt of the agreement; provides for special supplementary agreements with foreign nations with the advance consent of Congress; provides that a signatory may withdraw from the compact by legislative enactment upon giving notice to all signatories a year in advance of its formal withdrawal; provides that nothing in this act shall affect Federal environmental protection legislation; and contains other provisions. S. 9. P/S June 22, 1973. (VV)

Land Use Policy and Planning Assistance Act

Establishes a national land use policy to encourage and assist the States to more effectively exercise their constitutional responsibilities for the planning and management of their land base through the development and implementation of State land use programs; establishes a grant-in-aid program to assist State and local governments and agencies to hire and train the personnel, collect and analyze the data, and establish the institutions and procedures necessary to develop and implement State land use programs; authorizes for grants to States $100 million a year for 8 years; establishes a grant-in-aid program to encourage cooperation among the States concerning land use planning and management in interstate regions and authorizes $15 million a year for

8 years therefor; authorizes $2 million a year for 8 fiscal years for training and research grants and contracts; establishes a grant-in-aid program to assist Indian tribes to develop land use programs for reservation and other tribal lands and to coordinate such programs with the planning and management of Federal and non-Federal lands adjacent thereto, and authorizes for this purpose $10 million a year for 8 years; authorizes the Executive Office of the President to issue guidelines to implement this act; authorizes the Secretary of the Interior to administer the grant-in-aid and other programs established under this act, to review, with the heads of other Federal agencies, statewide land use planning processes and State land use programs for conformity to the provisions of this act, and to assist in the coordination of activities of Federal Agencies with State land use programs; authorizes $10 million each year for five fiscal years to the Secretary for administration of this act; provides that the programs of this act be consistent with antipollution regulations and policies already enacted; establishes an Interagency Advisory Board on Land Use Policy to assist in the exchange of data and information pertinent to land use decisionmaking among all levels of government and the public and to recommend to the Congress such legislation it deems appropriate to establish land use policies and any requirement or procedures necessary to assure that such policies are implemented; and contains other provisions. S. 268. P/S June 21, 1973. (205)

McGee Creek Reservoir, Oklahoma

Authorizes a study of the potential McGee Creek Reservoir in Atoka County, Oklahoma, including a dam and reservoir primarily for the purpose of serving municipal and industrial water to Oklahoma City and small communities in the area. S. 2075. P/S July 26, 1973. (VV)

National Sea Grant College and Program Act of 1966 amendments

Provides an authorization of $30 million, $40 million, and $50 million for fiscal years 1974, 1975, and 1976 respectively for the National Sea Grant College marine research development programs within the Department of Commerce; authorizes $200,000 for a study of means of sharing, through cooperative programs with other nations, the results of marine research; and authorizes the Secretary to make contracts with and grants to participants for this purpose without matching share requirements; and contains other provisions. H.R. 5452. Public Law 93–73, approved July 10, 1973. (VV)

Safe Drinking Water Act of 1973

Establishes a program within the Environmental Protection Agency (EPA) to regulate drinking water whereby the Federal Government will exercise a new responsibility to set standards and provide assistance in order to protect public water supplies from contamination by providing that (1) EPA establish minimum Federal drinking water standards prescribing maximum limits for contaminants as well as standards for the operation and maintenance of drinking water systems and surveillance, monitoring, site selection and construction standards for public water systems to assure safe dependable drinking water; (2) EPA establish recommended standards to assure esthetically adequate drinking water; (3) the States may establish standards which are more stringent than the Federal drinking water standards; (4) the States will be primarily responsible for enforcing the standards, with Federal enforcement if the States fail to act or in cases of imminent hazard; (5) a National Drinking Water Council be established to advise the administrator on scientific and engineering matters; (6) EPA conduct and promote research, technical assistance, and training of personnel for water supply occupations; (7) EPA conduct a rural water survey within two years of enactment; (8) EPA make grants for special study and demonstration projects with respect to water supply technology; (9) EPA make grants to the States to defray the costs of State programs; and (10) citizens be authorized to bring injunctive suites against violators of primary drinking water standards and against the Administrator for failing to perform mandatory duties. S. 433. P/S June 22. 1973. (VV)

Saline water program authorization, 1974

Authorizes appropriations at an increased level of $9,127,000 for fiscal year 1974 for the Federal Saline Water Conversion programs conducted by the Secretary of the Interior to support a continuing research program into attractive new desalting technologies and to retain a technical capability in the Federal government to support planning and development which involves desalination, and contains other provisions. S. 1386. Public Law 93–51, approved July 1, 1973. (VV)

Solid Waste Disposal Act Exetension

Extends for 1 year, to June 30, 1974, the Solid Waste Disposal Act, as amended; authorizes the appropriation of $216 million for fiscal year 1974 to the Administrator of the Environmental Protection Agency and $22.5 million for fiscal year 1974 to the Secretary of the Interior, to carry out the provisions of this act; and contains other provisions. S. 498. P/S January 26, 1973. (VV)

Extends for 1 year, to June 30, 1974, the Solid Waste Disposal Act of 1967 (as amended by the Resource Recovery Act of 1970) and extends for 1 year, at constant dollar amounts, the authorization for appropriations therefor in the total amount of $238.5 million. H.R. 5446. Public Law 93–14, approved April 9, 1973. (VV)

Toxic Substances Control Act

Prevents unreasonable threats to human beings or the environment from the use of chemical substances and products containing chemical substances; authorizes the Environmental Protection Agency (EPA) to restrict the use or distribution of such substances or products by providing that: (1) new chemical substances which may pose unreasonable threats to human health or the environment be tested by their manufacturer prior to commercial production and the test results reviewed by EPA prior to production and that notification be given to EPA prior to the commercial production of all other new chemicals; (2) EPA specify and require testing of those existing chemical substances which there is reason to believe may present unreasonable threats to human health or the environment; (3) EPA be given regulation authority including the authority to restrict use or distribution, seize chemical substances in violation of certain requirements of the Act, and to take immediate action against the chemical substances creating imminent hazards; (4) manufacturers and processors of chemical substances be required to maintain certain records and reports to enable the Administrator of EPA to properly determine hazards; and (5) citizens be allowed to bring suits to enjoin certain violations of the act and to require the performance of mandatory duties of the Administrator of EPA; and contains other provisions. S. 426. P/S July 18, 1973; P/H amended July 23, 1973; in conference. (VV)

United States fishing industry

Sets forth congressional resolve to provide all necessary support to strengthen the United States fishing industry and to protect our coastal fisheries against excessive foreign fishing, and to provide interim measures to conserve overfished stocks and to protect our national fishing industry; recognizes, encourages, and supports the key responsibilities of the several states for conservation and scientific management of fisheries resources within the United States territorial waters; and commends Federal programs designed to improve coordinated protection, enhancement, and scientific management of all United States fisheries, both coastal and distant, including presently successful Federal-aid programs under the Commercial Fisheries Research and Development Act of 1964, and the newly developing Federal-State fisheries management programs. S. Con. Res. 11. P/S June 1, 1973. (VV)

Wasteland treatment plant operations training program

Continues through fiscal year 1974 the pilot operator training program for wastewater treatment plants (section 104(g)(1) of the Federal Water Pollution Control Act) at the annual authorization level of $7.5 million. S. 1776. P/S June 28, 1973. (VV)

Water Resources Planning Act amendments

Authorizes an appropriation of $3.5 million annually for fiscal years 1974 and 1975 for the Water Resources Council to carry out certain functions assigned to it under the provisions of the Water Resources Planning Act of 1965, as amended. S. 1501. Public Law 93–55, approved July 1, 1973. (VV)

NOMINATIONS—(ACTION BY ROLLCALL VOTE)

Vincent R. Barabba, of California, to be Director of the Census: Nomination confirmed July 24, 1973. (315)

Peter J. Brennan, of New York, to be Secretary of Labor: Nomination confirmed January 31, 1973. (4)

William P. Clements, Jr., of Texas, to be a Deputy Secretary of Defense: Nomination confirmed January 23, 1973. (1)

William Egan Colby, of Maryland, to be Director of Central Intelligence: Nomination confirmed August 1, 1973. (352)

Clarence M. Kelley, of Missouri, to be Director of the Federal Bureau of Investigation: Nomination confirmed June 27, 1973. (228)

Elliot L. Richardson, of Massachusetts, to be Secretary of Defense: Nomination confirmed January 29, 1973. (3)

Elliot L. Richardson, of Massachusetts, to be Attorney General: Nomination confirmed May 23, 1973. (145)

James R. Schlesinger, of Virginia, to be Director of Central Intelligence: Nomination confirmed January 23, 1973. (2)

James R. Schlesinger, of Virginia, to be Secretary of Defense: Nomination confirmed June 28, 1973. (243)

William L. Springer, of Illinois, to be a member of the Federal Power Commission: Nomination confirmed May 21, 1973. (141)

Caspar W. Weinberger, of California, to be Secretary of Health, Education, and Welfare: Nomination confirmed February 8, 1973. (14)

PROCLAMATIONS

Digestive Disease Week

Authorizes and requests the President to issue a proclamation designating the week of May 20–26, 1973, as "Digestive Disease Week." S.J. Res. 114. P/S May 17, 1973. (VV)

Honor America Day

Declares the twenty-one days from Flag Day, June 14, 1973, to Independence Day, July 4, 1973, as a period to honor America. S. Con. Res. 27. P/S May 31, 1973, P/H June 13, 1973. (VV)

International Clergy Week in the United States

Authorizes the President to designate the week of January 28, 1973, as "International Clergy Week in the United States". H.J. Res. 163. Public Law 93–2, approved January 26, 1973. (VV)

Jim Thorpe Day

Authorizes and requests the President to issue a proclamation designating April 16, 1973, as "Jim Thorpe Day". S.J. Res. 73. Public Law 93–19, approved April 16, 1973. (VV)

Mississippi River

Authorizes and requests the President to issue a proclamation designating June 17, 1973, as a day of commemoration marking the 300th anniversary of the opening of the upper Mississippi River by Jacques Marquette and Louis Jolliet. S.J. Res. 102. Public Law 93–41, approved June 14, 1973. (VV)

National Arthritis Month

Authorizes and requests the President to to issue a proclamation designating the month of May 1973 as "National Arthritis Month", and contains other provisions. H.J. Res. 275. Public Law 93–21, approved April 20, 1973. (VV)

National Autistic Children's Week

Authorizes and requests the President to issue a proclamation designating the week which begins on June 24, 1973, as "National Autistic Children's Week." H.J. Res. 296. Public Law 93–42, approved June 15, 1973. (VV)

National Clean Water Week

Authorizes the President to designate the period beginning April 15, 1973, as "National Clean Water Week". H.J. Res. 437. Public Law 93–18, approved April 14, 1973. (VV)

National Consumer Effort To Save Gas and Arrive Alive

Calls for all motor vehicle operators travelling on high-speed roads on week-ends and holidays, between the date of passage of this resolution and Labor Day, September 3, 1973, to: (1) travel at speed no greater than 10 miles per hour less than the posted speed limit; and (2) turn on headlights to encourage fellow travellers to join in the nation-wide campaign to slow down, save gas, save lives and save money. S. Res. 138. Senate adopted August 2, 1973. (VV)

National Employ the Older Worker Week

Designates the second full calendar week in March 1973 as "National Employ the Older Worker Week." H.J. Res. 334. Public Law 93–10, approved March 15, 1973. (VV)

National Historic Preservation Week

Authorizes and requests the President to issue a proclamation designating the calendar week beginning May 6, 1973, as "National Historic Preservation Week". S.J. Res. 51. Public Law 93–30, approved May 5, 1973. (VV)

National Hunting and Fishing Day

Requests the President to declare the fourth Saturday of September 1973 as "National Hunting and Fishing Day". H.J. Res. 210. Public Law 93–23, approved April 20, 1973. (VV)

National Legal Secretaries' Court Observance Week

Authorizes and requests the President to issue a proclamation each year designating the second full week in October as "National Legal Secretaries' Court Observance Week." H.J. Res. 466. Public Law 93– , approved 1973. (VV)

National Moment and Day of Prayer and Thanksgiving

Authorizes the President to issue a proclamation designating the moment of 7:00 P.M. E.S.T., January 27, 1973, a national moment of prayer and thanksgiving for the peaceful end to the Vietnam war and the 24 hours beginning at the same time as a national day of prayer and thanksgiving, and contains other provisions. H.J. Res. 246. Public Law 93–3, approved February 1, 1973. (VV)

National Next Door Neighbor Day

Authorizes and requests the President to issue a proclamation designating the fourth Sunday in September 1973 as "National Next Door Neighbor Day." S.J. Res. 25. Public Law 93– , approved 1973. (VV)

Nicolaus Copernicus Week

Authorizes the President to designate the week of April 23, 1973 as "Nicolaus Copernicus Week" marking the quinquocentennial of his birth. H.J. Res. 5. Public Law 93–16, approved April 9, 1973. (VV)

Warsaw ghetto uprising

Authorizes and requests the President to proclaim April 29, 1973, as a day of observance of the 30th anniversary of the Warsaw ghetto uprising. H.J. Res. 303. Public Law 93–20, approved April 20, 1973. (VV)

Women's Equality Day

Designates August 26 of each year as Women's Equality Day in commemoration of that day in 1920 on which the women of America were first guaranteed the right to vote. H.J. Res. 52. Public Law 93– , approved 1973. (VV)

SPACE

NASA authorization, 1974

Authorizes appropriations totaling $3,064,500,000 to the National Aeronautics and Space Administration for fiscal year 1974, as follows: for Research and Development, $2,245,500,000, including for space flight operation, $555.5 million, space shuttle, $475 million, advanced missions, $1.5 million, physics and astronomy, $63.6 million, lunar and planetary exploration, $311 million, launch vehicle procurement, $177.4 million, space applications, $161 million, of which $2 million is provided for NASA to formulate a long-term energy program that would explore options for energy generation and management from the many technologies the agency has developed, aeronautical research and technology, $180 million, space and nuclear research and technology, $72 million, tracking and acquisition data, $244 million, and technology utilization, $4.5 million; for Construction of Facilities, $112,000,000; and for Research and Program Management, $707,000,000; and contains other provisions. H.R. 7528. Public Law 93–74, approved July 23, 1973. (195)

TRANSPORTATION AND COMMUNICATIONS

Aircraft hijacking

Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A [92d–1st] to which the United States is a party and which came into effect on October 4, 1971; provides the President authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention, in effect imposing, unilaterally, a U.S. air transport boycott; permits the Secretary of Transportation, with the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public; provides, in Title II, for the screening of all passengers and carry on baggage by weapons detecting devices prior to their being boarded on the aircraft; establishes under the Administrator of the Federal Aviation Administration an Air Transportation Security Force to provide a Federal law enforcement presence at the nation's major airports; and contains other provisions. S. 39. P/S February 21, 1973. (21)

Airport Development Acceleration Act of 1973

Amends the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958 to increase Federal financial assistance for airport development throughout the United States; increases the present minimum annual authorization for airport development grants to air carrier and reliever airports to $275 million, and to general aviation airports to $35 million, for each of fiscal years 1974 and 1975, and the five year limit on obligational authority for the fiscal years 1971–1975 to $1.46 billion, funds which will come from the Airport and Airway Trust Fund; provides that the maximum 50 percent Federal share of project costs will be determined by the total number of passengers enplaned for all air carrier airports operated by the same sponsor and raises the maximum Federal share to 75 percent for general aviation or reliever airports; prohibits the levying by State and local governments of passenger "head" taxes or use taxes on the carriage of persons in air transportation; and contains other provisions. *NOTE:* (An earlier measure, S. 3755 [92d–2d], was pocket vetoed by President Nixon on October 27, 1972.) S. 38. Public Law 93–44, approved June 18, 1973. (9)

Alaska pipeline

In title V, the Trans-Alaskan Pipeline Authorization Act, makes a finding that the early delivery of oil and gas from Alaska's North Slope to domestic markets is in the national interest and that actions of the Secretary of the Interior and all other Federal agencies and officers heretofore taken on behalf of the executive branch with respect to the proposed trans-Alaska oil pipeline shall be regarded as satisfactory compliance with the provisions of the National Environmental Policy Act of 1969 and all other applicable laws; authorizes and directs the Secretary and all other Federal agencies and officers, without further action under the National Environmental Policy Act of 1969 or any other law, and notwithstanding the provisions of any law other than this title, such rights-of-way, leases, permits, approvals, and other authorizations necessary for the construction, operation, and maintenance of a trans-Alaskan oil pipeline system, a State of Alaska highway, and no more than three State of Alaska airports, all in accord with applications on file with the Secretary on the date of this act, with the route of the pipeline system to follow generally the route described in the pending applications, and subject to compliance with the stipulations contained in volume I of the final Environmental Impact Statement on the pipeline issued by the Secretary on March 20, 1972; authorizes, in title I, Rights-of-Way on Federal Lands, the Secretary, or appropriate agency head, to grant, issue, or renew rights-of-way over, upon, or through Federal lands for pipelines for oil or natural gas, reservoirs and other systems for impoundment, storage, transportation, or distribution of water, transportation or distribution of liquids and gases, other than oil, water, and natural gas, electric energy systems except insofar as the Federal Power Commission has jurisdiction under the Act of June 10, 1920, as amended (16 U.S.C. 796.797), communications and electronic systems, highways and other means of ground transportation, and any other necessary transportation or other systems which are in the public interest; provides that pipelines and other systems for the transportation of oil or natural gas and storage and terminal facilities therefor shall be operated as common carriers; in title II, authorizes negotiations by the executive branch with the Government of Canada to ascertain its willingness to permit construction of pipelines or other transportation systems across Canada territory for the transport of natural gas and oil from Alaska's North Slope to U.S. markets in regard to subsequent projects; grants, in title III, the Federal Trade Commission the requisite authority to insure prompt enforcement of the law the Commission administers by granting statutory authority to directly enforce subpoenas issued by the Commission and to seek preliminary injunctive relief to avoid unfair competitive practices; and contains other provisions. S. 1081. P/S July 17, 1973; P/H amended August 2, 1973. (289)

Amtrak Improvement Act of 1973

Amends the Rail Passenger Act of 1970 to upgrade the quality of rail passenger service and put it on a par with quality rail passenger systems operating in other countries; provides for an authorization of

appropriations for fiscal year 1974 and for an increase in the ceiling on federally guaranteed obligations of the National Railroad Passenger Corporation; authorizes the Corporation to make all reasonable efforts to insure that elderly and handicapped individuals are given equal opportunity to utilize intercity transportation on passenger trains operated by or on behalf of the Corporation; gives the Corporation the power of eminent domain in order to acquire from owners other than governments and railroads right-of-way, land, or other property, and authorizes an Interstate Commerce Commission (ICC) proceeding through which the Corporation can acquire interests in property owned by a railroad or a government entity; requires the Corporation to initiate one new experimental route each year, and to operate it for a two year period and provides a means of discontinuing such service if it proves unsuccessful; vests jurisdiction over safety-related matters in the Department of Transportation and grants the ICC full and adequate powers to assure that adequate service, equipment, tracks, and other facilities are provided for intercity rail passenger service; allows private firms as well as the Corporation to offer auto-ferry service; prohibits any preclearance of budget requests, legislative recommendations, proposed testimony, or comments on legislation before submission to the Congress, and prohibits the impoundment of any funds authorized and appropriated by the Congress; clarifies the relationship of the Corporation to the Department of Transportation thus giving the Corporation more budgetary freedom and more direct accountability to Congress; and contains other provisions. S. 2016. P/S June 28, 1973; twice reconsidered for amendments and passed June 28, 1973. (VV)

Bicentennial Advance Technology Transportation System Demonstration Act

Authorizes the Secretary of Transportation to make an investigation and study for the purposes of determining the feasibility, social advisability, environmental impact, and economic practicability, of (1) a tracked air-cushioned vehicle or other high-speed ground transportation system between Washington, D.C., and Annapolis, Maryland, and (2) a surface effect vessel or other high-speed marine transportation system between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia for use as part of the Bicentennial celebration and authorizes therefor an appropriation of not to exceed $300,000; directs the Secretary to report the results of such investigation and study, together with his recommendations, to the President and the Congress, no later than 9 months after enactment of this act; and authorizes the Secretary to enter into such contracts and other arrangements as necessary for the construction and operation of such systems if such study demonstrates their feasibility; and contains other provisions. S. 797. P/S June 14, 1973. (VV)

Corporation for Public Broadcasting Authorizations, 1973

Amends the Communications Act of 1934 to authorize appropriations for the Corporation for Public Broadcasting at an increased level for fiscal years 1974 and 1975 of $50 million and up to an additional $5 million in matching funds for gifts for fiscal year 1974 and $60 million and up to an additional $5 million in matching funds for gifts for fiscal year 1975; authorizes appropriations of $25 million for fiscal year 1974 and $30 million for fiscal year 1975 for construction of education television and radio broadcasting facilities; requires radio and television stations receiving Federal assistance to make audio recordings of programs involving discussions of important public issues and make them available to the public at cost; and contains other provisions. *NOTE:* (H.R. 13918 [92d-2d], similar bill, was vetoed by President Nixon on June 30, 1972.) S. 1090. Public Law 93- , approved 1973. (113)

"Delta Queen"

Extends until November 1, 1978, the existing exemption of the steamboat "Delta Queen" from certain vessel laws relative to the construction standards of the Safety at-Sea Act (Public Law 89-777). H.R. 5649. Public Law 93- , approved 1973. (VV)

Emergency Rail Services Act Amendments

Assures the continuance of essential rail service in the Northeast and Midwest by authorizing the Secretary of Transportation to contract with the trustees of any railroad in reorganization under section 77 of the Bankruptcy Act for the continued provision of service in the case of actual or threatened cessation of such services; allows the Secretary to acquire by purchase, lease, or other transfer any equipment, facilities, or operating rights over the tracks of such a railroad; and contains other provisions. S. 2060. P/S July 27, 1973. (332)

Essential Rail Services Continuation Act of 1973

Assures the continuance of essential rail service in the Northeast and Midwest in the event that one or more of the seven railroads presently in reorganization under section 77 of the Bankruptcy Act ceases operations by authorizing the Interstate Commerce Commission to direct one carrier by railroad to operate over the lines of a non-operating carrier; requires the Commission to issue just and reasonable directions to the operating carrier which cover the handling, routing, and movement of traffic of the non-operating carrier; limits the duration of such directions to sixty days unless extended by the Commission for a period of not to exceed 180 days; authorizes funds to be appropriated in such amounts as may be necessary to reimburse a directed carrier for losses incurred because of operations it is directed to engage in by the Commission; and contains other provisions. S. 1825. P/S July 14, 1973. (VV)

Federal-Air Highway Act of 1973

Authorizes, in title I, the Federal-Aid Highway Act of 1973, for the Interstate Highway program $2.6 billion for fiscal year 1974, $3 billion for each of fiscal years 1975 and 1976, and $3.25 billion for each of fiscal years 1977, 1978, and 1979;

Eliminates the present single authorization for the primary and secondary systems and their urban extensions and substitutes a separate authorization for the rural and urban portions of these systems as follows: primary system in rural areas, $680 million for fiscal year 1974 and $700 million for each fiscal year thereafter, secondary systems in rural areas funded at $390 million and $400 million per fiscal year thereafter; authorizes for the urban system, $780 million for fiscal year 1974 and $800 million per fiscal year thereafter, with extensions of the primary and secondary system in urban areas funded at $290 million for fiscal year 1974 and $300 million per fiscal year thereafter; for forest development trails, $140 million per fiscal year; for parkways, $60 million for fiscal year 1974 and $75 million thereafter; for Indian reservation roads and bridges, $75 million per fiscal year; for economic growth center development highways, $50 million for fiscal year 1974, $75 million for 1975, and $100 million for 1976;

Extends the time for completion of the Interstate system until June 30, 1979;

Expands the urban system as presently designated to encompass all urban areas and to include collector streets and access roads to airports and other transportation terminals, with the urban system to be established as the State highway department may designate, and with the routes to be selected by local official with the concurrence of the State highway departments;

Permits the Secretary to approve as a project on any Federal-aid system the construction of exclusive or preferential bus lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters) and fringe and transportation corridor parking facilities; permits, beginning with funds authorized for fiscal year 1975, the Secretary to approve as a project on the urban system the purchase of buses, and beginning with funds authorized for fiscal year 1976 for the urban system, to approve projects for the construction, reconstruction, and improvement of fixed rail facilities including the purchase of rolling stock for fixed rail; provides that not more than $200 million of urban system funds for fiscal year 1975 shall be expended for the Federal share for the purchase of buses;

Increases the Federal share payable on account of any non-Interstate project from 50 to 70 percent with respect to all obligations incurred after June 30, 1973;

Provides that urban system funds apportioned to a State that are attributable to urbanizad areas of 200,000 population or more shall be made available for expenditure in the State in accordance with a formula developed by the State and approved by the Secretary, and in the event a formula has not been developed and approved for a State, to be allocated among such urbanized areas within the State in the ratio the population of such urbanized area bears to the population of all such urbanized areas or parts thereof within that State;

Authorizes the Secretary to promulgate noise level standards for the control of highway noise levels for Federal-aid projects approved prior to July 1, 1972; provides that buses must meet Environmental Protection Agency Standards under the Clean Air Act and the Noise Control Act of 1972, and, wherever practicable, the equipment must meet special criteria for low-emission products; requires that the planning and design of mass transportation facilities must be such as to meet special needs of the elderly and handicapped;

Authorizes under title II, entitled the Highway Safety Act of 1973, $100 million for fiscal year 1974, $125 million for 1975, and 150 million for 1976, from the Highway Trust Fund, for highway safety programs to be carried out by the National Highway Traffic Safety Administration, $42.5 million for fiscal year 1974, $55 million for 1975, and $65 million for 1976, for highway safety research and development to be carried out by the Administration, and $25 million for 1974, $30 million for 1975, and $35 million for 1976 for highway safety programs to be carried out by the Federal Highway Administration;

Authorizes programs for the elimination of hazards at rail highway crossings, the elimination or reduction of high hazard locations on highways and the elimination of roadside obstacles; provides for various studies concerned with safety; requires curb ramps for the handicapped for curbs constructed or replaced at all pedestrian crosswalks after July 1, 1976;

Increases, in title III, the Federal share of capital grants under the Urban Mass Transportation Act of 1964, as amended, to 80 percent, and increase from $3.1 billion to $6.1 billion contract authority under the Act;

And contains other provisions. S. 502. Public law 93- , approved 1973. (40, 351)

Federal Railroad Safety Act authorization, 1973

Authorizes appropriations of $19,440,000 for implementation of the railroad safety functions and $1,200,000 for implementation of the hazardous materials control functions of the act for fiscal year 1974. S. 2120. Public Law 93- , approved 1973. (VV)

Highway Safety Act of 1973

Authorizes $455 million for fiscal year 1974 and $475 million for fiscal year 1975 for highway safety programs, including $100 million for each of fiscal years 1974 and 1975 for the bridge replacement program, establishes a Federal-aid safer roads system, and authorizes $200 million of the total amounts authorized for each of fiscal years 1974 and 1975, to be available on a 90 percent Federal, 10 percent State matching basis, for the correction of highway hazards on that system; requires States to identify, by June 30, 1974, projects on the Federal-aid safer roads system which have to be corrected and assign priority to the correction of hazards falling within the following three major categories: (1) projects to improve highway marking and signing, (2) elimination of roadside obstacles, and (3) elimination of hazards at railroad-highway grade crossings; includes bicycle safety in the areas to be covered by highway safety standards and adds bicycle safety to required driver education programs; authorizes the use of appropriated funds for State highway safety programs for use in developing and implementing manpower training and demonstration programs; increases the minimum apportionment to any State for highway safety programs from one-third of one percent to one-half of one percent; authorizes the Secretary to carry out research on the relationship between the consumption of drugs and highway safety and to promulgate a highway safety program standard on drug use and highway safety; and contains other provisions. S. 893. P/S April 12, 1973. (VV)

Interim apportionment of interstate and other highway funds

Directs the Secretary of Transportation to apportion, as provided in the act, $1 billion of the sums authorized to be apportioned for fiscal year 1974 for immediate expenditure for the National System of Interstate and Defense highways, and authorizes the appropriation of $500 million from the Highway Trust Fund for fiscal year 1974 funding of the Federal-aid primary and secondary systems and their urban extensions, such funds to be available as follows: 45 percent for projects on the primary system; 30 percent for projects on the secondary system and 25 percent for projects on extensions of the primary and secondary systems in urban areas. S. 1808. Public Law 93–61, approved July 6, 1973. (VV)

Interstate Apportionment

Directs the Secretary of Transportation to apportion out of the Highway Trust Fund, $1 billion of the funds authorized for fiscal year 1974 for expenditure on the Interstate and Defense Highway systems. S. Con. Res. 6. P/S March 6, 1973. (VV)

Ocean Transportation in Noncontiguous States and Territories

Amends section 607(k)(8) of the Merchant Marine Act, 1936, as amended, to expressly include within the definition of "noncontiguous trade" trade between two or more points within Alaska, Hawaii, Puerto Rico, or any other territory or possession of the United States for the purpose of insuring that vessels trading between points within such States and insular terrtories and possessions are eligible for assistance from capital construction funds (tax deferred reserve funds) generated by the deposits made by eligible vessel operators under agreements with the Secretary of Commerce, and to make it clear that a vessel which has been built with such funds is legally permitted to between such points. S. 902. P/S June 30, 1973. (VV)

Rail freight car shortage

In view of the current railroad transportation crisis caused by a freight car shortage and other factors, declares it to be the sense of the Senate that (1) the Commodity Credit Corporation should make available to farmers the option to reseal loans on farm-stored wheat and feed grains with respect to the 1971 and 1972 crops; and (2) the President is urged and requested to appoint a special committee to conduct a study of the railroad freight car shortage problem and to submit to the President and the Senate Committees on Agriculture and Forestry and Commerce, within thirty days after its appointment, a report along with its recommendations for the most effective and practical means of (A) delivering adequate quantities of wheat to millers and feed grains to farmers and stockmen in the United States dependent upon such grain for feeding their livestock, and (B) alleviating the backup at those ports where numerous ships and railroad cars are waiting to be loaded and unloaded. S. Res. 59. Senate adopted February 19, 1973. (15)

Railroad Retirement Act and Interstate Commerce Act amendments

Increases the tax which railroads are required to pay under the Railroad Retirement Act; provides for retirement eligibility for men at age 60 with 30 years of service; provides for an extension to December 31, 1974, of the temporary railroad retirement benefit increases presently scheduled to expire July 1, 1973; provides for a pass-through of social security benefit increases which might be enacted between July 1, 1973, and December 31, 1974; increases the taxes which railroads are required to pay under the Railroad Retirement Act; provides for the establishment of a labor management committee to recommend a restructuring of the railroad retirement system to insure its actuarial soundness with a final report and recommendations to be submitted to the Congress by April 1, 1974; declares the intent of Congress to enact legislation in 1974, effective not later than January 1, 1975, which will assure the long-term actuarial soundness of the railroad retirement system; amends the Interstate Commerce Act to provide that the Interstate Commerce Commission shall, by informal rule-making under the Administrative Procedure Act, establish the requirements for petitions for adjustments of rates of common carriers occasioned by the tax increases prescribed in this act or by other law on or before January 1, 1975, and provides for expedited freight-rate making procedures applicable to interstate and intrastate rates; and contains other provisions. H.R. 7200. Public Law 93–69, approved July 10, 1973. (VV)

Rolling Stock Utilization and Financing Act

Establishes an Obligation Guarantee Board in the Department of Transportation as an independent agency, and an Obligation Guarantee Fund, to insure obligations incurred for the acquisition of rolling stock, and equipment or facilities; provides for Federal efforts to improve utilization of freight cars and other rolling stock by means of a national rolling stock information system, development and quarterly publishing of an index measuring freight-car utilization, a study by the Secretary on the utilization of freight cars and means to improve such utilization, and action under existing authority to improve utilization; provides, in the event of failure to solve the shortage problem, for potential direct government action to attempt to do so; provides for a railroad equipment corporation to acquire rolling stock and to manage rolling stock as a pool; and contains other provisions. S. 1149. P/S July 23, 1973. (306)

Ship Construction

Amends section 502(a) of the Merchant Marine Act, 1936, as amended, to extend from June 30, 1973, to June 30, 1976, the authority of the Secretary of Commerce to award subsidies for the construction of vessels on which the price has been established by negotiation between the prospective ship owner and the shipyard. H.R. 6187. Public Law 93–71, approved July 10, 1973. (VV)

West Coast Corridor Feasibility Study Act of 1973

Directs the Secretary of Transportation to make an investigation and study for the purpose of determining the social advisability, technical feasibility, and economic practicability of a high-speed ground transportation system between Tijuana, Mexico, and Vancouver, Canada, including the various means of providing such transportation, the cost, usage, environmental impact, and energy utilization and impact on energy resources; directs the Secretary to report the results of his study and investigation together with his recommendations to the Congress and the President no later than January 30, 1976, and submit an interim report to Congress on January 30, 1975; authorizes therefore an appropriation of not to exceed $8 million to carry out the provisions of this act; and contains other provisions. S. 1328. P/S July 11, 1973. (VV)

VETERANS

Drug and Alcohol Treatment and Rehabilitation Act

Provides for a fully-funded, comprehensive drug and alcohol treatment and rehabilitation program for addicted veterans regardless of service connection or the nature of their discharge; establishes a special medical treatment and rehabilitative services program for any veteran with a drug dependence or drug abuse disability, stressing highly individualized community-based, multimodality, in-house and contract services, including a wide range of vocational and educational counseling and rehabilitative services and job placement assistance; requires the Administrator to carry out a program or vocational rehabilitation for those Vietnam era veterans with addiction disabilities; broadens the eligibility for basic V.A. hospital care and medical services for service-connected disabilities; and contains other provisions. S. 284. P/S March 6, 1973. (31)

Health Care Expansion Act

Improves the ability of the Veterans' Administration (VA) to deliver quality medical care to its beneficiaries by widening the scope of treatment (particularly for ambulatory and nursing care); expands coverage to certain dependents of beneficiaries or former beneficiaries; provides for a voluntary, comprehensive sickle cell anemia screening and counseling program; expands the primary function of the Veterans Administration Department of Medicine and Surgery to include assisting in providing an adequate supply of health care manpower; provides for a contract to be made with the National Academy of Sciences for a study of staffing with a view to improving the staff-to-patient ratio in V.A. medical facilities; ensures that V.A. facilities are structurally safe; and contains other provisions. *Note:* (H.R. 10880 [92–2d], a similar measure, was pocket vetoed by President Nixon on October 27, 1972). S. 59. Public Law 93–82, approved August 3, 1973. (29)

National Cemeteries Act

Establishes within the Veterans' Administration (V.A.) a National Cemetery System consisting of those cemeteries presently under the jurisdiction of the V.A. and those to be transferred by September 1, 1973, to the V.A. from the Department of Army with the exception of certain specified cemeteries, including Arlington National Cemetery and those located at the service academies; directs the V.A. to conduct a comprehensive study and submit its recommendations on or before January 3, 1974, as to what our National Cemetery System and national burial policy should be; authorizes the Administrator of Veterans' Affairs to permit

the flying of the American flag at cemeteries in the national cemetery system 24 hours a day; authorizes a special burial plot allowance of $150 (in addition to the present V.A. allowance for burial and funeral expenses of $250) in any case where a veteran is not buried in a national or other Federal cemetery; authorizes the burial of an unknown soldier from the Vietnam Conflict at Arlington National Cemetery; and contains other provisions. *Note:* (H.R. 12674 [92d–2], a similar measure, was pocket vetoed by President Nixon on October 27, 1972.) S. 49 Public Law 93–43, approved June 18, 1973. (30)

Veterans' Administration flexible GI interest rate authority

Restores the authority of the Administrator of the Veterans' Administration to set flexible interest rates on loans to veterans, which expired June 30, 1973; authorizes the Administrator to consult with the Secretary of Housing and Urban Development in order to set flexible interest rates on guaranteed, insured, and direct loans in excess of 6 percent as he determines the current loan market demands; and establishes that, to the maximum extent practicable, the Administrator shall carry out a coordinated policy on interest rates and loans insured by the Federal Housing Administration and the Veterans' Administration. H.R. 8949. Public Law 93–75, approved July 26, 1973. (VV)

Veterans' benefits

Amends title 38 U.S.C., to increase the Monthly rates of disability and death pensions and dependency and indemnity compensation and to increase income limitations relating thereto, and contains other provisions. H.R. 9474. P/H July 30, 1974; P/S amended August 2, 1973. (VV)

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NOMINATIONS—ACTION BY ROLL CALL VOTE

Vincent R. Barabba to be Director of the Census.
William P. Clements, Jr. to be a Deputy Secretary of Defense.
William Egan Colby to be Director of Central Intelligence.
Clarence M. Kelley to be Director of the Federal Bureau of Investigation.
Elliot L. Richardson to be Secretary of Defense.
Elliot L. Richardson to be Attorney General.
James R. Schlesinger to be Director of Central Intelligence.
James R. Schlesinger to be Secretary of Defense.
William L. Springer to be a Member of the Federal Power Commission.
Caspar W. Weinberger to be Secretary of Health, Education, and Welfare.

PROCLAMATIONS

Digestive Disease Week (S.J. Res. 114).
Honor America Day (S. Con. Res. 27).
International Clergy Week in the United States (H.J. Res. 163).
Jim Thorpe Day (S.J. Res. 73).
Mississippi River (S.J. Res. 102).
National Arthritis Month (H.J. Res. 275).
National Autistic Children's Week (H.J. Res. 296).
National Clean Water Week (H.J. Res 437).
National Consumer Effort to Save Gas and Arrive Alive (S. Res. 138).
National Employ the Older Worker Week (H.J. Res. 334).
National Historic Preservation Week (S.J. Res. 51).
National Hunting and Fishing Day (H.J. Res. 210).
National Legal Secretaries' Court Observance Week (H.J. Res 466).
National Moment and Day of Prayer and Thanksgiving (H.J. Res. 246).
National Next Door Neighbor Day (S.J. Res. 25).
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†Airport Development Acceleration Act (S. 38).
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Amtrak Improvement Act (S. 2016).
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†Corporation, for Public Broadcasting Authorization, 1973 (S. 1090).
"Delta Queen" (H.R. 5649).
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Rail Freight Car Shortage (S. Res. 59).
Railroad Retirement Act and Interstate Commerce Act Amendments (H.R. 7200).
Rolling Stock Utilization and Financing Act (S. 1149).
Ship Construction (H.R. 6187).
West Coast Corridor Feasibility Study Act (S. 1328).

VETERANS

Drug and Alcohol Treatment and Rehabilitation Act (S. 284).
†Health Care Expansion Act (S. 59).
†National Cemeteries Act (S. 49).
Veterans' Administration Flexible GI Interest Rate Authority (H.R. 8949).
Veterans' Benefits (H.R. 9474).

* Vetoed 1973.

† Vetoed 1972.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Wednesday, September 5, 1973. At the conclusion of remarks by the distinguished majority leader and the distinguished minority leader under the standing order, the distinguished junior Senator from Virginia (Mr. SCOTT) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes.

At the conclusion of the transaction of routine morning business the Senate will proceed to the consideration of H.R. 9590, the bill making appropriations for the Departments of the Treasury and Post Office for fiscal year 1974. There is a time limitation on that bill of 2 hours, with 1 hour on any amendment and ½ hour on any amendment to an amendment, debatable motion for appeal. There may be some controversy about the bill—I do not know—but in any event the yeas and nays have been ordered on final passage of the bill.

On final passage of H.R. 9590, the Senate will go into executive session to consider Ex. L, 93d Congress, 1st Session, an amendment to article LXI of the Charter of the United Nations, and will vote immediately on the adoption of that measure. The yeas and nays have been ordered.

Upon the return to legislative session the Senate will take up, under a time limitation, S. 1914, a bill to provide for the establishment of the Board for International Broadcasting to authorize the continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes.

I expect yea-and-nay votes on amendments thereto and on final passage of that bill.

In summation, the leadership would anticipate, at the very least, three yea-and-nay votes on the first day after the Senate reconvenes following the August recess, and I have a feeling there will be more than three votes.

ADJOURNMENT TO WEDNESDAY, SEPTEMBER 5, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of Senate Concurrent Resolution 42, that the Senate stand in adjournment until 12 noon, Wednesday, September 5, 1973.

The motion was agreed to; and, at 7:28 p.m., the Senate adjourned until Wednesday, September 5, 1973, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 3, 1973:

OFFICE OF TELECOMMUNICATIONS POLICY

John Eger, of Virginia, to be Deputy Director of the Office of Telecommunications Policy, vice George Frank Mansur, Jr., resigned.

NATIONAL RAILROAD PASSENGER CORPORATION

The following-named persons to be members of the Board of Directors of the National Railroad Passenger Corporation for terms expiring April 28, 1977:

David Walbridge Kendall, of Michigan, reappointment.

Rose M. Fanucchi, of California, vice Catherine May Bedell.

Claude S. Brinegar, Secretary of Transportation, vice John A. Volpe.

CONFIRMATIONS—AUGUST 3, 1973

The Executive nominations confirmed by the Senate August 3, 1973:

DEPARTMENT OF DEFENSE

William Keith Brehm, of California, to be an Assistant Secretary of Defense.

DEPARTMENT OF COMMERCE

Karl E. Bakke, of Virginia, to be General Counsel of the Department of Commerce.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

James B. Gregory, of California, to be Administrator of the National Highway Traffic Safety Administration.

DEPARTMENT OF JUSTICE

Ralph F. Keil, of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years.

William F. Clayton, of South Dakota, to be U.S. Attorney for the District of South Dakota for the term of 4 years.

Donald J. Stohr, of Missouri, to be U.S. attorney for the eastern district of Missouri for the term of 14 years.

Harold M. Fong, of Hawaii, to be U.S. attorney for the district of Hawaii for the term of 4 years.

George K. McKinney, of Maryland, to be U.S. marshal for the District of Columbia for the term of 4 years.

Harold M. Grindle, of Iowa, to be U.S. Marshal for the Southern District of Iowa for the term of 4 years.

Victor Cardosi, of New Hampshire, to be U.S. Marshal for the District of New Hampshire for the term of 4 years.

Thomas K. Kaulukukui, of Hawaii, to be U.S. marshal for the district of Hawaii for the term of 4 years.

Edward J. Michaels, of Delaware, to be U.S. marshal for the district of Delaware for the term of 4 years.

Doroteo R. Baca, of New Mexico, to be U.S. marshal for the district of New Mexico for the term of 4 years.

Walter J. Link, of North Dakota, to be U.S. marshal for the district of North Dakota for the term of 4 years.

George L. Tennyson, of South Dakota, to be U.S. marshal for the district of South Dakota for the term of 4 years.

Royal K. Buttars, of Utah, to be U.S. marshal for the district of Utah for the term of 4 years.

Doyle W. James, of Colorado, to be U.S. marshal for the district of Colorado for the term of 4 years.

Charles E. Robinson, of Washington, to be U.S. marshal for the western district of Washington for the term of 4 years.

Bill Carnes Murray, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Leonard I. Garth, of New Jersey, to be a U.S. circuit judge, third circuit.

Joseph T. Sneed, of California, to be a U.S. circuit judge, ninth circuit.

John A. Reed, Jr., of Florida, to be a U.S. district judge for the middle district of Florida.

HOUSE OF REPRESENTATIVES—*Friday, August 3, 1973*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

We know that in everything God works for good with those who love him.—Romans 8: 28.

O Thou who art the light of all that is true and the life of all that is good, lay Thy hand in blessing upon us as we wait upon Thee and as we prepare ourselves for our August recess. Grant that we may so use these days that we may return renewed in body, mind, and spirit, and may those who travel, travel safely.

Keep us all, standing on this floor and in the gallaries, mindful of our duty to our country, to love her, to support her Constitution, to obey her laws, to respect her flag and to defend her against all enemies. May we also remember that Thou art ever with us always working for our good.

The Lord bless you and keep you in his love. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 4083. An act to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes; and

H.R. 6713. An act to amend the District of